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Rennes, 22<sup>nd</sup> July 2011

Mr President,  
Mr Minister,  
Dear Colleague, Dear Friend,

Brittany, in its capacity of Vice-President for Europe of the nrg4SD decided to call an informal meeting of the network's European regions on 13<sup>th</sup> July 2011; this meeting was also attended by the States of São Paulo and the Province Québec.

First of all, I would like to thank you for the commitment you showed to this initiative. All the regions who were able travelled to Brussels, and while technical problems meant that we were unable to establish the link with São-Paulo, the discussions we had later speak of the Southern Co-Presidency's interest in this approach to promote political dialogue.

I therefore attach the minutes of this meeting, which was held in an extremely friendly and constructive context.

As promoters of this meeting, we took the liberty to move away from a literal reproduction of the intervention presentation to concentrate on their meaning within the dynamics of our network and the formulation of a political project with a view to the celebration of the network's 10th anniversary in Rio in June 2012.

Of course, this document has not statutory value. However, it does seek to explain the direction of the regions' commitment within the network, the common strategy elements they attribute to it and how we can consider the future in light of the significant progress that has been made over the past year. We want this contribution, which involves several eminent regions, to help as a basis for the work of our Quebec Steering Committee.

Indeed, we have suggested that this shared moment put us on track to promote a strategy which strengthens the relevance of the regional level in international discussions and reinforces nrg4SD's position as a provider of services to its members.

I hope that you will be find the reading useful it and look forward to seeing you on the occasion of the hospitality from our friends in Quebec.

Yours sincerely,

Dominique Ramard  
President of the Environment-Energy Commission

# PREPARATION OF THE nrg4SD GENERAL ASSEMBLY IN QUEBEC

## WHAT FUTURE FOR OUR NETWORK?

Minutes of the exchanges between the  
European Regions of the Steering Committee, the Network's Co-  
Presidencies and the Province of Quebec

Brussels, 13<sup>th</sup> July 2011  
upon invitation from the  
Regional Council of Brittany.

### 1 – Context & objectives.

This meeting did not fall within the nrg4SD's statutory activities, but was decided on the initiative of the Regional Council of Brittany, acting as the network's European Vice-President. Its organisation testifies to Brittany's commitment, which has chosen to encourage policy dialogue at a critical point for the network.

- In a letter dated 27<sup>th</sup> June 2011, Jean-Yves le Drian, President of the Regional Council of Brittany and the Conference of Peripheral Maritime Regions (CPMR) invited the European regions of the nrg4SD's Steering Committee and the State São-Paulo, as Co-President, and the State of Quebec, as organiser of the next nrg4SD General Assembly, to join in the debate.
- On 7<sup>th</sup> July 2011 the Regional Council of Brittany published an agenda to refine the objectives of this meeting which was organised in its own offices in Brussels.

Brittany had 3 main reasons for organising this informal meeting:

- **Over the last year, the network has considerably increased its activities in all of its fields of intervention.** 2012 is shaping up to be an extremely busy year because the network, which will celebrate its 10<sup>th</sup> anniversary during the Rio+20 Summit, has considerably spread out its working and partnership bases and because many of the subjects on the agenda are particularly solid.
- **The province of Quebec wishes to make the next network General Assembly a key moment** during which policy bases may be laid for the coming years. It also plans to use this moment to encourage new members.
- **Finally, there is now a gap between the network's resources and its ambitions.** In other words, while nrg4SD has increased its influence and its message on its key areas, can it continue to work in such a loose way?. Or must it assume resources adapted to the regional ambitions?.

## **2 – Regions present and their delegates.**

Brittany was delighted with the success of the initiative within members who had been contacted as, except for Aragon (which shares the Northern Co-Presidency and currently does not have a government), all the regions contacted had delegated representatives. To regret, however, that despite our joint efforts we were unable to establish a video conference link with São-Paulo.

- **Aragon:** *absent, no Government.*
- **Brittany:** Dominique Ramard, President of the Environment – Energy Commission (Chair for the meeting); Renaud Layadi, advisor.
- **Catalonia:** Susanna Rivero, advisor.
- **Flanders:** Remy Merckx, International Environmental Policy Director, Sofie van Maele, policy officer.
- **Quebec:** Marie-Claude Francoeur, Deputy Minister, Ministry of International Relations, Vincent Royer Climate Change Coordinator, Ministry of International Relations, Claude Audet-Robitaille Climate Change Advisor, Ministry of International Relations, Claude Côté, Climate Change Bureau Advisor, Ministry of Sustainable Development.
- **São-Paulo:** Ana-Paula Fava, advisor to Bruno Covas, Secretary of State for the Environment and Rubens Rizek, Deputy Secretary of State for the Environment (videocConference link interrupted)
- **Basque Country:** Marta Marin, Basque Government Delegate to Brussels, Enrique Urrutia, Institutional Relations and Innovation Director at the Basque Water Agency
- **Wales:** Peredur John, Welsh Delegate to Brussels, Mrs X, Policy officer at the Welsh Office in Brussels
- **Wallonia:** Jean-Marie Wauthier, Environment unit Director in Chief

## **3 – Meeting status, questions asked, end purpose within the network dynamic**

As stated above in the introduction, while the regions that had travelled to Brussels represented the majority of the network's Management Committee, they had still been invited on an informal basis and could not replace nrg4SD's statutory working methods.

The meeting was in **assistance to decision-making assistance** consisting of, as specified in the letter from President Le Drian, representatives mandated by their respective governments to speak on their behalf.

Brittany, as host region had suggested that 3 topics be discussed:

- **a** – What **political project** should be envisaged for nrg4SD given the progress made over the last few months?
- **b** – How can **resources be made available to the network** and guarantee technical and administrative functioning to respond to this new situation?
- **c** – What **recommendations**<sup>1</sup> should be sent to the Secretary General for her to best prepare the General Assembly in Quebec?

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<sup>1</sup> Given that this meeting was an informal one, we will use the term “recommendations” and not instructions.

#### **4 – Debates & issues.**

As an opening remark, the regions, following from the declaration by the Vice Minister of Quebec, **congratulated Mrs Maruxa Cardama for the remarkable work she has accomplished since her recruitment as Secretary General.**

**These congratulations had one immediate consequence suggested by the Northern Co-Presidency: the extension of Mrs Cardama’s mandate.**

Participants observed that challenges that the network is currently facing relate to the progress that has been made as a result of several years of effort. They also recognised that in this context, which all felt was an extremely favourable one, **the objective of clarification of the political project that Quebec identifies for the General Assembly is perfectly pertinent.**

##### ***4.1 – What political ambition for nrg4SD?***

Participants agreed to consider **that the network has become a strategic tool for defending regions’ interests across all subjects that fall within nrg4SD’s scope:** Sustainable Development, Biodiversity, Water cycle governance, and Climate action.

To this respect, the zero edition of the Newsletter demonstrates a quality step up the ladder which speaks of a significant extension of the political scope.

The full, constructive and friendly discussion which led on demonstrated that participants had different degrees of interest in nrg4SD’s areas of intervention but that each area had at least two or three regions which were significantly involved; **being the promoting of sustainable development a concept which acts as a binding factor to everybody’s involvement.**

Participants summarise the situation by observing that it would be desirable to favour a **quality** approach over a **quantity** approach to avoid clogging up the workload. Consequently, they wanted to express the following recommendations:

- **Concentrate on the nrg4SD’s “core business”,** i.e. sustainable development with the 3 components that are already being covered by our organisation and on which there is agreement:
  - Water cycle governance
  - Biodiversity
  - Climate Change
- **Refine the intervention and partnership logics** as the nrg4SD’s presence on the international scene and the relevance of its interventions and those of its members are generating new requests. These requests may imply cost-benefit analysis of uncertain efficiency. Regions therefore expressed the following two recommendations:
  - **Analyse requests as closely as possible** that are in line with the network’s political ambitions,
  - **Carefully assess the partnerships** to be developed with other networks or organisations to ensure their operational interest and their convergence with a strategic approach.
- **Make the network’s interventions consistent and effective** for it to be able to produce a clear and precise strategy in keeping with the network’s vocation:
  - It must seek to **defend as priority its own interests** in representing the regional level on the international stage,
  - Its actions must be both the **emanation and the product of a Regional Action** which the network demonstrates and represents within the new multi-level governance framework.

Regions agreed that the work accomplished over the last few months was very in line with nrg4SD's founding Declaration of Gauteng

They also agreed that while the moment was a delicate one as it represented the crossing of a threshold; there was still an opportunity to **design an ambitious project to move forward**.

To sum up, regions unanimously and unambiguously expressed high expectations in relation to the nrg4SD and acknowledge a political ambition for the network boosted by the remarkable progress achieved over the past year. They also observed that **resources are not keeping up**.

**In summary:**

- **Exceptional policy acquis observed for the Regional Action**
- **Obvious extremely promising working perspectives**
- **Agreement on the formulation of an ambitious but controlled political project**

#### **4.2 – The resources for the political project.**

It was underlined that in its current state of resources, nrg4SD would have to redress to minimal activity under extremely precarious conditions. The Secretary General's salary, the operating costs for an intern on a relatively modest salary, the few representation missions and publications absorb more than the current budget and seriously eat up the reserve fund.

There is therefore a gap between the expectations of the regions who feel that after 10 years of activity the network is reaching its goal and the artisanal resources which are currently granted to it. **This situation is not sustainable.**

The network is therefore confronted with a choice which must be made during the Quebec General Assembly:

- **Either to favour an accounting approach** which seeks to define the network's activity according to a statu quo on financial availabilities:
  - The network remains in its current artisanal configuration with a Secretary General and assistance from time to time from a non-remunerated intern,
  - It cannot exploit the openings registered over the last few months,
  - Due to a lack of activity the service provided is of lower quality and has an effect on the maintenance of its members and the recruitment of new regions,
  - The reserve fund, which has been already significantly used in 2011, runs down to zero in the weeks following the Rio+20 Conference and the celebration of its 10<sup>th</sup> anniversary (2<sup>nd</sup> half of 2012).
  - **The nrg4SD is devitalised during the first few months of 2013.**
- **Or to favour a political approach** which expresses belief in the regional governance level and gives nrg4SD a sustainable ambition enabling a new operating format to be considered:
  - The secretariat is enhanced with a Secretary General, a junior policy officer in post-qualification and a remunerated intern, i.e. 3 positions,
  - The openings in the domains of activity are exploited by means of a close partnership between the Secretariat and the interested regions; regular monitoring is carried out via a permanent deliberation body.
  - The search for new members is facilitated by substantial policy and technical content and supports the income flow.
  - **The network consolidates its position and develops in correlation with its recognition by international negotiation bodies.**

This is a point of view which was summarised by the formula “***make resources match the political position or make the political position match the resources***”.

**This is an dichotomy that must be decided on by the political representatives in Quebec.**

The discussion which followed enabled us to see that all the regions agree to increase their investment but that this additional effort, pending development scenarios, is still unclear due to the financial prospects.

Three positions emerged:

- **A 20% increase in contributions**, however it is clear that this will be substantially not enough and will only delay the situation by a few weeks. This point of view was expressed by 1 region.
- **An optional 50% increase in contributions**, but this option will create a 2-tier membership between the regions which follow this decision and those whose commitment remains the same. This point of view was expressed by 1 region.
- **A 50% increase for all** which, for many regions, appears realistic but which must also be combined with a few additional options: possibility of exceptional payments by specific events or contributions in kind (printing, various services, etc.). This point of view was expressed by 4 regions.

While the 50% increase in contributions may appear high, it should be analysed in light of two additional factors:

- **The current amount of fees appears to be extremely low** in relation to the “market” (*absolute value approach*)
- **The “service” provided** by the network in terms of visibility or inter-regional and international access (*value for money approach*)

***The facts: a financial emergency which, in its current state  
will not allow us to survive 2012\*.***

The provisional balance for 2011 shows a budget of €187,500 with income of €129,500. The balance, €58,000 is taken from the reserve fund which stood at €129,150 on 31.12.2010.

In the current situation, the reserve fund will be €71,500 at the end of 2011. If we consider that we must plan for 3 months of social charges for the Secretary General’s redundancy obligations (€31,000), the reserve fund will be insufficient to make up the provisional debt for 2012 (i.e. €58,000 + €31,000 = €89,000).

A 50% increase in contributions from 2012 would appear to put the budget back on an almost-even level since the contributions would then stand at €184,000 (deficit of €3,100). But in this case the nrg4SD continues to operate with extremely discrete resources.

In order to provide regions with information on this issue, participants requested a **comparative analysis with other networks** (benchmarking) to be carried out for the Quebec General Assembly.

Other additional options may also be taken into account to help the finances, even if they are relatively minor: Secretary General's employment contract outside Belgium due to the prohibitive cost of social charges of this country, various contributions in kind, etc.

***In summary:***

- ***The current situation means that the network will automatically devitalised within 10-12 months***
- ***Solutions exist and appear logical, realistic and reasonable***
- ***The final decision falls under the remit of the political representatives and will have to be taken in Quebec***

#### **4.3 – The recommendations.**

At the end of this fruitful working meeting, Brittany wanted to formalise the recommendations which emerged from this political dialogue relaunched on 13 July, but also to draw a few conclusions as to their practical consequences.

***Political recommendations: Believe in ourselves***

**1** – The first recommendation is targeted at the whole network. ***Regions must believe in themselves and in their capacity to act both in partnership with each other and with European and international bodies.*** The progress achieved over the last few months demonstrates the relevance of their actions and rewards 10 years of solid presence

**2** – In addition, ***nrg4SD can only promote the regional and federated State levels if the network's resources match the political project and not the other way round.*** This operating principle, which must still be translated into specifics, is one of the fundamental conditions for their recognition in a multi-level negotiation context.

**3** – ***nrg4SD must also become a platform where policy dialogue is organised so that the regions' point of view can be represented with more strength and consistency.*** Therefore, it is desirable that proposals in this direction be formulated by the General Secretariat.

***Operational recommendations: Decide to Act.***

**4** – ***The Quebec General Assembly in August 2011 must enable nrg4SD to decide on its future*** as it will determine whether we will cross the turning point which will enable us to look calmly towards the future.

**5** – ***In particular it must enable us to build the nrg4SD's finances sustainably*** with the objective of having the resources to offer satisfactory service quality to its members and promote the regional level on the international stage.

**6** – ***Finally it must set us on the path for the network's 10th anniversary which will be celebrated in parallel to the Rio+20 Conference.*** The State of São-Paulo is enabling us to strengthen our position in Brazil and have strong ambitions for the Southern Co-Presidency.

***Technical recommendations: Build lasting bases.***

**7** - As we have seen, the network's financial longevity rests on an increase of fees but also on the recruitment of new regions. ***We must set an objective to increase income by means of fees around €60,000 to €80,000 from the recruitment of new regions in the horizon of June 2014.***

**8** – It is also in our interest to **better use the “service” which the nrg4SD secretariat can provide us**. Therefore, we must be more active in the working groups and create a better link between the technical development of our objectives and their political representation.

**9** - Finally, we must be more aware of the environment in which we operate. **Benchmarking of comparable networks with which we usually work is necessary to carry out useful comparisons.**