



Thinking Lab on Sustainable Growth

Policy Brief

Authors:

Ana Margarida Esteves
Igor Fayler
Robin Hugnot-Noël
Vanta-Vasiliki Kyriakou
Thomas Pellerin-Carlin
Sabrina Schulz
Luís Teles Morais
Pablo Valdés-Stauber González

Over the course of the last two years, the Berlin-based think tank Das Progressive Zentrum organised, in cooperation with numerous partner organisations, the trans-European civil society project 'DIALOGUE ON EUROPE'. Within this framework, experts and practitioners from across Europe gathered in four so-called 'Thinking Labs' to deliver fresh ideas and to independently elaborate concrete policy recommendations on four European key areas: Migration & Integration, Populism, Social Cohesion, and Sustainable Growth. The overall project has been supported by the German Federal Foreign Office.

Introduction Genesis of the Recommendations

By the co-facilitators

SABRINA SCHULZ | Head of the Berlin Office of E3G, an independent climate change think tank, Germany, & **LUÍS TELES MORAIS** | Director of the Institute of Public Policy, Portugal

Our Approach: What does Sustainable Growth mean to us?

This paper presents proposals by a group of young civil society activists and professionals from six European countries (France, Germany, Greece, Italy, Portugal and

Spain) who are passionate about the future of the European Union and about promoting a sustainable, inclusive and climate-friendly growth path for their societies.

Growth is usually understood as merely related to increasing the Gross Domestic Product (GDP) and competitiveness. This does not, however, always deliver benefits to all societal groups, nor does it address their needs and visions for a prosperous and meaningful life. Our Thinking Lab therefore focused on sustainable well-being, rather than growth, as the overarching goal of its proposals.

Sustainable well-being prioritises environmental and social benefits as well as good governance. **Fairness across generations** is key, which includes the **protection of our natural heritage** for future generations.

This implies, first and foremost, the responsible use of natural resources (mainly through a circular economy) as well as the protection of what is considered a ‘safe’ climate for both human beings and the preservation of biodiversity (mainly through the decarbonisation of our economy by the middle of the 21st century).

“When measuring economic prosperity, social and environmental externalities have to be taken into account.”

Sustainable well-being is also understood in an **economic** sense, i.e. when people have the economic resources to meet all their basic needs (housing, eating, clothing, heating, basic mobility) and to fulfil some of the objectives which they have defined based on their personal values, interests and desires. When measuring economic prosperity – preferably on the basis of Gross National Revenue (including GNR adjusted by purchasing power parity) or non-forced purchasing power (capacity to acquire non-basic goods and services), rather than GDP – social and environmental externalities have to be taken into account.

There are also **financial** aspects to sustainable well-being: public and private financial flows need to be diverted away from polluting towards ‘greener’ projects (renewables, energy efficiency, low-carbon infrastructure etc.). Environmental, social and governance (ESG) criteria should be integrated into financial transactions for the lasting benefit of both clients and society at large. **Social** aspects are just as important: We want to achieve the greatest possible level of social inclusion and equality, not least by providing opportunities for upward social mobility, such as through equal access to free, quality education for all. Last but not least, there is a **political** dimension to sustainable well-being: on the one hand, democratic principles, including transparency and accountability, need to be adhered to; on the other hand, citizens have to be able to actively participate in political processes, especially at the local level – even in highly centralised European countries.

The debate on these issues has been re-intensified recently by EU Commission President Jean-Claude Juncker and French President Emmanuel Macron. President Juncker’s State of the Union speech in 2017 was, in many respects, a beacon of hope and ambition: significantly, no reference was made to “growth” as a goal. Rather, President Juncker emphasised a “Europe of freedom” and a “Europe of equality”. Macron, in turn, called for a Europe that leads in the quest to “make our planet great again”.

The Focus of our Thinking Lab: Innovation and a ‘greener’ Economy as Drivers for Sustainable Well-Being and a fairer Society

Our work focused, first of all, on the background of inequality, and unemployment in Southern Europe.

Tackling pockets of high unemployment (youth, long-term older workers) in the South of the EU requires action in the areas of education (including non-formal education¹), the transferability of skills and knowledge, investment and innovation. Thus, this is both about the creation of jobs and about preparing people for the ‘new’ labour market. This new labour market will be increasingly characterised by technological change. Disruption through digitalisation and automation is bound to happen and technological change will accelerate. As a recent report from the World Economic Forum puts it, this transformation “will fundamentally alter the way we live, work, and relate to one another”².

This does not, however, necessarily entail job losses at a massive scale in European societies. The question is rather what kinds of new jobs will be created in the future and what types of skills will be required: how can we prepare future generations for a job market that is changing at an unprecedented pace because of technological change? Our societies – and our education systems in particular – must adapt quickly to this trend. The protection of workers and technological development are not mutually exclusive; the human dimension can and must be incorporated into technological progress.

1. For further information see [ETEC 510](#) or the [Erasmus+ page](#) on recognition of NFE in youth work.
2. See the [World Economic Forum report on ‘The Future of Jobs’](#) which estimates a job loss of over 5 million in the 15 countries covered in the study as well as a job gain in other areas

Our second focus was on climate, energy and environmental policy, because a Europe exposed to uncontrolled climate change will not be able to deliver sustainable well-being for its citizens. Today, despite being a long-standing leader in climate policy and the energy transition, the EU is slowly giving up on ambitious policies for climate and energy. This became clear when the EU did not take the opportunity to align its climate policies with the 2015 Paris Agreement – despite a number of major legislative proposals, including the legislation to overhaul energy markets (Clean Energy for all Europeans package) and standards in transport. The EU also delayed the update of its mid-century low emissions strategy. As a result, the ongoing transition to a low-carbon economy has stopped in its tracks and important strategic decisions on shaping the low-carbon agenda are being neglected.

“Future energy and transport systems will not only be emissions-free: they also have to embrace technological trends in information and communications technology.”

The same is true for the **digital agenda** because the future energy and transport systems will not only be emissions-free, but also have to embrace technological trends in information and communications technology on which the future of the European economy and hence the future of jobs will depend. When the Juncker Commission decided to leave important decisions on adjusting the EU’s climate policy to its successor, it squandered important opportunities to shape both the international climate regime and the future of key industries in Europe. Regulatory and policy signals regarding a decisive shift to renewable energy and improved energy efficiency, especially in the housing sector, and a decarbonised transport system, are sorely missing. This is to the detriment of the younger generation and European societies as a whole.

At the same time, climate impacts in the EU such as heat waves, forest fires, drought, flooding, and severe storms are destroying human lives, agricultural crops, and infrastructure, averaging 13.3 billion Euros in damages in 2010-2015. In 2016, the EU supported the

“Regulatory and policy signals regarding a decisive shift to renewable energy and improved energy efficiency are sorely missing.”

re-building of infrastructure with 31.5 million Euros from EU funds. As important as those re-building measures may be, prevention is better than cure. The future goal must be to spend more money in prevention measures in order to make vulnerable regions more resilient to climate impacts rather than paying over and over again for the shortcomings of the past. The evidence is clear that Southern Europe will be affected disproportionately by climate impacts, and projected damage costs from climate change are highest there, too. Thus, the case for decarbonising the European economy and the case for ensuring sustainable well-being in Europe must go hand in hand.

“Decarbonising the European economy and the case for ensuring sustainable well-being in Europe must go hand in hand.”

As a consequence, when developing our policy recommendations, we stayed true to our belief that Southern European economies need to focus on innovation and education as well as on attracting and retaining local talent. However, we also demand that their economic development does not compromise planetary boundaries or human well-being across society as a whole.

Our particular Added-Value for the Debate: Perspectives and best Practices, by young Thought Leaders from six European Countries

This paper presents a range of successful policies and best practices from all over Europe which take the concerns outlined above into account. Based on these premises, the Thinking Lab on Sustainable Growth developed concrete policy recommendations for the local, national and European levels. In line with the two focal issues stated above, our Thinking Lab contributors concentrated their work on the following issues:

INEQUALITY AND UNEMPLOYMENT IN SOUTHERN EUROPE:

“Reconciling Competitiveness and Social Protection: Social Investment as a strategic Priority for the next EU Budget” by Robin Huguenot-Noël (France)

“Safeguarding Sustainable well-being for All – The Significance of strengthening Resilience through economic Diversification and Disaster Risk Prevention” by Igor Fayler (Germany)

CLIMATE, ENVIRONMENT AND ENERGY POLICY:

“Local Energy Communities – An Opportunity for Sustainable Value Creation and Employment in peripheral Regions of Europe?”,
by Ana Margarida Esteves (Portugal)

“Smart Islands and Energy Communities – Key future Actors for Climate Change Adaptation and Energy Sustainability in the EU”,
by Vanta-Vasiliki Kyriakou (Greece)

“Spain’s Energy Production – An integrated Energy Market as a Driver for sustainable Growth in Europe?”, by Pablo Valdés-Stauber Gonzalez (Spain)

“Driving the European Energy Transition through e-Mobility”, by Thomas Pellerin-Carlin (France)

The proposals in this paper produced by young representatives from European civil society during an 18-month process aim to inspire debate around transformational policy change in the EU in order to improve livelihoods and ensure smart, sustainable and inclusive well-being in the whole of Europe.

Reconciling Competitiveness and Social Protection: Social Investment as a strategic Priority for the next EU budget

ROBIN HUGUENOT-NOËL | European Policy Centre (EPC), France

Policy Context and Problem Analysis: Unprecedented industrial Transformation and an increasing Need for Social and Education Investment all over Europe

The 21st century has begun with an unprecedented wave of industrial transformation. After an initial decade of slower uptake, new trends – such as automation, artificial intelligence, big data, analytics or robotics – are substantially impacting the way goods and services are conceived and produced. As this process creates concerns about future employment structures in European societies, the EU and its member states have an important role to play when supporting workers on the path of this economic transition.

As the European Commission is expected to announce a list of strategic priorities and a budget for the post-2020 era, the likely impact of industrial transformations on future jobs and their prospects raises a number of questions for the EU policy agenda: What is the EU currently doing to support its citizens in developing the skills they need? To what extent are pressures on the EU budget likely to affect strategic decisions? How could the EU post-2020 funding strategy link its competitiveness and social protection objectives more effectively?

BUDGETARY PRESSURES ON THE EU’S MAIN SOCIAL INVESTMENT POLICIES

Social investment policies are policies which ‘prepare’ individuals and families to respond to new social risks of a competitive knowledge society, by investing in human capital stock from early childhood onwards rather than simply ‘repairing’ damage after moments

of economic or political crisis.³ In line with the Lisbon Treaty,⁴ which stipulates that the Union should support training and labour market integration in member states, the EU has developed a number of tools aimed at boosting social investment across the continent.

The European Structural and Investment Funds (ESIF), known as the EU Structural Funds, represent the primary source of social investment in the EU. As part of this, the European Social Funds (ESF) and the Youth Employment Initiative (YEI) have played a major role during the last financial and economic crisis in addressing high levels of (youth) unemployment rates. Other EU budget lines – such as Erasmus+ – as well as stand-alone budgetary instruments such as the European Globalisation Adjustment Fund also fulfil this objective by providing highly targeted human capital development support.⁵

However, the EU budget is currently subject to a number of constraints, which could severely impact ‘traditional EU policies’, including the Structural Funds. Firstly, the EU is currently facing immense challenges such as migration, national security and climate change – all of which will have implications for the EU budget. In addition, the looming prospect of Brexit could further impede Europe’s investment capacities as it will reduce the overall European budget. As a result, EU funding tools aimed at boosting social investment could be reduced in the next Multi-annual Financial Framework (MFF).

In this context, increased attention has been given to the role that financial instruments – such as loans, guarantees, equity participations or technical assistance grants provided by the European Investment Bank (EIB) – could play in leveraging the impact of the EU budget in this sector. However, the possible contribution of these instruments to the EU’s social investment agenda remains limited.

A SKILLS INVESTMENT GAP UNLIKELY TO BE FILLED BY FINANCIAL INSTRUMENTS

In 2014, in the context of a sharp decline in investment in Europe resulting from the financial crisis, the European Commission launched the Investment Plan for Europe – also referred to as the ‘Juncker Plan’ – with the aim to mobilise 315 billion Euros of public and private investment to boost growth and employment in Europe. As part of this plan, the European Fund for Strategic Investment (EFSI), launched in July 2015, was recently extended until 2020, with the aim of mobilising 500 billion Euros in investment.

A few years after its adoption, concerns have been raised about the timid contribution of the Juncker Plan to the EU’s social investment agenda.⁶ Recent developments indicate that the Commission is considering recalibrating the EFSI to better suit the needs identified in the area of social infrastructure. Yet, the ability of this tool to provide a genuinely additional resource for human capital investment remains contested. A working document of the Commission underscored that the EFSI was “far from reaching its full potential in boosting human capital development.”⁷ This comes with opportunity costs for the EU’s employment agenda. A report by the International Labour Organization (ILO) estimates that about 100,000 jobs could be created by additional support for skills development⁸.

There is significant risk that the leverage of new financial instruments will not provide sufficient resources to make up for the negative impacts of EU budget cuts on the EU’s existing social investment tools. At the same time, the gap between the existing skills of European workers and those required to enter a rapidly changing labour market is unlikely to be closed any time soon. In this context, there is an urgent need for the EU to develop a more strategic approach to social investment.

3. For more details about the logic of social investment, see Hemerijck, Anton, “Social investment ‘stocks’, ‘flows’ and ‘buffers’”, Collegio Carlo Alberto, Torino, 2014.

4. Article 166 TFEU

5. For the purpose of this paper, we consider human capital as “the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being” (OECD).

6. Huguenot-Noël, Robin and Fabian Zuleeg (2016), “Rethinking the EU’s investment strategy: EFSI 2.0 needs a Social Pillar to address economic insecurity”, EPC commentary, European Policy Centre (EPC), Brussels, www.epc.eu/pub_details.php?pub_id=7175

7. European Commission (2017), “2017 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews” Brussels.

8. International Labour Organisation (2015), “An employment-oriented investment strategy for Europe”, Brussels.

Policy Recommendations: The EU needs a more strategic Approach to social Investment

Making social investment a priority of the post-2020 MFF debate would be an opportunity for the EU to ensure that citizens benefit from the overall economic strategy. Several options could be envisaged for the EU to step up its game in this area.

First, the EU could create a 'human capital fund'. This could provide a more tailored approach to the EU's long term investment strategy in education, vocational training and similar skills-enhancing activities. An alternative would be to strengthen this dimension within the existing Structural Funds. Although less attractive from a communications perspective, this option would have the advantage of preserving the place-based logic and experience acquired over the years by those in charge of implementing the ESF.

Independently from where the funds are being attributed, a revived agenda for human capital investment should be accompanied by better alignment of EU funding tools and frameworks, and should be supported by an underlying *social investment logic*. This logic would involve looking beyond the issue of human capital and would consider how EU action can provide added value to support member states in developing robust social buffers to deal with external shocks or in responding to protection needs over the course of workers' lifetimes. Accordingly, this logic should be reflected in the EU's wider economic governance framework by allowing, for example, for the exclusion of all types of social investment expenditure – on the basis of their growth-enhancing spending nature – from the Stability and Growth Pact rules.

These proposals will require the EU to move away from the conception of a supposed trade-off between social protection and competitiveness and to fully consider how both objectives can mutually reinforce each other. The current debate about strategic priorities for the post-2020 Multiannual Financial Framework offers a timely opportunity to realign these agendas.

Safeguarding Sustainable Well-Being for All – The Significance of strengthening Resilience through economic Diversification and Disaster Risk Prevention

IGOR FAYLER | Project Manager, E3G, Germany

Policy Context and Problem Analysis: Climate Change as a Threat to Europe's Social, Cultural and Economic Foundation and the EU's insufficient Adaptation to it

Many transboundary regions across the EU depend on an intact ecosystem, nature-based-infrastructure (NBI) as well as usable natural resources for the production of goods and the provision of services. The effects of climate change, such as floods, heat waves, or heavy storms therefore compromise both the natural and the economic basis of millions of citizens across Europe.

Despite various national and international efforts to curb global warming, overall emissions of greenhouse gases (GHG) continue to rise. Research suggests that current climate change mitigation efforts are insufficient to limit global warming to well below 2°C above pre-industrial levels as per the Paris Climate Agreement. According to the World Economic Forum (WEF) trends and events related to climate change and the environment pose the greatest risks both in terms of impact and likelihood. Phenomena such as extreme weather events, natural disasters, water crises and involuntary mass migration ('climate refugees') are – to a certain degree – linked to global warming. Various transboundary regions across Europe are projected to suffer from climate impacts.

Extreme weather events related to climate change such as heat waves, heavy precipitation, droughts and storms are projected to increase in frequency and intensity. Besides its negative effects on public health and the environment, advancing climate change threatens Europe's social, cultural, environmental and

economic foundations. Extreme weather events such as heat waves furthermore increase the risk of forest fires and electricity blackouts, while natural disasters impact infrastructure and economic activities across various sectors such as water systems, agricultural production, transport and tourism. Between 1980 and 2015, the total economic losses from climate-related extremes in the countries of the European Economic Area (EEA) amounted to some 433 billion Euros. While all of Europe is affected by global warming, it is projected that Southern Europe will bear the highest economic costs of climate change.

“The effects of climate change compromise both the natural and the economic basis of millions of Europeans.”

The effects of climate change compromise both the natural and the economic basis of millions of EU citizens. Until today, the EU has adopted a set of important adaptation measures. The EU Adaptation Strategy laid the groundwork for knowledge generation, information-sharing, governance and mainstreaming adaptation into relevant policy areas and programmes. Key initiatives include a Working Group on Adaptation, policies such as the EU Floods Directive, and the European Climate Adaptation Platform (Climate-ADAPT) while the 7th Environmental Action Plan has acknowledged the need to enhance the Union’s “environmental, economic and societal resilience”.

Given that the EU Strategy on Adaptation is currently under review, the upcoming months represent a golden opportunity to put the EU’s Climate Change Adaptation (CCA) strategy into a broader context, re-examine its gaps and weak spots, and to propose changes and amendments with regards to governance, policy and finance.

“Adaptation to climate change is far from being a cross-cutting issue in the Commission policy.”

Policy Recommendations:
Expanding the European Commission’s role as a Governance Hub for transnational Climate Change Adaptation, enhancing Resilience, and safeguarding Prosperity of economic Regions at Risk

As regional and national solutions are insufficient for tackling transnational issues, the European Commission should expand its role in both climate change mitigation and adaptation. In terms of governance, the EU must establish CCA as a cross-cutting issue.

As of today, adaptation plays a role in various policy areas across the EU. Nonetheless, despite the fact that climate change affects all aspects of life and therefore most policy areas (including social justice, employment, and education) adaptation to climate change is far from a cross-cutting issue in the Commission policy. In order to mainstream CAA into all areas of EU policy and to enhance monitoring, planning, implementation and reporting, this initiative has to be established as a cross-cutting issue in all directorates-general, each executive agency and service department. This would allow the EU Commission to strengthen its role as a *governance hub for transnational climate change adaptation* and to support transboundary cooperation in a comprehensive manner.

BUILDING RESILIENCE THROUGH ECONOMIC DIVERSIFICATION AND DISASTER RISK PREVENTION (DRP)

Safeguarding the EU’s social, cultural, environmental and economic foundation should be at the heart of all EU policies. Yet many regions, both urban and rural, do not have a diversified regional economy. Whether agriculture (e.g. the Mediterranean) or winter and mountain tourism (e.g. the Alps), most of these transnational regions are vulnerable to the effects of climate change.

While adaptation mechanisms such as climate-smart agriculture and the utilisation of artificial snow can absorb some of the risks and expected economic losses, they are insufficient in case of extreme weather events such as floods or natural disasters such as avalanches. The European Commission can support citizens, communities and businesses in exploring ways to diversify these regional economies at risk. In a first step, the Commission, in close collaboration with regional authorities, should examine and propose mid-term and long-term diversification strategies for transboundary EU regions at risk, and should support both horizontal (between affected regions) and vertical (between local, regional, national and European actors) diversification measures.

At the same time, both natural and anthropogenic disasters remain a major threat to these regions. Consequently, disaster risk reduction (DRR) constitutes an essential element of climate change adaptation. In his “Initiative for Europe” speech in September 2017, French President Emmanuel Macron stressed this fact by proposing a European civil protection force. The EU has acknowledged and assessed synergies between existing CCA policies and DRR strategies at the EU level.

Disaster risk management (DRM), combines both disaster risk reduction and climate change adaptation. It represents a promising approach to support transnational regions at risk of climate-induced natural disasters and extreme weather by developing climate and disaster-resilient (nature-based) infrastructure.

As of today, however, existing (DRM) approaches privilege disaster financing based on insurance as well as post-disaster recovery. The EU Solidarity Fund (EUSF) supports member states to repair, restore and clean up after a natural disaster has occurred. While being a meaningful and necessary fund, the EUSF remains *reactive* in its nature. As a result and to prevent disasters from happening and/or limit their negative effects, the European Commission should emphasise disaster risk *prevention* within its overall DRM strategy. A first step would be to amend the EUSF with an ‘EU Resilience Fund’ which promotes and supports long-term private investments in climate-resilient infrastructure and disaster prevention.

Local Energy Communities – An opportunity for Sustainable Value Creation and Employment in peripheral Regions of Europe?

ANA MARGARIDA ESTEVES | Instituto Universitário de Lisboa (ISCTE-IUL), Centro de Estudos Internacionais, Portugal

Policy Context and Problem Analysis: Lack of European Coordination and Strategy for the Governance of the Energy Transition

By 2050, nearly 10 billion people will live on earth, requiring efficient and reliable energy supply, clean water, healthy food sources, housing and community development. These conditions are at the forefront of pressing global issues that must be addressed. So-far, however, the EU-wide debate about the transition towards renewable energy sources has hardly touched upon the role of grassroots-level resilience to the effects of climate change, and how this might be better promoted.

“The EU-wide debate about energy transition has hardly touched upon the role of grassroots-level resilience.”

One good example of grassroots-level resilience is renewable energy autonomy at the local and regional level. This, however, requires an integrated energy market at the European level, which is still far from being completed. It should to be emphasised that renewable energy autonomy and an integrated, EU-wide energy market are not mutually exclusive – quite the contrary. When framed within an approach to climate change adaptation that integrates the promotion of energy autonomy with that of water conservation and regional-level food production, we can see the potential of enhancing the comparative advantages inherent to the ecosystems of each region, thus boosting value creation and exchange across Europe.

For this purpose, we propose a new EU-wide programme, called **Local Energy Communities (LECs)**, which supports regional development strategies based on regenerative ecology principles. This programme should foster commons-based strategies which integrate the decentralised production of renewable energies into whole systems frameworks, promoting water conservation, food production and, in the case of rural areas, soil conservation, at the regional level.

In this context the European Commission's proposal for a revised renewable energy directive from November 2016 sets targets for renewable energy production for each EU member state, and outlines measures for supporting transnational cooperation in the field of energy transition governance. However, it does not explicitly address strategies for coordinating incentives for renewable energy production with regional development strategies. Another general problem in this context is that a very large percentage of European regional development funding remains unused.

The European Parliament's resolution of the 26th of May 2016 on delivering a new deal for energy customers created an opening for making this relationship explicit in EU policy. It does so in a way which promotes participatory governance, in line with the principle of subsidiary, by calling for citizens to be empowered to produce, consume, store or trade their own renewable energy. Still, it does not clarify or stipulate whether the EU should continue focusing its energy policy incentives on the private sector, or whether, in line with this demand, it should promote specific incentives for commons-based citizens' initiatives. Such initiatives could include renewable energy cooperatives, ecovillages and eco-neighbourhoods, to be implemented via local and regional-level administrations.

Our concept of LECs proposes a strategy for the operationalisation of this goal, one based on best practices of rural and urban commons-based strategies for energy transition from across Europe (see separate box on best practices). They address the pressing future global issues of energy efficiency, food security, water management and waste-to-resource systems in an integrated manner. Even though LECs have gained in significance

in recent years, both the European and national level can still enhance their policies in this field to further capitalise upon their benefits.

“Local Energy Communities have the potential of being particularly beneficial to economically marginalised regions in Southern Europe”

Policy Recommendations: Increasing transmission Capacities, creating more Incentives for Renewables, and connecting marginalised Regions more efficiently

Local Energy Communities have the potential of being particularly beneficial to economically marginalised regions in Southern Europe. By capitalising upon comparative advantages based on climate, geography and ecosystems, they can also create economies of scale which will decrease the costs of production, commercialisation and consumption of renewable energy.

One way in which such cost reductions could be achieved would be by increasing the transmission capacity between Southern European countries and Central/Northern Europe. Such measures would contribute to a reversal in the stagnation of renewable energy capacity seen in recent years by increasing incentives for investment in the sector. It would also create incentives for renewable energy consumption, especially in European regions whose geographical conditions make it difficult for them to produce renewables.

The EU's INTERREG V programme, financed by the European Regional Development Fund, is a trans-border regional cooperation initiative and includes, among its 11 investment priorities, combating climate change and promoting environment and resource efficiency through the promotion of a low-carbon economy. This represents an opportunity for the introduction of the LECs programme through existing funding instruments of EU programmes.

The development and implementation of LECs should be based on localising regions with ecosystems which favour the local production of renewable energy. They should be identified and classified according to the measurable productivity and value creation potential of renewable energy sources within that region or ecosystem. An assessment should then be made of the potential of regions for a particular renewable energy technology based on their current production figures and/or export specialisation in this sector.

Looking into the comparative advantage of regions would enable the identification of regions which are better able than others to compete in a particular technology. But even if a region is not yet specialised in a certain sector it might develop a comparative advantage over time, especially if the sector is based on rapid innovation. The LEC programme should therefore also include funding provisions intended to promote the intra-European transfer of technology. This would ensure that those regions which are not yet able to produce the renewable energy they need, can yet develop their respective comparative advantage and have the opportunity to do so at a later stage.

The eco-villages of Tamera in Portugal and Skala in Greece, the 'smart islands' programme in the Aegean Sea, and the renewable energy autonomy programme for public buildings developed by the municipality of Barcelona (see box on best practices) are sources of best practices which, if replicated in an integrated manner, could become templates for such a programme.



Best practices: Examples of successful Local Energy Communities in Southern Europe

In Greece, at least 12 eco-networks are included in the Solidarity Economy Networks, of which at least 5 are eco-communities: the Skala Ecovillage on Mount Holomondas in the Thessaloniki region, the Telaithrion Project on Evia island, the eco-community on Kalamos island, Ecotopia on the Ithaca island as well as Enargeia in the Pellion region. Many Aegean islands have participated in the EU's 'Covenant for Mayors' initiative, setting as a goal to switch, by 2020, to 100% use of RES.

The **Smart Islands Initiative** (see contribution on Smart Islands in Greece in this paper), is currently supported by **70 island authorities from 13 countries** across Europe. During the 'Smart Islands – Creating New Pathways for EU Islands' event, held in March 2017 at the European Parliament in Brussels, representatives from local island and regional authorities joined the official signing ceremony of the Smart Islands Declaration, and confirmed their islands' commitment to transform into smart, inclusive and thriving societies, driving Europe's transition to an innovative and sustainable era.⁹

The **Skala Ecovillage in the region of Thessaloniki** is an attempt to form and accomplish an environmentally friendly and collective way of living. In 2014, a core group of some 8-10 people started working intensively on the implementation of their vision which is, as they state, to connect the "political and social vision with the idea of a life free of fear, create an eco-village as a school of life where the training of personality is getting enriched by the participation in the common affairs". Their work is based on the principles of trust, solidarity and cooperation, having as a goal to become a small community serving as an example "for the whole society."¹⁰

Tamera, an ecovillage in the municipality of Odemira, Southwestern Alentejo, Portugal, was founded in 1995 and is implementing an integrated model of commons-based livelihood. This is based on regional-level autonomy in terms of water, renewable energy and food. According to sources from Tamera's Ecology Team, in late 2015, the ecovillage was already producing 54% of all the electricity consumed within its premises. The permaculture system known as the Water Retention Landscape (WRL), which combines rainwater conservation, reforestation and soil regeneration, allowed Tamera to become fully autonomous in terms of water usage as early as 2011. Thanks to the WRL, the community was producing about 14% of the food consumed within its premises in 2015. Some 65% was bought from organic farmers in the region, while the rest was imported.

In March 2017, the plenary of the Barcelona City Council approved the creation of the public company **Barcelona Energy**, a company which, besides generating energy, will buy and sell electricity from renewable sources. The company will allow the municipal administration to achieve a higher degree of self-sufficient and to stop relying on conventional power plants. Recently, the city's Consistory announced that it would allocate 12.4 million Euros to the installation of solar panels in 48 municipal buildings, including schools, libraries and civic centres. Support will also be provided for private buildings where the investment is made by individuals. They will receive municipal support through subsidies and bonuses.

9. <http://www.dafni.net.gr/en/>

10. <http://skalaecovillage.com/en>

Smart Islands and Energy Communities – Key future Actors for Climate Change Adaptation and Energy Sustainability in the EU

VANTA-VASILIKI KYRIAKOU | Democritus University of Thrace, Greece

Policy Context and Problem Analysis: Strengthening sustainable Energy Production at the local Level, connecting innovative Islands at the European Level

Southern EU Countries such as Greece have a huge potential to drive Europe's transition into a resilient, sustainable and inclusive economy through local energy communities and smart islands, thus adapting to the challenges of climate change and an economy in continuous transition.

“Promoting the autonomous production of renewable energy on islands, would enable these to better benefit from their comparative advantages.”

Today, most islands in the European Union face high energy costs and other problems when it comes to security of energy supply. To a large extent this hampers economic growth and employment on the islands. As a consequence, thriving economic sectors, which consume significant amounts of energy, do not leave much energy for other purposes. For example, tourism is a key sector for many European island economies, but it creates a seasonal energy demand which puts a strain on natural resources and infrastructures.

Promoting the autonomous production of renewable energy on these islands, together with water conservation and food production, would enable them to benefit

more effectively from the comparative advantages inherent to the ecosystems of each island, thus boosting economic growth and exchanges across Europe. Such a development is, however, often hampered by insufficient capacity to produce their own energy as a result of a lack of financial means and know-how.

On a positive note, various practical and successful examples for cooperation among islands can be found in Greece (especially the ‘Smart Islands Initiative’; see info box) and at the European level (such as the European Island Networks, the EU project ‘Promoting Renewable Energy Sources Integration for Smart Mediterranean Islands’ or the Smart Islands Declaration, signed in March 2017 in the European Parliament). Most importantly, however, is the EU-wide ‘Pact of Islands’, a political initiative with 117 EU island signatories. This is similar to the Covenant of Mayors for Climate and Energy, but, naturally, focused on islands’ intrinsic needs and characteristics. The Pact of Islands enjoys the official recognition of the European institutions and engages island authorities across Europe in meeting or going beyond the EU’s 2030 climate and energy targets by developing and implementing Sustainable Energy Action Plans specific to the islands’ needs and capacities.

The European Commission has also been acting as key driver for enhancing the economic and energy situation of islands, for instance through its ‘Clean Energy for all Europeans’ package (seeking to establish an EU-wide initiative bringing together all EU islands to accelerate the clean energy transition) or the ‘Valletta Political Declaration on Clean Energy for EU Islands’ of May 2017. In this Declaration, the Commission and 14 EU member states underlined the huge potential of islands, recognising them as main actors for innovative energy solutions and as destinations for energy investments.

At the global level, the historic Paris Agreement (reached at COP21), has placed special emphasis on the need to strengthen the role and capacity of local authorities in the fight against climate change, especially underlining the vulnerability of islands to climate change. The important role of islands in the transition towards clean energy production, thus enhancing resilience and mitigating risks, was also mentioned.

Taking into account all these developments, European islands are facing a unique window of opportunity to demonstrate worldwide their contribution to a low-carbon, circular and sustainable model of development. At the same time, they can create an exemplary model that respects the limits of islands as much as global ecosystems and available natural resources. That said, European islands need more support at the European and national levels to better take advantage of their often promising conditions in terms of clean energy production.

Policy Recommendations: Enabling Administrations of Small Islands, tailor-made ‘Hybrid Technologies’, and the Promotion of Green Tourist Destinations

Overall, the progress made to foster sustainable energy production has been considerable – especially in terms of cooperation at the European level. Yet room for improvement remains. Firstly, European member states should review the European Energy Strategy and develop a policy programme aimed at better funding local energy communities and small islands with the potential to become ‘smart’ and autonomous in their energy production. In light of the developments outlined above, the political support of the EU is a tremendously significant factor. European islands are very diverse in terms of their location, geographic and climatic potential, size and population. As a consequence, a ‘one size fits all’ programme cannot be the answer. Instead, there is a need for tailor-made solutions, underpinned by general principles for all parties involved.

Secondly, local island administrations need to be provided with tools and competences for assessing the potential of renewable energy sources on their islands. This would allow them to create sustainable local economic growth and to ensure a high quality of life, security of supply and energy services for the local population. Therefore, smart and integrated solutions for the management of infrastructure, natural resources and the environment as a whole should be implemented. At the same time, innovative and socially inclusive governance and financing schemes need to receive more support.

Consequently it is necessary to further connect European islands via an EU-wide network to exchange on best practices for sustainable energy production.

Thirdly, future policy measures should not only take into consideration technological aspects, but also social, financial and environmental factors. In the long-term, the upgrading of the necessary energy infrastructure can only be achieved when there is a broad-based acceptance for this among the local communities. To gain stronger consent within the local population – which is very often a problem when new infrastructure is built – the establishment of ‘hybrid technologies’ could be an important step. This combines several renewable energy technologies (e.g. wind and hydroelectric) and therefore adapts to the individual resources and needs of each particular island. Initial experience with this technology on ‘smart islands’ has been very promising and for this reason an extension of their use seems more than advisable. Furthermore, in order to make sure that infrastructure investments are funded in a sustainable way, the European institutions should initiate and strengthen project-relevant cooperation with all types of credit institutes and banks, helping to foster the concept of smart islands in the long-run. This would help to generate the financial support needed for the promotion of these projects from both public and private investors.

Finally, under no circumstances should improving the energy production harm the local economy (first and foremost the tourist industry) but, rather, foster key local sectors as well. Smart islands should therefore become a role model for ‘green tourist destinations’. It is indispensable for all stages of planning to take into consideration that islands and their marine waters are unique ecosystems that require special attention during infrastructure planning and growth.

With their strong sense of community and their territorial potential, European islands not only have the potential to be the architects of their own energy transition, but also to contribute significantly to a more sustainable, more secure and more efficient energy production in the EU.

Spain's Energy Production – An integrated Energy Market as a Driver for sustainable Growth in Europe?

PABLO VALDÉS-STAUBER GONZALEZ | Institute for Material's Resource Management, University of Augsburg, Germany

Policy Context and Problem Analysis: Southern Europe could contribute significantly to the ambitious EU Climate Goals – but its potential remains insufficiently exploited

By 2020 the EU aims for each member state to be able to exchange 10% of the electricity it produces with its neighbouring countries (increasing to 15% by 2030). Spain's currently high (and possibly further increasing) supply of renewables in general and wind energy in particular represents a significant comparative advantage – to the ecological benefit of the country itself but potentially also of other member states and, in the end, to the European Union as a whole. This can help consumers in neighbouring countries and can become a reality through the implementation of Projects of Common Interest (PCIs), such as North-South electricity interconnections in Western Europe which enhance interconnection.

Since 2010, drastic and retroactive cutbacks in incentives have led to a halt in investments in renewables in Spain, and stagnation since 2012 (as incentives had been too high over many years and the technology not mature enough). Due to this stagnation, and because of worldwide decreasing coal prices (caused by the global tendency of decarbonisation), the amount of electricity produced by nuclear and coal sources has even increased in some of the years since then. This, of course, runs counter to the EU's goal of producing more energy from environmentally friendly and sustainable sources. Now, as the economic situation improves, Spain and the EU have reached a crucial point for getting on the path of sustainability again.

With regard to the EU's other objective of every member state generating 20% of its total final energy consumption through renewables by 2020, it can be noted Spain has enormous potential to achieve or even surpass that goal – as is the case for all of Southern Europe. This potential is first and foremost based on its diverse natural resources. Thus, the country can contribute significantly to green energy in the EU. It should also be noted that Spain's renewables mix is based on climate conditions that do not have a critical volatility and can, therefore, almost be viewed as generating base load (mainly through wind power installations in areas with high and constant wind resources). Given these premises, Spain's neighbours (and actually the EU as a whole) could benefit directly from these positive conditions by means of integrated energy transmission – positive conditions found throughout the South of the continent.

One positive example for trans-European cooperation is the one between Spain and France. The border is rather short and so the way for electric power exchange seems to be clear. For instance, Spain and France have planned high-voltage lines (which are to be finished by 2024 in most cases) and a gas pipeline for after 2022. An update of other Projects of Common Interest was made in November 2017.

“The EU is not moving towards an Energy Union because of a clear, common policy vision but because of individual national measures.”

Yet, aside from this example of how one country can contribute to the amount of ('green') energy produced (and later consumed) in another part of the EU, there remain structural differences regarding different countries' approaches to their energy politics and their position towards a national energy transition. These structural differences clearly show that, by now, the EU is not moving towards an energy union because of a clear policy vision; rather this is resulting from the simple fact that most countries, individually, are becoming greener in their electricity mix and are working on energy efficiency for themselves and by themselves.

Policy Recommendations: Moving the Implementation of Energy Goals to the EU Level and effectively connecting Grids in Europe to strengthen the Resilience of EU Energy Supply

Given the differing energy production and infrastructure pathways pursued by EU member states over the past decades, different positions towards a national and also EU-wide energy transition seem to be understandable. This means that different countries have different conditions when it comes to energy production and consumption, and also different potentials regarding green energy. It therefore seems advisable to continue pursuing EU-wide goals for a greener electricity mix at the EU level, rather than country-wide goals whereby each member state tries to achieve a minimum level of green energy production. It can be seen now already, in the cases of small countries, that they heavily rely on energy imports (such as Malta, Belgium and Luxembourg). As a result, their electricity mix only becomes greener when the exporting countries' electricity is produced with non-fossil resources.

“The possibilities for countries to (inter-)connect their grids needs to be improved – which requires a certain level of trust.”

That said, what is needed is to improve the possibilities for countries to (inter-)connect their grids – this would lead to some members contributing to the EU-wide energy transition by producing and others by consuming greener energy. This requires a certain level of trust, as the generation capacity that is being relied on, and the sources of volatility in production, reside in a different country. The idea would be to create a more systemic solution to the energy needs in the EU, as has already occurred with the electricity market over a decade ago. This time however, it should also be realised in terms of infrastructure. This would mean a more integrated connection between EU countries.

Furthermore, so-called Projects of Common Interest should be pursued and supported more strongly as this is the core step in making an integrated energy market

possible. For instance, with regards to the gradually progressing integration of the Iberian Peninsula into the European electricity grid and market, it is recommended that the capacity of this corridor increases on an annual basis, just as the percentage of renewables does (strongly again since 2017). Building up this kind of connectivity network equated to strengthening the resilience of the EU energy supply.

In some cases, interconnectivity is achieved through electricity cables under the sea – from regions with a high wind potential and low population density to those with a high energy demand. These projects bring with them higher investment costs but can stabilise the energy supply of Northern and Central Europe for the next decades, thereby pursuing the same goal for the availability of green energy in the EU as in the case of linking the Iberian Peninsula with France.

Concluding, it can be said that from a geopolitical and geo-economic standpoint (given that the EU has traditionally been strongly dependent on energy imports) an energy transition of this kind represents an opportunity to dramatically decrease the energy import dependency of the EU. This would significantly contribute to the creation of a solidly autonomous Energy Union, one of the core objectives of the EU for the next years. It would indeed make energy more secure, affordable and sustainable. Considering that the renewables industry is in a very good position to further prosper in the coming years, especially in Southern Europe, the policy measures elaborated above would help to a large extent to foster growth and sustainability in the European Union.

Driving the European Energy Transition through e-Mobility

THOMAS PELLERIN-CARLIN | Institut Jacques Delors, France

Policy Context and Problem Analysis: Rising Transport-related Emissions, lagging Car Manufacturers and a Lack of effective Policy Measures

The future of the automotive industry is decisive for Europe, its workers, its industrial and innovation capacity. Transportation of both goods and passengers accounts for one third of the EU's final energy consumption. Petrol and diesel cars are also a major source of air pollution, which causes 400,000 premature deaths each year in the European Union. While the greenhouse gas emissions of European industry (-36% in comparison to 1990), residential and tertiary (-24%), electricity and heat (-26%) sectors are decreasing, transport-related emissions have risen by almost a quarter since 1990.

“Car manufacturers are still struggling to rethink their business model, rather than embracing a shift articulating new trends.”

Pollution peaks, dependency on fossil fuels (imports), climate change and the recent ‘Diesel Gate’ scandal mean that the internal combustion engine is a technology of the past. Yet, car manufacturers are still struggling to rethink their business model, rather than embracing a shift articulating the electrification, digitalisation and automation of a more collaborative mobility system.

Unlike Europe, China has even applied a quota to manufacturers, stating that electric cars must account for

at least 10% of production by 2019. This system will allow the government to offload the financing of major subsidies to promote these vehicles. As Volkswagen, BMW and Renault are among the ten companies who sold the largest numbers of electric cars worldwide in 2015, some European manufacturers are still in the running – but are starting to lag behind. Asian and American competitors, in particular China's BYD and Tesla from the United States, have already taken the lead and are demonstrating increasing performance levels.

The key question thus remains: why are there not more electric cars on our roads in Europe?

Firstly, some manufacturers attempted to block the adoption of measures in favour of electric vehicles, in order to maximise their short-term profits, to the detriment of their economic viability in the medium term. Secondly, technological and physical barriers continue to make the adoption of the electric vehicle difficult: the cost of the battery is falling but can seem to remain too high, and the charging points network does not guarantee an interoperability between different systems and countries all over Europe.

“EU institutions and member states should develop a comprehensive European industrial policy, including a sunset clause for the sale of fossil fuel vehicles.”

Policy Recommendations: Investing in Batteries, expanding Charging Points and setting up a genuinely European Policy for Electric Vehicles

Electrification is without a doubt part of the solution for the automotive industry: electric cars have low CO₂ emissions (provided that electric vehicles run on clean energy) and can modernise the European economy on the basis of a major existing industry, while retaining the convenience of private vehicles for consumers. At a time when American and Asian competitors are faring well in the race, there is an opportunity for development and innovation in Europe to design and roll out a mobility system which is more efficient, more competitive

and above all more sustainable. Essentially, three solutions can help to promote electric vehicles within the EU: investing in batteries, rolling out charging points all over Europe and developing a comprehensive European industrial policy for electric vehicles.

First of all, battery performance is constantly improving and its development potential should be further stimulated by more public investments and an industrial policy that structures the European battery production sector. The 'European Battery Alliance' currently being set-up by the European Commission is a step in the right direction just like the European Investment Bank's support to Northvolt, a company that aims to launch the mass production of batteries in Sweden from 2020.

Secondly, the EU needs to roll out charging points all over its territory. This can be helped by a contribution from the Juncker Plan, which would lead to the installation of more charging points – including in peri-urban and rural areas – for an integration that is fair and accessible to all citizens. This would moreover improve the visibility of European funding in public utility projects. It could also be promoted by member states, especially France and Germany whose governments have both announced huge action plans to foster electric mobility in the future.

Developing a comprehensive European industrial policy for electric vehicles is the third necessary step to ensure Europe's transition into an era of modern and clean mobility. The current shift towards electric vehicles is led by business developments and policy measures adopted by cities (for example Paris' ambitions to end the use of petrol and diesel cars by 2030) and states (for example Norway will end the sale of new petrol powered cars by 2025, the Netherlands by 2030 and France and the United Kingdom by 2040). To avoid risking the integrity of the EU Single Market, the European Commission, the European Parliament and the EU member states should develop a comprehensive European industrial policy for electric vehicles that includes a sunset clause for the sale of fossil-fuel vehicles – despite enormous pressure which can be expected against such a measure from some of the automotive sector's lobbies.

Wrap-Up: A truly European view on Sustainable Growth

Three overarching messages unite all recommendations of our Thinking Lab:

Firstly, all factors which, ultimately, create sustainable well-being are intertwined; economic growth cannot be sustainable if it does not respect the vulnerability and the limits of the climate and of natural resources. At the same time, the challenging social and economic situation in some Southern European regions will only be overcome once anemic growth rates are drastically accelerated. Yet this can only happen under enabling conditions: For instance, 'smart' islands in Greece can only be established once local administrations are enabled with the right assessment tools. Spain's green energy potential can only become an economic and geopolitical asset for the rest of the EU once electricity grids are better interconnected and a genuinely European energy market has been created. And meaningful adaptation to climate change is only possible by targeted economic diversification in the affected regions. This means that political decisions and agreements such as the Paris Climate Agreement and guiding principles, such as resource efficiency, circular economy, and the respect for planetary boundaries, need to be mainstreamed in political decision-making. Moreover, decisive integration needs to happen both vertically and horizontally in political decision-making processes. Only a forward looking and EU-wide combination of modern infrastructure, future proof education systems, sustainable modes of production and a clean, reliable and diversified energy supply will secure sustainable well-being for European citizens in the future.

“Europe’s potential is too often not exploited due to political fragmentation and a lack of coordination.”

Second of all, the economic development paths of the European and local levels need to be aligned as much as possible to generate long-term sustainable growth in

Europe. As the examples of Local Energy Communities or Smart Islands demonstrate, relatively small actions at the local level can make a big difference, especially if they are scaled up to the greatest extent. Yet, in order for this to work, more cooperation and better coordination across Europe are necessary. European institutions can play a key role in connecting relevant local actors, for instance through platforms for the exchange of best practices and through guiding the way to EU funding schemes for transformational projects aiming to create sustainable well-being. Importantly, these platforms must not be abused to fund pet projects of influential local decision-makers (with the support of their national masters) or incumbent industries; European funds have to prove both value added and transformational potential, e.g. by shifting investments from coal plant modernisation to renewable energy projects. This can apply to areas as different as the promotion of renewables and energy efficiency projects, the management of climate risk prevention and a roll-out of educational and re-skilling programmes for European citizens. Too often, Europe's potential is not exploited to the fullest due to political fragmentation and a lack of coordination.

“Southern Europe has the potential to benefit greatly from some promising global trends such as the green economy.”

The third and most encouraging aspect is the simple but powerful message that Southern Europe in particular has a lot more potential to create jobs, growth and sustainable well-being for its citizens than we might assume given the continuous talk of crisis and decline. This is especially the case for an economy in transition towards cleaner and more energy efficient production mechanisms and an increasingly renewables-based energy supply. History has taught us that poor regions do not necessarily have to remain poor. For instance, Bavaria in Germany was an essentially agricultural area depending on transfer payments from other German communities until the 1980s and is today an economic powerhouse. The smart use of national and European public funding combined with a 'can do attitude' at the regional level made this possible in the first place. A

similar case is the Polish region of Masovia which has almost doubled its GDP per capita within one decade only. This could serve as good practice to be followed by other member states and regions in Europe. Yet, prosperity and sustainable well-being do not emerge by themselves. Rather, they rely on the targeted and strategic spending of public funds and transparent and inclusive decision-making processes. Southern Europe has the potential to benefit disproportionately from some promising global trends such as the green economy, clean energy and sustainable tourism.

Of course, the topics discussed in this paper represent only a selection of the issues we worked on during the past 18 months. Further issues we examined were, for example, isolated and peripheral regions facing particularly acute challenges when dealing with climate impacts, energy supply or economic development. Institutionalised dialogue in an EU context can help spread innovative solutions to such challenges, like those found by the Greek islands of Kythnos and Tilos. Another topic presenting important challenges from both a climate and a social policy point of view concern European coal mining regions as they are facing the decline and ultimate phase-out of coal. These regions, including in Greece and Spain, need functional approaches to diversifying their economies and embarking on a low-carbon development path. The Coal Regions in Transition Platform that was recently launched by the European Commission could constitute a way to help those regions – but only if the process does not get hijacked by the interests of the coal industry and its local allies. Finally, similar approaches are needed when connecting rural and peripheral areas to the ‘core’ and when making the low-carbon transition work for them, for example through the extension of charging infrastructure for electric vehicles as this could also help bridge the rural-urban divide across the EU.

Our recommendations can and have to be financed by European financial instruments in the framework of the next EU Multiannual Financial Framework from 2020 onwards. Particular attention needs to be spent on the European Structural and Investment Funds (*ESIF*) and the European Fund for Strategic Investments (*EFSl*) (the so-called ‘Juncker Plan’ which also mobilises funds from the private sector). A reform of these instruments

“If climate policy is not prioritised in EU spending, the costs of climate impacts could spiral out of control during the lifetime of today’s youth.”

is vital to ensure that selected projects are future-proof and deliver both decent jobs for the young generation and a climate-compatible economy. If the climate and environment are not prioritised to a greater extent in EU spending the costs of climate impacts could spiral out of control during the lifetime of today’s youth. The EU must use the current economic tailwinds to act beyond short-termism and crisis management.

Young Europeans expect action by European leaders to shape an inclusive and sustainable future. Although young Europeans have little lobbying power – not least due to demographic developments – they have a right to be heard and demand answers from EU leaders. Who is going to listen to them? Who is accountable for delivering change? Decision-makers need to turn words into action and offer a future full of hope to young Europeans. The younger generation is not only demanding action – it is also ready to get involved and help generate solutions such as those presented in this paper.

DIALOGUE ON EUROPE

Rebuilding Trust and redefining Europe in tough Times

Project Presentation

WHAT IS THE APPROACH OF DIALOGUE ON EUROPE?

The European Union has been affected by a multi-dimensional crisis for almost a decade. Traditional solutions put forward through international summitry have proved ineffective. Therefore, the current challenges faced by the European project can only be confronted through the involvement of a **strong and connected civil society**.

WHY, WHEN AND BY WHOM HAS IT BEEN INITIATED AND IMPLEMENTED?

With this need for a stronger involvement of the civil society in mind, the Berlin-based think tank Das Progressive Zentrum, in cooperation with the German Federal Foreign Office and many other partners, initiated **DIALOGUE ON EUROPE** in late 2015, especially in light of the EU-internal upheavals linked to the euro crisis and the austerity policy.

WHO HAS BEEN INVOLVED IN THE DIALOGUE ON EUROPE PROCESS?

This trans-European project has brought together young, dedicated members of various civil society backgrounds from initially 6 countries (France, Germany, Greece, Italy Portugal and Spain; later Poland and



Michael Roth, German Minister of State for Europe, discussing with participants of the #EuropeanTownHall Meeting in Lisbon, March 2016



Frank-Walter Steinmeier, then German Minister for Foreign Affairs, speaking at the DIALOGUE ON EUROPE Opening Conference in Berlin, June 2016

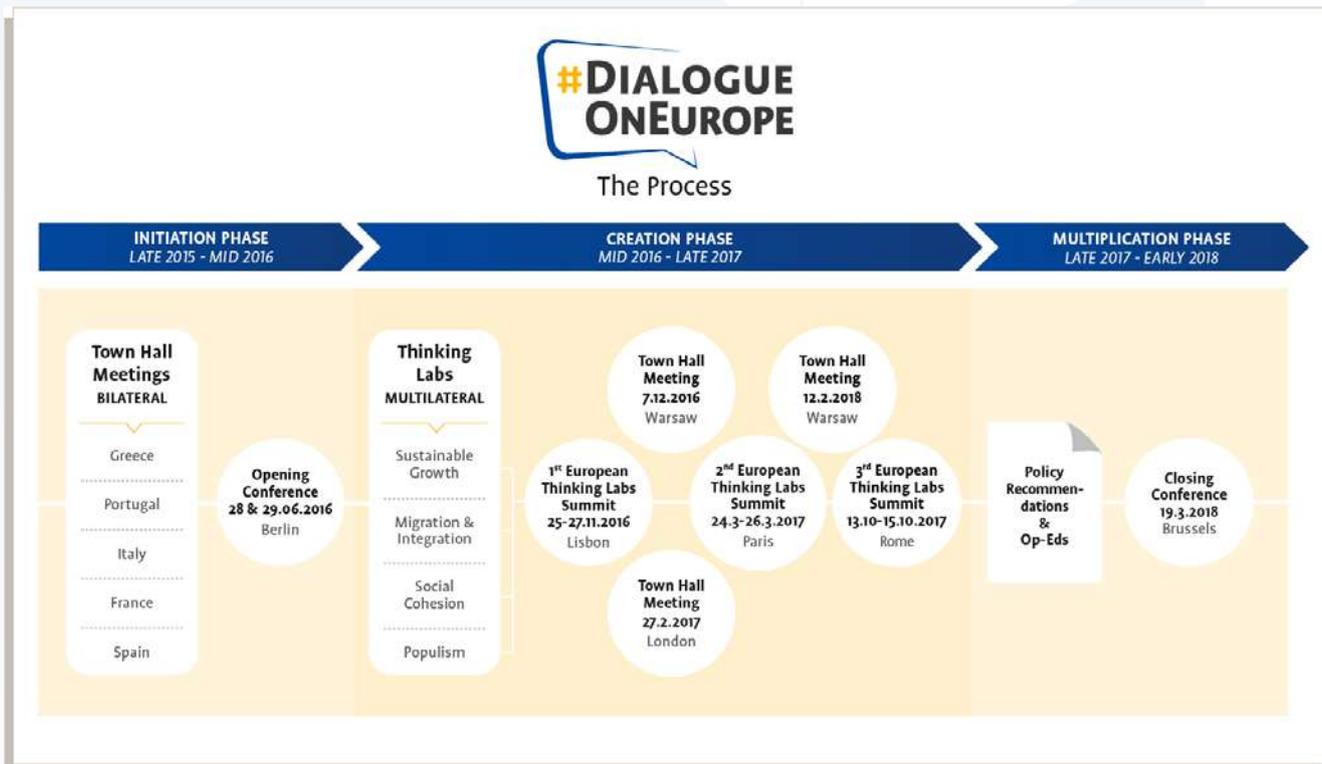
the UK) to analyse pressing EU-wide challenges and to elaborate concrete policy recommendations for the national and European level. In each country we worked together with one or more local partner organisations such as think tanks or foundations.

WHICH WERE THE MAIN TOPICS, HOW AND WITH WHICH OBJECTIVE WERE THEY DISCUSSED?

In the light of the most pressing current and upcoming challenges of the EU and its member states, DIALOGUE ON EUROPE had four main topics: Populism, Social Cohesion, Migration & Integration and Sustainable Growth. The goal was to use various perspectives from social society members all over Europe in order to **formulate concrete and feasible policy recommendations** which could serve as input for policy makers at the national and European levels.

WHAT WAS THE PROCESS OF DIALOGUE ON EUROPE?

DIALOGUE ON EUROPE unfolded in three phases. From December 2015 to June 2016 bilateral #EuropeanTownHall Meetings took place in five Southern European cities, mostly with the participation of the **German Minister of State for Europe, Michael Roth**. Hence, during this period civil society literally met politics. From June 2016 to October 2017 by contrast, civil society



Niels Annen, today Minister of State at the German Federal Foreign Office, replying to participants of the #EuropeanTownHall Meeting in Madrid, June 2016

representatives elaborated independently policy analyses and recommendations. 60 of the #EuropeanTownHall participants cooperated in four so-called ‘**Thinking Labs**’ (according to the four main topics) via digital collaboration means and personal meetings at four ‘**European Thinking Lab Summits**’. Since the last Summit in Rome in October 2017, the Thinking Labs have finalised their policy recommendations. These will be presented during the Closing Conference in Brussels.

WHERE CAN I GET MORE INFORMATION ABOUT DIALOGUE ON EUROPE AND DAS PROGRESSIVE ZENTRUM?

For more information about events, interviews with renowned experts, opinion editorials, analyses, press coverage and the final policy recommendations, please visit the project website www.dialogue-on-europe.eu. If you want to know more about the activities of Das Progressive Zentrum and its international projects go to www.progressives-zentrum.org/?lang=en or follow us on **Twitter** (@DPZ_Berlin) and **Facebook**.

DIALOGUE ON EUROPE @work

Some Impressions from our #EuropeanTownHall Meetings and Thinking Lab Summits all over Europe



POPULISM



MIGRATION & INTEGRATION



2nd European Thinking Lab Summit, Paris (March 2017)



SUSTAINABLE GROWTH



SOCIAL COHESION



3rd European Thinking Lab Summit, Rome (October 2017)

Members of the Thinking Lab on Sustainable Growth

Tiago Correia Machado	Robin Huguenot-Noël	Marta Mucznik	Luís Teles Morais
Ana Margarida Esteves	Vanta-Vasiliki Kyriakou	Thomas Pellerin-Carlin	Pablo Valdés-Stauber González
Igor Fayler	Patrícia Calca	Sabrina Schulz	

Expression of Thanks by the Thinking Lab on Sustainable Growth

We would like to express our gratitude to the co-facilitators Sabrina Schulz and Luís Teles Morais for managing our Thinking Lab with so much specialist expertise and personal dedication. We would also like to thank Patrícia Calca, Marta Mucznik, Tiago Correia Machado and Sara Mamel for their valuable contributions to our discussions. Furthermore, our thanks go to the operative team at Das Progressive Zentrum for initiating, organising and coordinating the entire DIALOGUE ON EUROPE process, including all its events in several countries. With regards to external contributions we would like to thank Dr. Theodore Panagos, Visiting Professor in Energy Law at the International Hellenic University for his input on Smart Islands in Greece. Furthermore, Leila Dregger and

Monika Alleweldt, both of them agricultural engineers and coworkers in the Tamera village in Portugal as well as Martin Winiecki, who also works in Tamera and is the director of the Institute for Global Peacework, have helped us extraordinarily with their know-how concerning Local Energy Communities. Moreover we would like to mention Emilie Magdalinski, Research Fellow for Energy & Mobility at the Jacques Delors Institute in Paris, who was an extremely valuable interlocutor for all aspects concerning future of energy and transport. Finally, we would like to highlight the significant input of Ricardo Marvão, co-founder of the Portuguese start-up hub Beta-i, during the European Thinking Lab Summit in Lisbon in November 2016.

Team and General Expression of Thanks

The concept and strategic guidance for DIALOGUE ON EUROPE has been delivered by the Executive Director of Das Progressive Zentrum, Dominic Schwickert. Philipp Sälhoff, Head of International Relations and External Affairs at Das Progressive Zentrum, has been the Project Lead during the entire process, including the network management with partner organisations in eight countries. Alban Genty, Project Manager at Das Progressive Zentrum, has been in charge of the overall project's operational management on a trans-European scale. He was parallelly in charge of the network building throughout Europe together with the Project Manager Benedikt Weingärtner, who moreover assured the quality management and editing process of all final results and documents. The two Project Assistants Camille Campagna and Lucas Matray gave highly valuable operative support throughout all stages of DIALOGUE ON EUROPE. The fantastic work of the Thinking Labs Co-Facilitators also needs to be highlighted: Sabrina Schulz & Luís Teles Morais, Cláudia Pedra & Maria Skóra, Octavio Medina and Max Neufeind as well Nuno Casimiro Vaz Silva & Hanno Burmester (in particular his support in conceptual process). During the process more than 500 attendees took part at 13 events all over Europe at colourful

places which created a simply unique working and discussion atmosphere. To all of them we would like to express our gratitude.

Even though it is impossible to name all those who contributed to the success of the project, we would like to mention and thank in particular Benyamin Abdülhay, Anna Bairaktaris, Viktoria Bechstein, Adriana Cuppuleri, Sophie Federspiel, Manuel Gath, Mona Hille, Anastasia Lampropoulou, Daniel Menzel, Lena Morozova, Elli-Katharina Pohlkamp, Florian Ranft, Salvatore Rinaldi, Tanya Shoshan and Nathalia Vitola. Yet, there are so many more which cannot be listed here but whose contribution for the project is more than appreciated.

At the German Federal Foreign Office, which has made the project possible thanks to its generous support, we would like to especially thank the Minister of State for Europe, Michael Roth, for his active participation at DIALOGUE ON EUROPE Town Hall Meetings in several countries. Our thanks also go to Niels Annen, today Minister of State at the Foreign Office, who enriched the #EuropeanTownHall Meeting in Madrid. Furthermore, our gratitude goes to Andreas Görden, Head of the Cultural

Department at the Foreign Office, and his entire team for their fantastic support throughout all stages of the project. Finally, we would like to express our sincere thanks to Frank-Walter Steinmeier, former Minister of Foreign Affairs and today Federal President of Germany, who kindly supported the project and its idea from the very beginning. Eventually, numerous staff member both at the German Embassies in all project countries as well

as a the European Directorate-General at the Federal Office in Berlin have been outstanding cooperation partners.

Ultimately, we would like to thank Fiona Wollensack for her linguistic review of all papers as well as our photo and video team consisting of Alexander Probst, Jacob Per Blut, Nico Drimecker, Drake Eidson and Carlos Klein.

We would like to thank our partners from all over Europe:



ABOUT DAS PROGRESSIVE ZENTRUM

Das Progressive Zentrum, located in Berlin, is an independent and non-profit think tank. The aim of *Das Progressive Zentrum* is to foster new networks of progressive actors from different origins and work towards a general acceptance of innovative politics and aiming at economic and social progress. In this respect *Das Progressive Zentrum* gathers in its progressive debates mainly young thinkers and decisionmakers from Germany and Europe.



Supported by:



Federal Foreign Office

Imprint:

© Das Progressive Zentrum e.V., 2018. All rights reserved. Reprint or similar usages of works from Das Progressive Zentrum including excerpts are not permitted without prior written consent.

March 2018

Das Progressive Zentrum e.V.
Werftstraße 3, 10577 Berlin, Germany
Chairs: Dr. Tobias Dürr, Michael Miebach,
Katarina Niewiedzial
V.i.S.d.P.: / Executive Director: Dominic Schwickert

www.progressives-zentrum.org
mail@progressives-zentrum.org
www.facebook.com/dasprogressivezentrum
twitter: @DPZ_Berlin

Photos: ©Jacob & Alex
Graphic design, illustrations & layout: Daniel Menzel,
based on a design by 4S & Collet Concepts