

eReportingINVESTING IN GREEN, CARBON FREE EUROPE LOCALLY - POST 2020 - #COHESIONALLIANCE[Section 1 – Full discussion and notes](#)[Section 2 - A 450-word summary of your session \(key conclusions\)](#)[Section 3 - An 80-word take-away message](#)[Section 4. Keywords describing your session](#)[Section 5. At least one quote from different speakers \(maximum of 50 words per quote\), two other quotes can be added](#)[Section 6. A descriptive picture from your session via EURegionsWeek Flickr Gallery weblink](#)**Section 1 – Full discussion and notes**

Geoff Meade, the moderator, welcomed everyone, on behalf of the hosts UDITE, the European Federation of Chief Executives in Local Government and Veolia, to take an innovative look at the proposals for the future Cohesion Policy 2021 to 2027. Specifically, the sessions would focus on 2 of the 5 priorities for the new funds, that of **INVESTING IN GREEN, CARBON FREE EUROPE** and **PROXIMITY TO CITIZENS THROUGH LOCAL LED ECONOMIC DEVELOPMENT**. The following notes reflect key points made by speakers and the World Café participants who have shared in formulating these observations and conclusions. The three sessions were structured around three speakers followed by three questions that World Care participants were invited to debate.

Session 1 – Mathieu Fichter – Outline of the proposed legal framework from European Commission (DG REGIO)

What is the state of play for 2014-2020 and the links with low carbon green economy.? Significant funding is available for energy efficiency, renewables, smart energy infrastructure and transport. ***How fast are the funds being used?*** – The state of play last year indicated a slow uptake so far since the programme began. For energy efficiency, renewables, transport, resource efficiency, circular economy and smart energy there is around **€30 billion** available until 2020. Speaker accepted that the policy can be complex but the money is there. Nevertheless, the Commission speaker confirmed that the needs are there, but just that things are slow to develop on the ground often.

The second aspect is the **bottom up community-based approach and the locally based instruments like CLLD & ITI**. These were set up for the first time in this seven year period (2014-20). Take up of this type of funding was also quite slow at the beginning despite civil society and local authorities wanting to work together on small scale European projects. Reality on the ground has indicated that setting up these innovative instruments has been challenging. In regions and member states where the enabling conditions were in place implementation of these new instruments got underway much faster. An adequate vision and enabling framework has been essential for the uptake to go faster. As of 2018, the good news is that many regions are moving much faster now.

So what are the objectives and proposals for the future? Instead of 11 objectives there is a simpler version with 5. Policy objective 2 is energy, climate adaptation, resource efficiency, circular economy, risk prevention and environment. The European Commission (DG REGIO) has often been criticised by Member States (MS) for its previous menu based approach that required significant guidance on what the funds could and could not be used for. Now in the new proposals for 2021-27, the Commission is seeking to give MS more flexibility. There are also 2 horizontal priorities on capacity building and building links to fund projects outside EU borders as well ([see presentations](#)).

Does the funding still needs to be concentrated on themes like low carbon? Proposals call for the least developed regions to invest at least 30% of funding in environment and low carbon. The first change is that the more developed regions now have NO obligation to invest in low carbon (PO2) and can rather focus on innovation (PO1). The second change is that **thresholds are addressed at national level rather than programme level**. This may lead to interesting discussions between national, regional and local levels over where 30% is adhered to as programmes are prepared. In some programmes there may be less and some programmes more prescription to spend on low carbon.

Another issue will be how far the MS decide to allocate to cities and or cities and rural areas. MS will need to find the right balance. DG REGIO is looking for the best impact in terms of added value. Where is the highest added value of the investment of €1.

Question 1

Regional Development in the EU is an important factor that contributes to balanced growth in the Single Market and enables coordination of strategies & funds at the local level. What would be the impact on your area if it disappeared?

Summary of World café discussion topics

- ERDF was easier to spend on public infrastructure but more difficult to orientate towards soft investments
- Green mobility projects are generally proving to be more complex than traditional ERDF projects.
- Despite discussion on simplicity here today, implementing low carbon projects remains a challenge due to partnerships and targets.
- Cooperative medium and long term devolved strategies are an important aspect of Regional Development approach we should not lose.
- The irony here is that everything needs to be done a little slower, there are some great ideas here for the future but poor take up on the ground is a real issue. Somehow, we need to communicate better with local and regional actors, provide more training and capacity building so that they can make the most of what is available.
- Four things we could lose if the funds disappeared. 1) Hard to change citizens behaviour without funds. 2) Funds are vital to test new approaches and new projects. 3) Important in areas of market failure and 4) Hard to reach a sustainable approach without structural investments;
- Experience that investments decisions in infrastructures where high cofinancing rates are available do not always lead to good projects (i.e. a lack of appropriate revenue and business planning preparation).
- High risk innovative projects are essential in the regions and the funds are the important last resort for these schemes.
- One big strategy may make a bigger difference than lots of little projects. EU funds are important in the process of building bigger more significant strategies with impact.
- Investments in cultural heritage are important through the funds that close the gap often on viability of these projects.
- Difference between cohesion and non-cohesion countries. Different areas will lose different things. Depends on the importance of the funds in the investment cycle. Large infrastructure projects and longer-term R&D projects maybe an issue as regeneration strategies take on a short-term character.





Tina presented her organisations partnership approach to driving innovative and green procurement in Norway that was trying to accelerate access to new innovative solutions. Underlining the critical need to create more time between when a need arises and up to the time when the tender is announced. Seek to convince the public buyers to consider carefully how they define and ultimately what they want to buy. The process involved encouraging a more advance dialogue with a range of potential providers. The example was given of the public entity that coordinated school works across the country. Needed a solution for servicing school air conditioning and ventilation systems without the need for shutting down schools for extended periods of time. A new approach was found that saved 1 million euros and encouraged a market dialogue with market access principles. In addition, reduced school emissions emerged and a reduction in lost time from having to close the school each time.

In another example, a portfolio manager of public building in Oslo turned to the procurement agency to procure *as green as possible for construction sites*. A market dialogue was initiated for interested parties in delivering fossil free construction sites. In the past, public entities had often found contractors resistant to changing their procedures for one off stand-alone projects. The opportunity to put more public buyers together in a market dialogue with private sector demonstrated that suppliers were ready to change their approaches with the opportunity of longer-term economies of scale, As a result, the public and private contractors to the market dialogue went from 2.6 billion Norwegian krone (€2.7 million) to nearly 58 billion krone (€6.1 billion) in just over 5 years. Public buyers now queue up to buy new services through this new market dialogue approach. Progress towards the Sustainable Development Goals has accelerated as well. The result is that much more progress can be made by working together through a partnership processes to competitive dialogues where the challenges and solutions can be better defined than through the traditional public to private procurement process. 32% of Norwegian municipalities are now involved in this market dialogue around waste management services. Taking the time to list what the market has to offer is really important. With zero emission construction sites this has been really beneficial in Norway. Tina Sølberg expressed her interest to share their approach with other cities around Europe and would be based in Brussels until the end of November 2018.

Question 2

Large scale transformational projects in the low carbon arena can be facilitated through innovative financial instruments blending EU funds with public-private partnerships. What are your concerns for the challenges ahead?

Summary of World café discussion topics

- A discussion on next generation hydrogen transmission using existing gas networks took place on one table;
- That private investors are keen on public private partnerships for long term sustainable investments. These are particularly important for large ticket items like district heating networks and waste to energy plants;
- Blending public and private funds not easy particularly in regions where there is a lack of experience and a legal, cultural and administrative resistance from the public administration where they tend to use just public money;
- Structure of PPPs and their governance is often too complex for local and regional stakeholders who lack administrative capacity to write and prepare process and where lack of predictability can inhibit still the public sectors readiness to commit to PPPs;
- Need time in public sector to talk to private sector -understanding of culture and roles;
- The public sector needs a real partnership and does just need money!
- Greener can be cheaper, roads can be built with lower emissions – funds are therefore important to pump prime process;
- Public sector is often concerned by the long-term commitment and risk if private sector work is not well prepared;

Session 3 – Nick Brookes – The local & regional dimension

Nick offered some regional perspectives on the proposed Cohesion Policy package. CPMR is a network representing 160 regions in Europe and beyond.



Positive aspects

- Happy that there is a policy for all regions as there were risks earlier in the year that it would be for the poorer countries only;
- Efforts to simplify are real if only for the Managing Authorities;
- Partnership and multilevel governance is still there (article 6 of CPR could have been slightly stronger);

Negative aspects

- What is regional policy supposed to do? No criticism of DG REGIO who were under pressure from other DGs -Is it a pot of money to achieve other EU objectives?
- Linked to this is the concern around the breakup of the funds – Rural Development Fund is no longer linked to CPR;
- ESF has also seemingly gone in another way and is now focused on the semestrial process under EU 2020 with no bottom up at the regional level;
- Thematic concentration at national level could be an issue for regions – prefer concentration funds on regions in most need rather than too much national flexibility;
- Proposal for the cross border (and maritime) INTERREG programmes to be merged into interregional programmes and the likelihood of INTERREG EUROPE being scrapped altogether;
- The fact that only 3% of the overall spend is being proposed for INTERREG is a concern and could lead to MS cutting the budget further following negotiations with EP;
- Concerned that the financial management including lower prefinancing and a return to N+2 (commitment to spend within 2 years of funds being made available to beneficiaries) will create challenges for regional authorities.

Negotiations so far

- 29th May 2018 - Cohesion Package was published by the European Commission;
- EP has been quick and efficient in being clear about what they want to see - want the same envelope as current period and for INTERREG to be increased not reduced;
- EP see importance to get a deal between MS and EP before the EU elections.
- Problem though now is that with proposals including national allocations, MS who face a smaller budget are reluctant to start negotiating – result no consensus appearing Council yet.
- No deal before EP elections and programmes will not start on time. on 1st Jan 2021 and the policy will fall into a vicious circle of late start, later programming that leads to underspending delays;

Question 2

From what we have heard today, what are the risks you face locally with the future implementation of the EU Structural & Investment Funds?

Summary of World café discussion topics

- Exchange of experience between regions may disappear without INTERREG;
- Added value of maritime cooperation is vitally important;
- Uncertainty over future of the policy will be a negative aspect for driving forwards environmental long-term investments;
- Funds play an important role in driving urban / rural sustainability issues;
- Interregional cooperation key;
- Sparsely populated areas that suffer from market failure, need funds to drive economies of scale and close funding gap;
- Not enough money for technical assistance available in ERDF proposal – links back to question 2;
- Delayed agreement, delayed programming, leads to late implementation and criticisms of funds;



Section 2 - A 450-word summary of your session (key conclusions)

During this interactive World Cafe, participants had the opportunity to debate on how financing can be organized so as to encourage a risk-adverse local public sector to invest in green infrastructures, in the context of the future cohesion policy. Three sessions composed of a scene-setting followed by table discussions gave the audience the chance to reflect on important principles such as the cooperative and long term dimension of the funds.

The first session emphasized the possibility to use structural funds to test new approaches, encourage behavioural changes in citizens and upscale local development strategies. Some participants however underlined that local and regional actors need a better access to training in order to build capacity and facilitate the take up of low-carbon projects.

The second session highlighted how innovative partnership approaches to competitive procurement can effectively encourage bottom-up innovation and reduce costs. Bringing together local public buyers faced with similar infrastructural challenges is an excellent way to incentivize suppliers to produce innovative solutions while achieving economies of scale. Nevertheless, blending public and private funds is not an easy task, particularly in regions where there is a lack of experience and a legal, cultural and administrative resistance from the public sector. Real, long-term partnerships are important to address these challenges.

Finally, the regional stakeholders who participated in this workshop agreed that the cohesion policy for 2021-2027 should include all regions. They remain concerned about the lack of connection of the Commission regulation proposal with rural development and European Social Funds, as well as the merger of INTERREG cross border and the disappearance of INTERREG Europe. The overall 3% reduction of the ESIF in the budget proposals – something that many thought Member States might seek to reduce further – also worries them. Finally, the participants underlined the importance of getting a deal between the Council and the European Parliament before the next European elections in May, in order to avoid the vicious circle of delayed agreements, delayed programming, and late implementation of the funds.



Section 3 - An 80-word take-away message

Sustainable local development requires adequate funding streams and implementation processes. Synergies between rural and urban areas, and between regions through the INTERREG program, must stay a feature of the cohesion policy. Local and regional administrations however need to be better equipped to facilitate the take-up of low-carbon projects. In this regard, bringing together localities facing similar infrastructural challenges can foster innovative solutions and economies of scale. Finally, securing a deal before the next European elections will be vital.

Section 4. Keywords describing your session

local/ low-carbon /green / circular economy/ innovative procurement / locally led development / bottom up engagement / building capacity / local decision-makers / Mayors/ leader / Chief Executives / Director Generals / Clerks/ urban / rural

Section 5. At least one quote from different speakers (maximum of 50 words per quote), two other quotes can be added

“Despite talk of delays, it’s ironic that a slower approach might work better. great ideas for the future here but poor take up is a real issue. By communicating better with local actors, through training & capacity building, we can make the most of what is available” – Ronny Frederickx, Former President of UDITE

“Much more progress can be made by working together through a partnership processes to competitive dialogue, where the challenges and solutions can be better defined than through the traditional procurement process” – Tina Sølvsberg, National Suppliers Development Programme - Confederation of Norwegian Enterprise

A deal on Cohesion Policy package 2021-2027 before the EP elections is vital now if programmes are to start on time on 1st January 2021 and avoid the vicious circle of late start, late programming and criticism over resulting underspends” – Nick Brookes, Conference of Peripheral Maritime Regions (CPMR-CRPM)

Section 6. A descriptive picture from your session via EURegionsWeek Flickr Gallery weblink



[Go to link on EWRC Flickr page](#)
[See UDITE's google photo page for all pictures](#)
[Knowledge hub download page](#)