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“The EU Recovery Plan: key messages from a regional approach perspective”

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I'LL TALK ABOUT....

- 1) OVERVIEW OF THE EU RECOVERY PLAN EU
- 2) THE RECOVERY AND RESILIENCE FACILITY - The “Crown Jewel” of the EU Recovery Plan
- 3) THE NATIONAL RECOVERY AND RESILIENCE PLANS
- 1) MESSAGES FROM THE CPMR

NEXT GENERATION EU: KEY ELEMENTS



- **NGEU (750 bn €) + EU long-term budget 2021-2027 “MFF” (1,075bn€)**
- Novel and ambitious package: **750 bn EUR raised in financial markets**
- **Temporary instrument.** One-off emergency instrument put in place for a temporary period (2020-2024).
- Channelled through:
 - New instruments: **Recovery and Resilience Facility** (675,5bn €)
 - Already **existing EU programmes** (resources on top of the MFF budget):
 - REACT-EU: ERDF & ESF (47,5bn€) (*Ireland, 84 million €*)
 - Horizon Europe
 - InvestEU
 - EAFRD Rural development (8,1bn€) (*Ireland, 189,7 million €*)
 - Just Transition Fund (17,5 bn€) (*Ireland, 77 million€: 44 NGEU + 33 MFF*)
 - RescEU

A GLIMPSE TO THE “Recovery and Resilience Facility”



- Main elements:
 - Budget and share between grants and loans: **772.5bn €** (312.5 bn grants / 360 bn in loans) (*Ireland 900million€*)
 - Temporary instrument
 - € allocation criteria: population, GDP decrease & unemployment
 - Pre-financing when RRF plan is approved: **13% Measures taken from 1 February 2020**
 - **Strong surveillance to MS:** biannual reporting, milestones and targets scoreboard (end 2021)
 - Thematic concentration: **37% green transition, 20% digital expenditure**

6 Pillars

1. Green Transition
2. Digital Transformation
3. Smart, sustainable and inclusive growth, including economic cohesion, jobs, competitiveness, research, development and innovation
4. Social and territorial cohesion
5. Health, and economic social and institutional resilience
6. Policies for the next generation, children and youth including education and skills

RRF programming: National Recovery and Resilience Plans



- **NRRPs**
 - **Detailed list of investment and reforms** to put in place via the Recovery and Resilience Facility
 - Ongoing structured dialogue EC-MS on Member States' draft Recovery and Resilience plans
→ **Final submission (30 April 2021) → 19 Member States have already submitted**
 - Commission to assess the plans (2 months) and approval by the Council.
 - **Pre-financing: 13 %** of the financial contribution. (Summer 2021)
- **Governance:** Plans must include a description of **how LRAs and other stakeholders have been involved during** the definition decision-making process.
- **Strong reflection and coordination should happen on the links between RRF and other EU programmes:** Plans must include a justification of the **coherence of the NRRPs and an explanation of its consistency with principles and plans of other relevant programmes** (Cohesion Policy, National Energy and Climate Plans, territorial just transition plans under the JTF, etc)
- Member States can include investments on **cross-border projects and multi-country projects**

Global overview NRRPs



- Territorial cohesion is one of the Facility' prime objectives → **The extent to which Member States detail how the listed investments and reforms will strength territorial cohesion differs widely.**
- Main problematics and existing regional disparities addressed in the NRRPs :
 - **Digital connectivity:** Territorial imbalances related to the spread of broadband access, to support high-speed connectivity.
 - **Accessibility:** Need to reduce interregional differences in the country reinforcing accessibility and road capacity.
 - **Depopulation:** The need to overcome those regions with demographic handicaps in order to guarantee territorial cohesion.
 - **Competitiveness:** The need to strength economic development via all policy sectors to curb existing competitiveness gap between regions within a Member State. (urban/rural)
 - **Health infrastructure:** Investment priorities to build up and improve health infrastructure to guarantee equal health access.
- **Green transition pillar in all Member States NRRP.**
- **Focus on climate friendly mobility and sustainable transport.** Development of high-quality, multimodal, climate-resilient, smart and sustainable infrastructure and transport systems.
- **Large attention and investments on climate adaptation measures.** Climate adaptation measures take different approaches in the NRRPs:
 - Forest restoration and fire resilience
 - Biodiversity
 - Hydrogeological risk reduction, flooding mitigation, and drought

Irish NRRP



- Ireland has **NOT submitted yet** its NRRP to the European Commission (expected to be done at the end of the month)
- Ireland's allocation: **853 million €**
- 3 pillars:
 - Green transition to a low carbon economy
 - Expanding digital reforms
 - Transformation and social and economic recovery, including job creation
- Governance: **Public consultation** on Ireland's NRRP (February 2021)

MESSAGES FROM THE CPMR



1. Governance:

! CPMR Member Regions have shown concerns on the limited involvement of regional authorities in a majority of EU Member States!

CPMR has been really vocal asking for:

- Meaningful contribution and involvement of regional authorities in the design and implementation of the National Recovery and Resilience plans as key enablers of the EU priorities on climate and digital.
- To guarantee that the implementation of the Recovery and Resilience Facility is grounded on the principle of multilevel governance

2. Complementarity and consistency

- To ensure coordination between the RRF, REACT-EU and 2021-2027 Cohesion Policy programmes, through the involvement of regional authorities in the design and programming of the mentioned instruments to make EU funding delivery effective and avoid overlaps and unnecessary competition.

3. European Semester

- Stronger territorial dimension of the European Semester framework in which local and regional authorities are fully involved at national level as relevant partners of the Semester's dialogue between Member States and the European Commission.
- To enhance the territorial approach of the European Semester framework through the acknowledgement of existing territorial challenges in the EU Member States in view of the relevant investment guidelines for EU funded programmes issued through the economic framework.



“Next Generation EU”: a threat to Cohesion Policy?

The CPMR analysis (Dec 2020) already raised concerns on the NGEU and cohesion policy implementation:

- Risk of **overlaps and competition for projects btw RRF and cohesion policy**
- Due to **political pressure** → MS focus to fully absorb RRF allocations could slow down programming and deployment of shared management programs
- **RRF much more agile and flexible set of rules** on spending than the Cohesion traditional requirements and procedures.
- **Implications of React-EU on cohesion policy:** No territorial earmarking → leaving **national governments full scope to decide the domestic distribution of the resources.**



Consistency and coherence in the NRRPs: RRF vs Cohesion Policy 2021-2027

- The extent to which Member States address how the investments under the RRF and those under Cohesion Policy operational programmes interweave vary considerably.
- Least Common Denominator:** Acknowledgement that Cohesion Policy Funds (ERDF, ESF+, REACT-EU) will be taken into consideration to avoid double funding. (e.g., Spain, Italy, Germany)
- Best examples when consistency is effectively addressed:
 - Portugal:** PT 2030 strategy pillars and how they will be funded via NGEU + Cohesion Policy OPs at federal and regional level.
 - France:** 4 criteria to decide funding between RRF & ESIF (ERDF, ESF+, REACT-EU): temporality, thematic (RRF larger scope), beneficiary and territorial (depending on priority investment for geographical areas)
 - Belgium:** Each administrative entity details regional OP priorities consistency with the BE NRRP pillars.

Figura 28. Estratégia PT2030 – PRR – Acordo de Parceria 2021-27

ESTRATÉGIA 2030		AGENDA 1	AGENDA 2	AGENDA 3	AGENDA 4
		As pessoas primeiro	Digitalização e Inovação	Transição Climática e Sustentabilidade	Um país competitivo e coeso
N E X T G E N E R A T I O N E U	P R R	Habituação	Qualificações e Competências	Gestão Hídrica	Infraestruturas
		SNS	Investimento e Inovação	Florestas	Cultura (2)
		Resposta Sociais(1)	Cultura (1)		Respostas Sociais (2)
		Escola Digital(2)	Escola Digital(1)	Descarbonização Industrial	
		Finanças Públicas (2)	Empresas	Bioeconomia	
		Justiça económica e ambiente de negócios (2)	Finanças Públicas (1)	Eficiência Energética	
		Administração Pública Eficiente (2)	Justiça económica e ambiente de negócios (1)	Hidrogénio e Renováveis	
			Administração Pública Eficiente (1)	Mobilidade Sustentável	
			Mar(2)	Mar(1)	
		REACT		Apoios empresas, formação e acção climática	
A C O R D O D E P A R C E R I A/ F U N D O S D E C O E S Ã O (2021-27)	OP 4 Europa + Social	OP 1 Europa + Inteligente	OP 2 Europa + Verde	OP 3 Europa + Conectada	OP 5 Europa + próxima
	PO Temático FSE	PO Temático FEDER	PO temático F.Coesão		
	Fundo asilo e migrações	PO Regionais			DLBC
PEPAC (2021-27)	PDR			DLBC	
E U C e n t r a l i z a d o s	Eriamus	Horizonte Europa	CEF Energia	CEF Transportes	
	Health EU	Invest EU	LIFE	CEF Digital	
		Digital Europe	RESQUE		
		Single Market			



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