A more territorial EU economic governance framework for a post COVID scenario
CPMR “Territories Matter” Initiative – 1st seminar

Following the motto “Regions at the heart of a reformed European Union”, the think-thank initiative “Territories Matter” aims to define a scheme to guarantee the best level playing field to ensure regions’ involvement ahead of future reforms regarding EU policies supporting investment at territorial level.

Under this framework, “Territories Matter” first seminar will take place with the aim to discuss and establish a clear picture on the main issues to boost a territorial dimension in the EU Economic Governance (European Semester) and EU investment policies, with a specific attention to the Recovery and Resilience Facility.

This background note aims to present the:
- Context of the seminar
- Questions to be discussed between CPMR Members representatives and external experts.
- Event proceedings

1. Conceptualization of the seminar

The EU recovery plan “Next Generation EU” is a unique and ambitious opportunity that will deploy in the coming years a significant amount of money in the EU territories, specifically via its main instrument the Recovery and Resilience Facility (RRF). Since the agreement on the recovery package reached by EU leaders in July 2020, the recovery instruments legal texts have been adopted and key milestones for the deployment of the economic resources (e.g., adoption of the national recovery and resilience plans) have already happened.

Early signs point to a limited and unsatisfactory involvement of regions in the programming and implementation of the plans. The fact that the RRF is firmly embedded under the European Semester has also consolidated the EU economic governance framework, which in itself is set to evolve in the coming few years.

CPMR members voiced their messages in a political statement to the European institutions asking to strengthen the involvement of regions in the EU Recovery Plan and calling for a stronger territorial approach within the
European Semester framework. This seminar intends to go one step further on defining future possibilities, how regions could be greater involved while addressing the current concerns.

2. Main questions to address

- What can we learn from the preparation process of the National Recovery and Resilience Plans in terms of the involvement of regions?
- How can the territorial dimension of EU investment policies be strengthened as part of a reformed European semester framework?

The following topics can be covered in the course of your intervention:
- Recovery and Resilience Facility governance at national and European level
- Links between EU economic governance, the Recovery and Resilience Facility and Cohesion policy (governance, budget)
- Multi-level governance and the partnership principle
- Territorial cohesion: governance, budget, objectives

3. Dynamics of the session

- The 1 hour and a half seminar will be structured in the following way:
  - Presentation of the session by the moderator
  - 4-5 CPMR member regions will present the main concerns on the matter and suggest potential solutions.
  - 3-4 external experts will react to CPMR members interventions, respond to their concerns, the feasibility of potential solutions and giving recommendations to address existing problems.
  - Other participants will be able to take the floor at this point, if desired.
- The seminar will have a hybrid format. While external experts and CPMR staff will participate from the CPMR headquarters (Schuman Roundabout 14, 1040 Brussels), CPMR members will connect online via TEAMS.
- The seminar will be open to all CPMR members as well as external guests.
- Discussions would be held under Chatham House rules (no one is quoted in the minutes), to increase the openness of discussion.

4. Relevant background information for the seminar

A. CPMR findings on the questionnaire on CPMR members involvement in the definition of their national recovery and resilience plans

In light of the current implementation of the Recovery and Resilience Facility (RRF) and in view of the worrying signals on regional authorities’ involvement in the definition of the national recovery and resilience plans (NRRPs), the CPMR General Secretariat launched a questionnaire to its members in order to have a detailed view of the state of affairs (April 2021) on the RRF and the EU economic governance framework “the European Semester”.

The main findings of the questionnaire are the following:
The general dissatisfaction among CPMR members on their overall involvement in the definition of the national Recovery and Resilience plan puts into question the rationale to conduct a consultation at national level established in the RRF Regulation. When consulted, regions’ contribution has been late, limited and without a meaningful impact. It is clear that the lack of regional involvement has undermined the strategic articulation and complementarity with other EU funds, but also the ownership of the plan by regions and other stakeholders.

- Uncertainties remain on how regions will be involved in the implementation of the Recovery and Resilience Facility via the selection of projects and management of funds. Clear demand from the CPMR members that ensuring the involvement of regions is key for the EU recovery instrument’ success and strengthen coordination between the RRF and other EU programmes.

- There is a firm appeal to reshape the European Semester framework for economic policy coordination ensuring that regional authorities are relevant partners at national and European level in order to strengthen the territorial dimension of the framework.

- The surge of the Recovery and Resilience Facility, with its ambitious budget and strong interlinks with cohesion policy, generates concerns and uncertainties on the future of cohesion policy and all investment policies in the post 2027 MFF. The tendance to a stronger centralization of the EU investment policies with a potential deterioration of the partnership principle are a concern. CPMR members reiterate that place-based policies and multilevel governance is key to achieve territorial cohesion and a successful regional development.

→ See the main outcomes of the questionnaire here.

B. CPMR analysis of the national recovery and resilience plans

The analysis of the recovery plans presented by the 17 Member States corresponding to the EU membership of the CPMR, offers an in-depth overview of the extent to which territorial dimension and CPMR policy areas of interest are addressed in the plans. The analysis gives us a thorough comparative examination of the plans and looks into how Members States have tackled the requirement to provide strategic complementarity with other EU programmes, as well as a summary of the consultation process undertaken during the drafting of the plans, the latter being relevant for the seminar’s discussion. The main conclusions of the analysis are:

1. Territorial cohesion is not systematically considered in all National Recovery and Resilience Plans. The territorial dimension of the plans varies considerably among Member States. The focus on territorial cohesion in some plans is a step in the right direction to brace the need for place-based recovery strategies.

2. A certain territorial dimension is attributed to investments supporting the energy transition and climate adaptation. Specific support accompanied by appropriate funding should be provided to the most vulnerable territories in the transition. However, it could be strengthened across Member States to ensure that all regions can benefit from and contribute to the energy transition.

3. Only few Member States fulfil the requirement to give an extended explanation as to how regional and local authorities have been involved in the design and implementation.

4. Complementarity between Next Generation EU and other Union programmes is only addressed to a small extent. Only few Member States established a strategic articulation.

5. The strong impact that Country Specific Recommendations have had on the definition of the plans, recalls how a strong territorialisation and involvement of regions in the European Semester framework is needed.

→ Read our note: CPMR analysis on the National Recovery and Resilience Plans