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## Policy Brief

Sustainable development and climate mitigation programs in  
Austria's municipalities: status, effects and recommendations

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It is generally acknowledged that local governments have to play a substantial role in attaining sustainability goals and in reducing and eventually halting global greenhouse gas emissions (BMLFUW, 2010; EU Com, 2016; UNDP, 2015). However, rather little research on local diffusion of climate mitigation and sustainability policies has been exercised by now. This policy brief is based on a study which aimed to further close this gap by examining the diffusion of sustainable development and climate mitigation at the local level in Austria<sup>3</sup>. The policy brief provides an overview on the diffusion of climate mitigation and sustainable development on the local level in Austria and shows how political change and policy innovation within local government contexts have been induced. It sheds light on what factors are perceived as barriers or supporting factors for local policy diffusion and transformation towards sustainable development and climate mitigation, and it provides recommendations on how to overcome those barriers.

The empirical work is based on an analysis of documents, media reports and literature, thirteen qualitative interviews and three focus group discussions with stakeholders, which were conducted in 2016 and 2017. The interview partners and participants of the focus groups were policy-makers from federal and local levels, representatives of *Länder* (federal states) and municipality administrations, transfer agencies and NGOs. The data were analysed by means of qualitative content analysis.

### *The diffusion of programs dealing with SD and CM on the local level in Austria*

Sustainable development (SD) and climate mitigation (CM) have increasingly been on the political agenda since the 'Rio de Janeiro Earth Summit' (UNCED) in 1992, resulting in the United Nations Framework Convention on Climate Change (UNFCCC) and the Local Agenda 21. On local level in Austria, CM and SD are mainly pursued with the help of four distinctive programs, the Local Agenda 21, the Climate Alliance, Climate and Energy Model Regions and the European Energy Award. LA21 is the most established approach for sustainable development on local level; the other programs focus on climate mitigation. SD and CM can also be pursued outside the programs over dispersed, individual activities such as school projects, energy saving measures, etc. However, this policy brief focuses on the formally introduced CM/SD programs.

- Austrian municipalities started Local Agenda 21 (LA21) processes already in 1998. Most commonly, municipalities organized participatory future strategy processes. Only few of these processes continued to be active over the long term. The focus and activities of LA21 municipalities cover a broad range (incl. SDG orientation). Not all federal states (*Länder*) are active, which implies that not all municipalities have the possibility to request participation in that program.

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<sup>3</sup> This research was conducted under the ACRP (Austrian Climate Research Programme) project GOAL funded by the Austrian Climate and Energy Fund. The project GOAL responds to the nearly complete absence of local climate adaptation policies in Austria. Its main objective was to identify feasible municipal climate adaptation pathways in terms of agenda-setting and implementation modes for Austrian municipalities within a multi-level governance context. Learning from other, but similar experiences in local environmental policy diffusion in Austria, namely from local climate mitigation and sustainable development policy processes, is one approach of the project. The findings of this approach are summarised in this brief. Further information on the project GOAL can be found at the following link: <http://klimawandelanpassung.at/goal/>.

- The Climate Alliance started in 1990 and aims at raising awareness and introducing CM and first low-threshold activities to municipalities on local level. The program is open to all municipalities on an individual basis.
- The e5 started 1998 in Austria in the federal states of Salzburg, Tyrol und Vorarlberg. The e5-programm was further developed in an EU project and became the European Energy Award in 2002. In Austria the name e5 prevailed. The program is currently established in seven federal states – excluding Vienna and Upper Austria. Upper Austria developed the E-GEM (later E-GEP) program which is comparable to e5 regarding activities, scope and aim, which is the reason why Upper Austria is not taking part in the e5 program. The e5 program in Austria is designed and framed as an “elite program”, i.e. it aims at frontrunners and is thus not reaching the vast majority of municipalities.
- The Climate and Energy Model Regions (KEM) were launched in 2009 by the Austrian Climate and Energy Fund. The program co-finances regional climate mitigation projects and the management structures of so called model regions. As the program targets regions, it reaches a relatively high number of municipalities; the levels of activity, however, differ strongly between the municipalities.

Additionally, SD and CM aspects, which often overlap, are partly considered in programs dealing with rural development, which have a broader scope or different objectives. An example for this is the LEADER programme, the EU initiative to support rural development projects in order to revitalize rural areas. LEADER actors in Austria are in general well connected to the main actors involved in the programs dealing with SD and CM. In Lower Austria, also the long-standing program of village renewal (*Dorferneuerung*), which aims at activating the inhabitants to actively shape their municipality, partly integrates LA21 and CM issues. Actors of LEADER and the village renewal initiative interact and cooperate on a regular basis with CM/SD actors.

#### Sustainable development

Programme	Coverage	Access	No./municipalities	Percent	Duration & other information
Local/Regional Agenda 21	not all federal states ( <i>Länder</i> ) (Carinthia stopped activities)	restricted	480 (302 active)	23% (14%)	diverse duration (several months up to a few years), topics and quality of processes differ

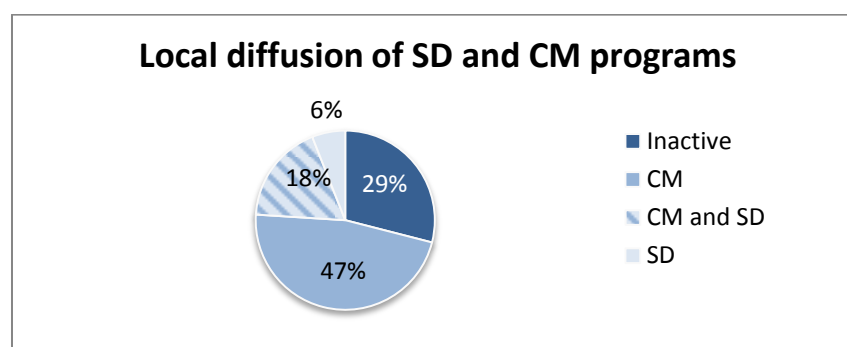
#### Climate mitigation

Programme	Coverage	Access	No./municipalities	Percent	Duration & other information
Climate Alliance	all nine <i>Länder</i>	open, low threshold	975	46%	long term; different levels of activities, varies over times
e5	7 <i>Länder</i>	restricted	217	10%	synonymous for European Energy Award
E-GEP/E-GEM	Upper Austria	Open, low level	182	9% (in AT)	E-GEM ended Dec 2016; currently E-GEP, similar to e5, (41% in Upper Austria, which has 440 municipalities)
KEM (Climate and Energy Model Regions)	8 from 9 <i>Länder</i> (not Vienna)	restricted	772 (organised in 91 KEM regions)	36%	2 years, extension up to 5 years

**Table 1: Overview of programs targeting SD or CM on local level in Austria**

Table 1 provides an overview of the CM/SD programs in Austria and their diffusion rate. There is a distinct difference between SD and CM; the latter received clearly more political attention, which is mirrored in the emergence of various programs dealing with CM on local level. LA21, on the other hand, seems to have partly stagnated at the local level; one federal state even turned inactive. For the diffusion of LA21 two different sums are indicated in table 1. The first number indicates all municipalities that are currently pursuing or have pursued a LA21 process. The second number in the brackets indicates the active LA21 processes<sup>4</sup>, which means that 14,4 % (or less) of all municipalities in Austria pursue actively a SD process under LA21. Falling inactive also applies to municipalities in CM programs. It was mentioned in several interviews that municipalities became inactive in e5, KEM and Climate Alliance; however exact numbers were not available. That means that table 1 shows the number of municipalities that have been active in the CM und SD programs to a varying extent, but that the municipalities are not necessarily active at the moment. We want to emphasize that the numbers only show that there occurred participation (in the past or present) in the respective programs. However, the numbers do not provide insight into how seriously the municipalities pursue the objectives of SD/CM or the effectiveness of the programs.

Context information on the programs provided above offers some explanations for the specific diffusion rates. The Climate Alliance is framed and set-up as an introductory program and is open for all municipalities, individually. This is mirrored in the relatively high degree of diffusion; almost half of all Austrian municipalities are members within this network (46%, see table 1). The KEM program targets regions and reaches through that a relatively high number of municipalities; however, according to interview partners, the levels of activity differ strongly between the municipalities. In contrast to the ‘first-time user’ programs CA and KEM, the e5 program and the LA21 program were clearly set up and framed as “*elite programs*” in Austria, which means that these programs are deliberately reserved to frontrunners and thus not considered by the vast majority of municipalities.



**Figure 1 : Overlap of SD or CM programs on the local level in Austria**

The data were also analyzed with regards to overlaps or the involvement of municipalities in more than one program (see figure 1). The data show that 29% of the Austrian municipalities have never been engaged in and reached by any of the four programs. 18% of all Austrian municipalities have been active in both, SD and CM, 6% of the Austrian municipalities have been exclusively active in SD, and 47% have been active in CM but not in SD programs. 65% of all municipalities in Austria

<sup>4</sup> Source: List of active LA21 processes, received from the Austrian Environment Agency (2017).

have been involved in at least one program-based CM project. 76% of all municipalities in Austria have never been reached by the Local Agenda 21.

When looking at overlaps of programs targeting solely climate mitigation and leaving out the sustainability-oriented LA21 projects (see figure 2), it can be seen that 35% of the municipalities are inactive, 19% of the municipalities are solely active in the climate alliance, and 15% are solely part of the KEM-program and 2% solely in the e5/E-Gem program. The rest of the municipalities participate in at least two climate related programs. 8% of the municipalities participate even in all three programs.

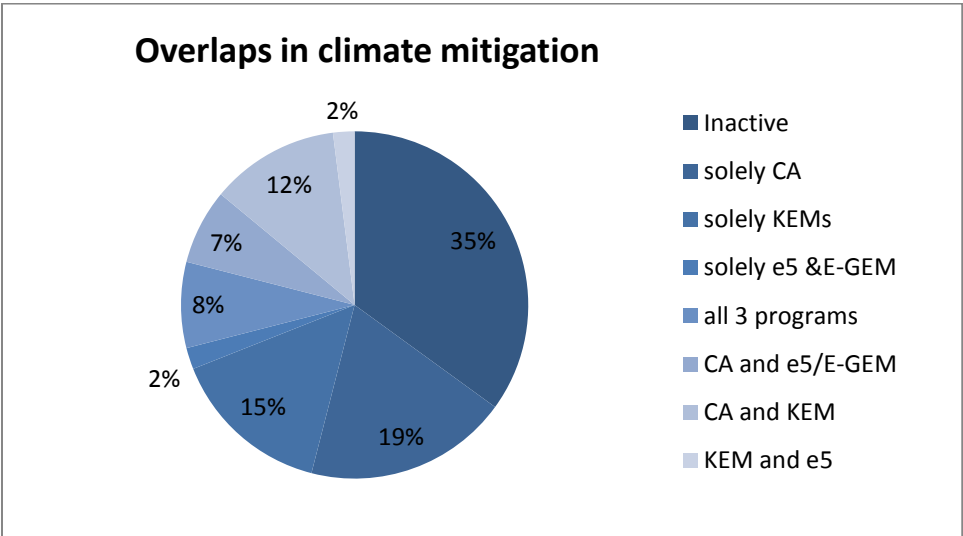


Figure 2 : Local diffusion of CM programs in Austria

Figure 3 shows the difference of local diffusion of CM and SD programs in the nine federal states of Austria. It clearly shows that the federal states have a strong influence on local diffusion, depending on their political and financial support.

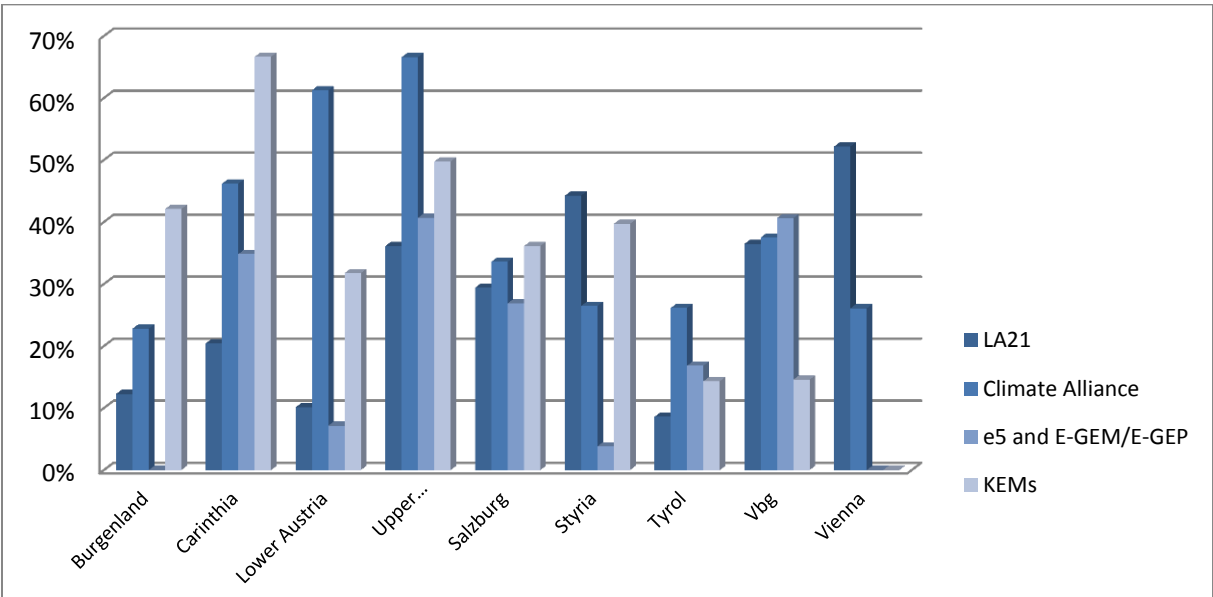


Figure 3 : Overview of federal states and their diffusion rate in the SD or CM programs

## *Influencing factors and local diffusion patterns*

How can the diffusion of local CM and SD be explained? Several factors influence the diffusion process: the complexity of the problem in question, the complexity of the policy innovation, and the local preconditions. The higher the complexity of the problem and/or policy, the slower and less effective are the diffusion and the implementation (Bennett, 1997; Kern et al., 2001; Shipan and Volden, 2012; Tews, 2005, p. 72). The problems in focus, SD and CM, are among the biggest challenges of the present time affecting all possible areas of life and policy realms. The same applies to policies that truly approach the complexity of CM and SD. Consequently, both the characteristics of the problem and the policies in question imply rather unfavorable preconditions for diffusion and implementation.

### **Influencing factors**

Static factors	problem	complex, diffusion slower
	policies	complex, though programs and measures are often narrowed down ('picking the low hanging fruits')
Local factors	local starting points	diverse (size, location, number of inhabitants, etc.)
	role and capacities of local actors	diverse capacities, small circle of actors as driving forces in municipalities, lack of institutionalised capacities and resources
	motivation	diverse problem pressures and expected benefits (economic, social, political)

### **Local diffusion patterns**

Top-down diffusion	Länder level	setting incentives: programs and funding, regular personal contact with actors from municipalities, important role
	national state level	setting incentives: programs and funding, hardly direct contact to local level
Horizontal diffusion	between municipalities	some networks exist, not common
	role of transfer agencies	important role for eye-level exchange and diffusion; mainly information, support of processes/projects
Bottom-up diffusion	from individual projects to the political agenda ("grassroots")	some examples exist, not significant

**Table 2: Outline of influencing factors and local diffusion patterns**

Local factors help explaining the uneven tempo and spread of diffusion. Differences regarding the capacities (financial resources, personnel, know-how) of the municipalities, the local starting points and possible occurring problems alter or reduce the speed, scope and extent to which environmental policy innovations are adopted. The capacities in municipalities vary widely, and for most municipalities a very small number of key actors determine the local responsiveness to emerging environmental policy innovations (Shipan and Volden, 2012; Tews, 2005, p. 74). Thus, on the one hand, commitment, engagement and attitudes of these key actors towards SD and CM have a strong impact on the diffusion rate. On the other hand, the low critical mass of actors is also vulnerable to internal and external 'shocks', such as loss of promoters. Policy makers generally want their proposals to succeed in order to ensure their position. That is why objectives and activities are often reduced to short-term, smaller and better definable policy realms leading



to results within an electoral cycle. It appears that direct and visible benefits for the community increase diffusion - a reason to pursue 'easier' targets (harvesting lower hanging fruit). Table 2 provides an overview of the influential factors and the diffusion patterns.

The diffusion patterns in Austria are predominantly characterized by direction, namely by top-down and horizontal driving forces providing different kinds of support and incentives for spread. Financial and political top-down support provided by the national and *Länder* level particularly accelerated the spread of the policy innovations. Bottom-up diffusion was also observed, but remained an exception. Horizontal diffusion driven by transfer agencies is also an important source for enhanced local diffusion. Top-down and horizontal diffusion patterns are strongly intertwined and depend on each other. Thus, diffusion strongly depends on driving forces at the local level, at the *Länder* level and from transfer agencies (Kern et al., 2007).

### *Policy outcome and political change*

Although the adoption of CM and SD programs can be regarded as evidence for policy diffusion, the number of participating municipalities says little about the effect of their activities. Leaning on the work of Marsh and Sharmann (2009) effectiveness and political change are discussed along procedural, political and programmatic effects in the following.

#### **Effectiveness and political change**

Procedural dimension	coordination deficits	parallel structures, conflicts mostly avoided through close collaboration
	information structure	municipalities called for clear, pooled and quality assured information systems, implemented in some federal states
	set up of new networks	transfer agencies build up networks and support exchange between (some) municipalities
Political dimension	political commitment	insufficient, dependent on individual conviction, missing political role models on all levels
	political coherence	not satisfying, lack of coherent political decisions, contradictions between policies, strategies and activities
Programmatic dimension	financial support	insufficient, fragmented, complicated application and controlling, not flexible, short-term
	changes in focus	CM: in the early phase social justice and development cooperation were more in focus, currently energy and technical solutions are the main focus SD: in the early phase focus on environmental aspects, currently a tendency towards social aspects
	perceived effects	low diffusion rate, taking up 'easier' measures, niches and technical solutions, not transformational (not changing or challenging current structures and practices)

**Table 3: Outline of policy outcome and political change**

**Procedural dimension:** Over the years, the changes in governing local SD and CM reflect to a certain extent learning processes, but also changes in political attention. Particularly CM faced at the beginning the problem of unclear responsibilities and emerging parallel structures. CM and

SD processes called for coordination units, institutions and patterns of communication on all hierarchical levels that together contribute to a new governance structure and new procedures.

Austrian CM and SD actors state that learning processes during implementation improved the coordination and communication between actors over the last years. In the realm of CM various programs emerged. Interviewees emphasized that they experienced particularly CM activities to be most successful when close collaboration between local, federal and national levels as well as transfer agencies is assured. Through close collaboration the occurrence of parallel structures can be avoided, resources can be pooled, synergies can be used and the problem of limited capacities on local level can be reduced. Many CM actors acknowledge that the now established structures hold the possibility of fostering diffusion and implementation. CM and SD actors from different programs and units point out that they know the structure and each other well and cooperate sufficiently; they perceive their roles as mostly complementing and not in competition.

**Political dimension:** Nonetheless, major barriers and challenges were identified which impede diffusion and implementation in Austrian municipalities, namely the lack of political commitment, political incoherency and insufficient support (information, process support, financing). It is generally acknowledged that establishing political commitment is essential for political success. Interview partners conclude with regard to CM and SD that a general lack of sincere political commitment prevails, and that so far commitment is only partly achieved, depending on individual convictions of political actors and their ability to derive (political) benefit through taking up CM/SD (improving image, etc.). The importance of political commitment or the identified lack thereof is not limited to the local level but concerns all hierarchical levels. Upham et al. (2014, p. 790) conclude that instituting policies with a wider systemic focus requires also the support of actors in multiple policy regimes, which was not given in Austria. According to the interviewees, additionally incoherent and contradictory policies occur and represent a further barrier to diffusion and successful implementation. Contradictions occur also within policy fields, for instance when funding renewable energy and fossil fuels at the same time.

Insufficient financial support and difficulties in accessing support is generally seen as one of the main barriers for diffusion. Funding programs are fragmented and impede access as they cannot be utilized by laypeople at the local level. Instructions and regulations for the subsidies are complicated, complex, of short-term nature and often not flexible enough. Interviewees experienced a disproportionate high level of bureaucracy and increased paperwork, not only during the application phase but also during implementation.

**Programmatic dimension:** Our analysis shows that not only structures and procedures but also content-related agenda- and focus setting were subject to change over the years. In the area of CM, social justice from the perspective of development cooperation has initially been at the forefront of agenda-setting. In the beginning of CM the local activities have therefore strongly been driven and supported by NGOs coming from the area of development cooperation. Over the years, however, a shift towards a focus on energy and technical solutions became evident. Interviewees criticized that the current focus is too narrow for tackling climate change in its entire complexity.



The SD program LA21 with its thematic openness and flexibility stands in contrast to that. The underlying idea of LA21 is to take up issues coming from the broad public. However, in the beginning of the program many LA21 processes exhibited a tendency towards environmental aspects. Currently, there seems to be a tendency towards social aspects of sustainability.

Insufficient effects of the programs and activities are explained by the fact that so far only 'easier' projects have been implemented which stop short of challenging and profoundly tackling structural problems. Interview partners criticized that particularly the agenda-setting is reduced to 'easier-to-reach' niches. Implemented measures do hardly affect, question or change the current practice. System-changing measures would be more costly and subject to conflicts. This result corresponds to the literature on diffusion; Tews (2005, p. 72) and Upham et al. (2014, p. 790) state, that most of the climate policy innovations have until now focused on technological substitution and incremental change, rather than path-breaking innovations. Upham et al. (2014, p. 790) conclude that substitution and incremental options are typically supported by dominant regime actors and existing structures and that instituting policies with a wider systemic focus is likely to require the support of actors in multiple policy regimes (ibid.).

### *Conclusions and recommendations*

Two aspects seem to be paramount when looking at the local diffusion of SD and CM in Austria and its effectiveness. First, despite the long time period and efforts taken, the local diffusion remains rather low. With regard to SD, 77% of the Austrian municipalities have never been involved in the LA21 and 86% or more are currently not active. In CM the diffusion rate is somewhat higher, still 35% of Austrian municipalities have never been active in any of the CM programs and 34% of the municipalities are involved in only one of the two programs with a low-threshold (CA and KEM) pursuing merely awareness raising and small projects. 31% of the municipalities are active in e5/E-GEM or in two of the three programs and with that probably more serious about pursuing CM. Second, when looking beyond the sheer number towards the agenda setting of the programs, Austrian municipalities seem more open to activities such as awareness raising and to the implementation of 'easier' projects which stop short of profoundly tackling structural change. Measures taken often pursue short-term targets and hardly affect or challenge the current practices. Considering the fact that both SD and CM have long been on the political agenda, these results are not very encouraging.

In contrast to the high expectations regarding the role of municipalities in transitioning towards sustainability and climate friendly practice, they appear not to have the competencies and capacities to implement far-reaching, system-changing measures at their own. In any case, municipalities will have to play an essential role in the transition process, but the problem of limited local capacities must be considered and solved through appropriate support. Unless the commitment and support from higher levels is considerably strengthened, the current situation will most likely not change, and local climate and sustainability policies will continue to be restricted to a few front-runner municipalities and isolated singular light-house projects, which in a larger context run danger to remain in their niche and to deliver merely symbolic contributions to the global quest for sustainability and reducing GHG emissions (Aall et al., 2007).

There is evidence that so far most of the policy and decision makers in Austria either avoid or are unaware of the far-reaching content and implications of the Paris Agreement of the UNFCCC and the Agenda 2030, regardless of the hierarchical level. Thus, the most important recommendation is that the political commitment must be enhanced on all levels to support courageous and coherent political decisions to increase leverage towards sustainability. Implementation can only succeed when it takes place in close collaboration with all concerned levels and sectors. Eventually, successful CM/SD must turn its attention away from short-term prioritizations towards measures that pursue long-term goals and initiate transformation processes. This means that decision makers and actors involved need to obtain and embrace a specific ‘culture of the future’, including long-term thinking and planning, into daily decisions.

### **Recommendations<sup>5</sup> to strengthen local CM/SD policy diffusion**

- Ensure political commitment on all hierarchical levels
- Take strong political decisions towards reaching the SD/CM goals and allocate sufficient budget for local measures and activities
- Ensure political coherence, eliminate counteractive policies and funding
- Shape clear coordination structures, and enable close coordination and exchange between coordination units across different hierarchical levels
- Shape clear and long-term funding structures, and with that find a way from short-term prioritizations towards measures that pursue long-term goals and initiate transformation processes; ensure long-term solutions
- Provide clear information for municipalities (on the content, on facilitating structure, on funding programs, inspiring good practice examples from other municipalities, etc.)
- Support municipalities to overcome problem of low capacities (know-how, personnel, access to funding, accounting of funding, process support)
- Enable peer-to-peer learning between the municipalities and support the establishment of networks
- Enable municipal actors to participate (early) in decision-making, strategy processes, etc.

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<sup>5</sup> The recommendations address policy makers (political decision-makers, public administration), CM/SD coordinators, programme and funding bodies and transfer agencies.