The second seminar under the “Territories Matter” initiative aimed to discuss how EU investment instruments should contribute to the achievement of the EU climate and energy targets, considering territorial cohesion and how regions could be greater involved while overcoming the different logic of many of the EU instruments.

The questions addressed during the seminar were the following:

- **What does REPowerEU mean for the future of EU investment policies? How about the use of the Recovery and Resilience Facility and funds such as Cohesion Policy when it comes to realising the energy transition?**

- **How can future EU investment policies further support the green and energy transition, have a stronger territorial dimension, and involve regions better? What should be changed at EU level to better stimulate efficient investment in the regions?**

The session gathered around 50 CPMR member regions and counted on the participation of John Bachtler, Director of the European Policies Research Centre, Zsolt Darvas, Senior Fellow at Bruegel and Olivier Vardakoulias, Policy Coordinator at CAN Europe.

This document aims to give an overview of the main ideas and messages raised during the session and will contribute to the subsequent discussions under the initiative and the final policy paper. Discussions were held under Chatham House rules, so messages gathered in this document reflect the discussion but not the personal opinions of specific participants.

### Highlights of the seminar

1. **Common observation:** There is a general lack of involvement of regional authorities in the definition at national level of the climate and energy priorities financed via EU funding.

   → What we should aim for: Stronger multilevel governance arrangements to incorporate regional authorities into the policy and strategic dialogue that brings together EU and national funding.
Options of the future:

- Avoid the growing trend towards the establishment of new instruments with a centralised programming and implementation, and to focus on the deployment of EU resources via shared management through strong partnership between the different levels of government.
- Strengthen EU-regional level dialogue in a vast number of EU policies other than regional policy. Regarding European funding dedicated to climate, national strategies on climate and energy must consider the needs of the regions as well as the strong knowledge of EU regions on the provision of economic development on the territory.

2. Common observation: Lack of a common strategy that guides all EU investments contributing to the EU priorities such as the climate and energy targets along with territorial development following Europe 2020.

→ What should we aim for: Establishment of a single EU strategic framework that articulates all EU funds under the same policy frame with a clear territorial dimension.

Options of the future:

- The achievement of a Smart, Sustainable and Social Europe should be the guiding line of the strategy. A specific focus on innovation and smart green growth would strengthen European competitiveness. In this sense, smart specialization strategies (S3) should be the core of all EU funds planning in light of place-based development priorities.
- The strategy should be a long-term territorial investment strategy and should therefore reinforce cohesion policy long-term focus.
- The economic, social, and territorial cohesion objective should have a deserved consideration under the strategy, leading to a stronger cohesion approach to all policies in light of “the do not harm to cohesion principle” while establishing complementarities between cohesion policy and other EU funds with a strong territorial impact. The consideration of territorial cohesion under EU climate and energy policies and investments is essential for the sustainable and balanced development of the EU.

3. Common observation: Cohesion Policy is already a key instrument to address the European Green Deal

→ What we should aim for: Reinforce cohesion policy role to address the green transition but not to the detriment of cohesion policy aim and objectives

Options of the future:

- Avoid transfers from cohesion policy allocations to other EU funds to support the climate and energy transition. Instead, cohesion policy could be economically reinforced to support the green transition keeping the architecture of the policy and main features.
- Extend and facilitate the support to the green transition under cohesion policy objectives other than the green component “A greener Europe” (Policy Objective 2) guaranteeing a common perspective.
4. Common observation: National funding is fundamental in order to put in place the green transition as large amounts of economic resources are required in addition to the available EU funding.

What should we aim for: EU funding dedicated to the green transition ought to leverage national funding to be delivered with a strong territorial approach.

Options of the future:

- The presentation of the REPowerEU plan is an opportunity to reshape EU national and regional strategies on energy in order to adapt them to the current needs. The partnership principle should apply as regions should be heard at the national and European level to present their energy-related investment needs on all funding levels.