Interreg Mediterranean

LOCAL4GREEN PLUS

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Local policies to promote renewable energies

1. The LOCAL4GREEN and the LOCAL4GREEN PLUS Projects.

2. The methodology to define the green local fiscal policies.

3. The green local fiscal policies.

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1. The LOCAL4GREEN and the LOCAL4GREEN PLUS Projects.

The LOCAL4GREEN Project:

November 2016→October 2019.

10 partners, 9 MED countries.

WP3-Testing:
Designing of the local fiscal policies to promote RES according to a common methodology.
Supporting the Local Authorities to implement the Green local fiscal policies.

WP4-Transferring: trainings and advisory services.

The LOCAL4GREEN PLUS Project:

March 2021→June 2022.

6 partners, 5 MED countries.

Mainstreaming: adapting the local fiscal policies in 12 new municipalities and supporting the LAs to adopt them through the associations of municipalities (receivers partners).

Exploring additional fiscal policies at regional level in the Valencian region.

Local fiscal policies

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Modification/creation of local taxes, fees and other fiscal revenues (leasing of municipal buildings, etc.) to promote RES.

The partners of the LOCAL4GREEN:

- FVMP (Spain-Lead partner).
- MUSOL (Spain, WP3 Testing).
- Association of Albanian Municipalities, AAM, Albania
- Lazio Region Association of Cities and Municipalities, ANCI Lazio, Italy
- Development Agency of Eastern Thessaloniki's Local Authorities, ANATOLIKI, Greece
- Malta Intelligent Energy Management Agency, MIEMA, Malta
- Cyprus Energy Agency, CEA, Cyprus
- North-West Croatia Regional Energy Agency, REGEA, Croatia
- Building and Civil Engineering Institute, ZRMK, Slovenia
- University of Algarve, UAlg, Portugal.

Useful information if you want to know the details of the fiscal policies designed in each country.

The partners of the LOCAL4GREEN PLUS:

“Givers”:

- Valencian Federation of Municipalities and Provinces, FVMP, from Spain (LP)
- MUSOL Foundation, MUSOL, from Spain

“Receivers”:

- The most beautiful villages of Italy, BBI, from Italy
- Union of Cyprus Communities, UCC, from Cyprus
- Association of Municipalities of Central Alentejo, AMCAL, from Portugal
- EGTC EFXINI POLI, Network of European Cities for Sustainable Development, EFXINI POLI, from Greece

Useful information if you want to know the details of the fiscal policies designed in each country.

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2. The methodology to define the green local fiscal policies.

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20 steps based on the Deming cycle: Plan, Do, Check, Act.

Focus on:

Step 1 Analysis of the potential of renewable energy in the municipality.

Step 2 Legal analysis of the potential of local fiscal policies to intervene in renewable energy sectors at a municipal level.

Step 3 Financial-administrative analysis of the potential and economic sustainability of local fiscal policies to intervene in renewable energy sectors at a municipal level.

But attention also to:

Step 4 Analysis of gender and social inclusion perspective regarding local fiscal policies to intervene in renewable energy sectors at a municipal level.

Step 7 Consultation with the specific sector, association or collective affected by the local fiscal policies aimed at promoting prioritised renewable energy sources.

Stage 8 General citizen participation regarding local fiscal policies aimed at promoting prioritised renewable energy sources.

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The steps enable the LAs to fullfill a matrix to identify the feasible fiscal policies with more potential impact in terms of RES promotion, mainstreaming the gender and social inclusion perspective .

More information: click here (full description of the methodology).

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3. The green local fiscal policies.

173 fiscal policies designed in 78 municipalities.

Kind of fiscal policies DESIGNED	Nº	%
Immovable property tax	22	13%
Tax on economic activities (or trade tax)	18	10%
Fees for use or occupation of public land	14	8%
Tax for getting on/of vehicles through pavements	0	0%
Fee for construction of a new building/refurbishment	26	15%
Tourist tax	10	6%
General municipal RES tax for the industry	0	0%
Municipal tax on real estate transmission	1	1%
Tax on vehicles	2	1%
Others	30	17%
Not defined not foreseeable yet	2	1%
Municipal buildings leasing/renting revenues	17	10%
Waste Collection and Lighting fees	18	10%
Parking fees	12	7%
Trade licenses	1	1%
	173	**100%**

79 fiscal policies approved in 34 municipalities.

Kind of fiscal policies APPROVED	Nº	%
Immovable property tax	4	5%
Tax on economic activities (or trade tax)	3	4%
Fees for use or occupation of public land	0	0%
Tax for getting on/of vehicles through pavements	0	0%
Fee for construction of a new building/refurbishment	27	34%
Tourist tax	3	4%
General municipal RES tax for the industry	0	0%
Municipal tax on real estate transmission	1	1%
Tax on vehicles	2	3%
Others	23	29%
Not defined not foreseeable yet	1	1%
Municipal buildings leasing/renting revenues	6	8%
Waste Collection and Lighting fees	4	5%
Parking fees	4	5%
Trade licenses	1	1%
	79	**100%**

In Spain:

- **Reduction of the Constructions Tax** for taxpayers using RES.
- **Reduction of the Real Estate Tax** for taxpayers using RES.
- **Reduction of the Business Activity Tax** for taxpayers using RES.
- **Reduction of the Fees for concession of licenses to new shops/tertiary** for taxpayers using RES.
- **Reduction of the Municipal Tax on real estate transmission** for taxpayers using RES.
- **Reduction of the Vehicles Tax** for taxpayers owning electric/hybrid vehicles**.**

In Cyprus:

- **Lakatamia:** fiscal policy refers to the waste management fees per household, by **ringfencing part of the money coming in from the recent increase in the waste management fees per household to upgrade the municipal green point** (collection point for different types of waste streams and a RES-REUSE educational corner).

- **Nicosia:** fiscal policy involves the hotel accommodation tax, and **the increase of 5% in the hotel accommodation tax per room per night, for the years 2019-2021. The money raised through the increased taxation will be ringfence in a green mechanism fund and used to provide free energy audits to hotels in Nicosia region, as well as the funding of two awareness events to promote energy efficiency and RES in the hotel sector.**

In Cyprus:

- **Aradippou: ringfencing a percentage of the 2017 increase in the professional tax for legal entities working in a profession, specifically for promoting RES in the Municipality** (reduction of the professional tax for companies certified ISO 50001 and providing consulting services to companies on how to reduce their energy consumption, including suggestions for investing in renewable energy sources).

In Portugal:

- **Reduction on Construction Licensing Fees** for new buildings in the residential and commercial and services subsectors using renewable energy sources.
- **Reduction on Municipal Real Estate Tax** for buildings in the residential subsector using renewable energy systems.
- **Reduction on Corporate Tax** in the commercial subsector using renewable energy systems**.**
- **Reserved and/or free parking in municipal car parks** for electric vehicles.
- **Partial contribution of the tourist tax for renewable generation (10% of the revenues of the tourist tax to replacing the current public lighting for LED with an added photovoltaic system).**

In Greece:

- **Reduction of Fee for Municipal Real Estate Leasing when using RES.** This specific policy takes effect in the case of Leasing of Municipal Buildings to a private. There is a specific incentive in the form of a reduction in the leasing fee in the case the investor installs RES.
- **Reduction of the Fee from the Exploitation of Constructions & the Provision of Services (parking fees) when using RES.** This specific policy's concept is to be implemented in the case of a Municipal's open parking space is leased to a private and offers a certain fee reduction in the case the investor installs charging stations for Electric Vehicles.
- Reduction of Parking Fees for Electric and Hybrid Vehicles.

In Italy:

- **Volumetric incentives of up to 40% of build volume in case of regeneration of buildings in case of RES installation.**

In Malta:

- **Sustainable mobility + fiscal policies: Free/reduced fees for electric bike sharing** for residents using RES.
- **Reduction of fees for public land occupation during building or demolition works** for RES installations owners.
- **Reduction of fees for the organization of outdoor activities** for RES installations owners**.**
- **Reduction in the rates charged to tenants renting garages from the Local Council,** in case the tenant has installed PVs or other RES systems at his/her residence.

In Slovenia and Croatia:

- **Lowering the Communal contribution (Sl)/the Public utility fee (Cr) for those who use RES in new constructions**
- **Differentiation (RES user/not RES user) of the Compensation for the use of building land (NUSZ).**

In Albania:

- **Reduction of Tax on Buildings for families and businesses using RES.**
- **Reduction on Local Services Fees for businesses using RES.**
- No Parking fees charged for hybrid and electric cars.

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Fore more details:

- International handbook.
- National handbooks.
- Pilots evaluation reports.
- Descriptions of the fiscal policies.
- The methodology to design the fiscal policies.

All available here: https://local4green.interreg-med.eu/what-we-achieve/deliverable-database/

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MUSOL Foundation→www.musol.org
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Thank you for your attention!

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