



# **Recent developments and activities**

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# A new political context

Challenges ahead:

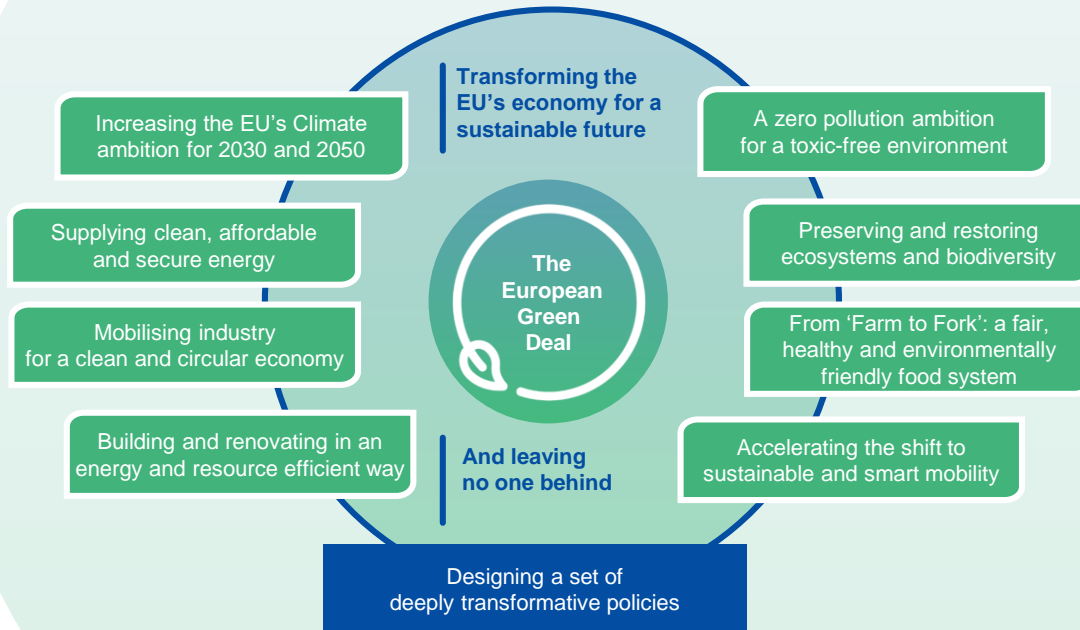
- Twin transition: innovation – sustainability to a green and digital economy
- Even more apparent in the light of the COVID crisis: we need to rethink our pattern of producing, consuming, commuting:  
on the way to a **new (and better) normal!**

# Investing in a long-term green transition

On 21 July 2020 EU leaders agreed to a comprehensive package of EUR 1824.3 billion that combines the multiannual financial framework (MFF) of EUR 1074.3 billion with an extraordinary recovery effort under the Next Generation EU (NGEU) instrument of EUR 750 billion.

- REACT-EU: EUR 47.5 billion (bridge between current and long-term transition)
- Green transition:
  - Ambition of the Commission: for Europe to become the world's first climate neutral economy + transform into a circular economy
  - This is what the European Green Deal is all about
  - Cohesion Policy: a key investment tool to deliver it
  - EU Biodiversity Strategy

# European Green Deal



## LEADING THE TRANSITION TO A HEALTHY PLANET

A **Climate Law** to lock in commitments and raise ambition

**Earmarking** 30% of the EU budget for climate

Greening the **European Semester**

Comprehensive programme of legislation

**Green investment needs** of around €470 billion per year

# Cohesion policy in the European Green Deal



*“Cohesion Funds play a crucial role in supporting our regions and rural areas from East to West, from South to North to keep up with the transformations of our world.*

*In this transition, we must recognise and respect that we do not all start from the same point. We all share the same ambition but some may need more tailored support than others to get there.”*



Investing in place-based innovation and smart economic transformation



Deploying technological and social innovation on a large scale



Facilitating phase-out of unsustainable practices

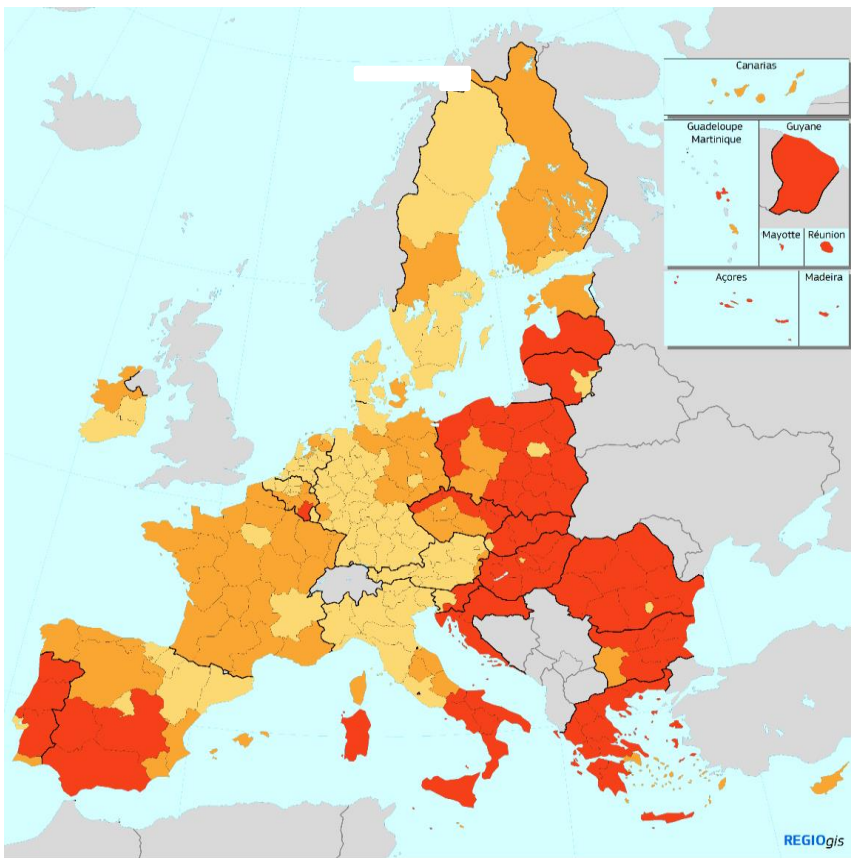


Ensuring a just transition for all regions

# Cohesion policy 2021-2027

Categories of regions

- Less developed regions (GDP/head (PPS) less than 75% of the EU-27 average)
- Transition regions (GDP/head (PPS) between 75% and 100% of the EU-27 average)
- More developed regions (GDP/head (PPS) above 100% of the EU-27 average)



Investment for jobs and growth goal (ERDF and ESF+) eligibility, 2021-2027

*informal update based on unpublished lists of regions*

Nearly 1/3 of the EU budget (European Regional Development Fund, Cohesion Fund, European Social Fund +, proposed Just Transition Fund) to:

- Reduce disparities between Europe's regions, strengthening economic, social and territorial cohesion
- Contribute to EU priorities

## 5 Policy Objectives

1. A more competitive and smarter Europe
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe
3. A more connected Europe
4. A more social and inclusive Europe
5. A Europe closer to citizens

# Policy Objective 2

Seven specific objectives:

- i. promoting **energy efficiency** measures;*
- ii. promoting **renewable energy**;*
- iii. developing **smart energy systems**, grids and storage at local level;*
- iv. promoting climate change adaptation, risk prevention and disaster resilience;
- v. promoting sustainable water management;
- vi. promoting the transition to a circular economy;
- vii. enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;

# Energy efficiency measures (SO 2.1)

This includes, for instance:

- Energy efficient renovation of public buildings
- Energy efficient renovation of residential buildings
- Energy efficiency in SMEs
- Energy efficiency improvements of district heating networks

Contributes to:

Renovation Wave, 2030 climate targets, 2050 climate-neutrality (European Climate Law)...



# Renewable energy (SO 2.2)

This includes, for instance:

- Renewable energy in heating and cooling
- Small-scale electricity generation based on renewable energy
- Renewable energy technologies that are close to market or not yet widely deployed

Contributes to:

EU Hydrogen Strategy, 2030 climate targets, 2050 climate-neutrality...

# Smart energy systems, grids and storage at local level (so 2.3)

This includes, for instance:

- Smart energy systems at local level, including smart electricity distribution grids, related demand-side measures, and storage solutions

Contributes to:

EU Energy System Integration Strategy, 2030 climate targets, 2050 climate-neutrality...

# Added value of Transnational Cooperation

## Energy efficiency

- Joint knowledge development and planning of energy efficiency solutions and joint awareness-raising campaigns at large geographical scale
- “Member States shall cooperate with each other, taking account of all existing and potential forms of regional cooperation, to meet the objectives, targets and contributions set out in their integrated national energy and climate plan effectively”(Regulation on the Governance of the Energy Union and Climate Action, December 2018, Art. 12.1)

# Added value of Transnational Cooperation

## Renewable energy

- Joint knowledge development and planning of renewable energy solutions at large geographical scale
- “Increased cross-border and regional cooperation will help to achieve the benefits of the clean energy transition at affordable price” (European Green Deal, December 2019, page 6)

# Added value of Transnational Cooperation

## Smart energy systems, grids and storage

- Joint knowledge development and planning of smart energy systems at transnational level, including demand and supply planning
- "... it is urgent to tackle the barriers that still prevent a massive roll-out of renewable electricity, across all technologies. These include ... the need for more and smarter grid infrastructure at national and cross-border level..." (EU Strategy for Energy System Integration, July 2020, page 7)

# Higher ambitions for long-term transition



## What we expect

- Programming according to priorities
- Reflecting on the link between innovation and deployment
- Enabling conditions: not a paper exercise, but a strategic framework for achieving long-term ambitions
- 'Do no harm': taking environmental assessments seriously, sustainable project selection criteria across all POs, etc.

## What we aim for

- Using programming as opportunity to formulate pathways for long-term transitions
- Transformational change instead of marginal efficiency gains
- Thinking beyond 2027 to avoid lock-ins (e.g. energy sources, waste management)
- Integrating elements of the European Green Deal into programmes
- Nature-based solutions to avoid negative impact of grey infrastructure and to achieve co-benefits
- Exploiting full potential of cohesion policy to ensure a just transition

# European Green Deal

## Complementarities: (contents)

MRS and the EGD have common priorities and challenges:

- The sustainability dimension is prominent in all the MRS
- Priorities common to all the MRS – environment and climate change, connectivity, research & innovation and (sustainable) economic development - are related to key actions of the EGD
- Most of the EGD challenges can be tackled only joint efforts



# European Green Deal



## Potentials: (method)

MRS offer a cooperation platform “fit for purposes” for supporting the implementation of the EGD actions, which provides the following:

- **Coordination** of funds and actions + joint initiatives for making the best use of the multiple and diversified funding opportunities and resources needed in order to face the EGD common challenges (current embedding process is key!)
- **Cross-sectoral approach** for implementing the EGD actions, which are strongly interconnected
- **Multi-level governance** and stakeholders involvement for ensuring the contribution of all the relevant actors to the EGD implementation



# European Green Deal

## Mutual benefits: (win-win)

MRS support the EGD implementation and the EGD provides a common MRS vision:

- MRS can help the EGD implementation on the ground with coordinated regional and local initiatives, taking into account the **territorial specificities** of a certain geographical area
- MRS can help the implementation of the EGD in the Western Balkans (and the future Green Agenda for Western Balkans), as **Western Balkans** countries play an important role in the achievement of the Adriatic-Ionian and Danube Strategies objectives
- The EGD offers a common policy framework and common objectives to the MRS, and therefore it provides a **common vision** (within each MRS and also across the four MRS)



# Investing in a long-term digital transition

Double policy imperative:

- To ensure that our EU wide innovation and digitalisation policies are complemented by policies that are sensitive to the capacities and endowments of different places,
- To target those countries and regions that face the greatest challenges in innovation uptake and digital transformation.

We intend to reinforce our complementary role to the European Digital Strategy in the post-2020 period to address the risk of a growing "innovation divide" but also of a "digital divide" across EU countries and regions.

