

CPMR Regions at the heart of the European Green Deal

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Context

The CPMR Member Regions are at the forefront of the growing and worsening impacts of climate change: sea-level rise, coastal flooding, droughts, heavy rains and floods and forest fires are already impacting their territories, economies and citizens. Maritime and peripheral Regions are already implementing mitigation and adaptation measures, and mobilising investments to counter the consequences and threats of climate change, which are even more critical to islands and outermost regions.

However, not all Regions are impacted the same way and do not face the same challenges. Tailor-made solutions to the territories are needed as well as full ownership. Furthermore, not all regions start from the same point or have the same capacity to respond. Some regions are already on track to become climate neutral before 2050, whilst others have specific vulnerabilities that need to be taken into account and consequently need to be supported in the transition.

This policy position is a response to the latest political developments and initiatives linked to the European Green Deal and builds on the messages expressed in the CPMR political position "[Regions, indispensable partners for a new European climate ambition](#)" that had been adopted by its General Assembly in October 2019.

The CPMR calls for the European Green Deal to deliver four enablers to ensure a transition for a prosperous, competitive, and fair climate neutral society for all regions in Europe:

- An Ambitious climate policy
- A long-term adequately funded growth strategy
- Full involvement and partnership with Regions
- A fair and just transition

With the objective to promote the contribution of its Member Regions to European Green Deal, the CPMR will launch the initiative "CPMR Regions at heart of the European Green Deal", which will aim to show the contribution of CPMR Members to achieve the climate neutrality objective through their strategies and investments, including via the use of cohesion policy funding in the 2021-2027 period.



1. An Ambitious climate policy

1. The CPMR welcomes the European Green Deal as the response to the growing challenges of climate change in its Member Regions, as it aims at:
 - A climate neutral continent by 2050;
 - Laying the ground for a long-term growth strategy that aims at creating a predictable framework and financially viable strategy for a prosperous and competitive climate neutral economy;
 - Building on the partnership with regions, local communities, civil society, industry and youth;
 - Achieving a socially fair transition to climate neutrality and believes on the fundamental role of Cohesion Policy to achieve a territorially balanced transition.
2. The CPMR however reiterates the urgent need to increase the reduction of EU greenhouse gas (GHGs) emissions by at least 55% by 2030 compared with 1990 levels at the June European Council 2020. This effort of EU Member States must be combined with a partnership with third countries located in Europe, whose contribution to achieve the objective of a climate neutral European continent is crucial.
3. The CPMR also calls on European Union to be a leader in international climate arena by submitting the 55% GHGs emission target at COP 26, so as to fulfil the Paris Agreement objectives.

2. A long-term adequately funded growth strategy

4. The CPMR welcomes that the European Green Deal is a long-term growth strategy. A predictable and consistent framework is crucial to grasp the benefits of the ecological transition.
5. The CPMR considers crucial the role of the Sustainable Europe Investment Plan in ensuring the massive investment needs as well as the enabling framework to reach a climate neutral economy. However, the CPMR points out that EUR 260 billion additional investments per year by 2030 do not include some investments needs in agriculture or climate adaptation, or the preservation and restoration of economy systems and biodiversity, due to a current lack of data, which are key to deliver the transition. In addition, the European Commission estimates refer to a scenario of 40% reduction of GHGs by 2030, which is not in line with the EU climate neutral objective.
6. The CPMR expects that the objective proposed by the European Commission to mobilise EUR 1 trillion over the next decade will be fulfilled. However, this objective relies on an optimistic and uncertain leverage effect on public and private investments, especially given the limits of the European Fund for Strategic Investments (EFSI) as reported by the Court of Auditors¹. Moreover, the Commission's plan largely consists in exploiting existing EU programmes or instruments, while it envisages a very tiny share of fresh resources. Therefore, the mobilisation of 25% of the European budget as a whole can only be a minimum. A significant improvement of the

¹ Some EFSI support just replaced other EIB and EU financing, part of the finance went to projects that could have used other sources of public or private finance, estimates of additional investment attracted by EFSI were sometimes overstated and most investments went to a few larger EU 15 Member States with well-established national promotional banks' – [Court of Auditors Special report no 03/2019](#)



methodology at European level will be needed to ensure that investments supported by the EU, via all relevant funds and the European Investment Bank, will be fully aligned with the Paris Agreement and support the transition to climate neutrality.

7. The CPMR also considers the proposed percentages for the contribution of specific EU policies' budgets and funds to climate action, such as 30% for the cohesion policy, need to be considered as minimum targets. In addition, it is necessary to end support to fossil fuels related investments from all EU funds and the European Investment Bank.
8. The CPMR welcomes the Commission's commitment to taking into full account the objectives of the European Green Deal in the future review of state aid rules. An option to explore could be a relaxation of regional aid rules applying to investment under the PO2 of cohesion policy.
9. The CPMR notes that the Commission has recently launched a consultation on the review of the EU economic governance floating the purpose to allow more flexibility for green investments. This process should not refrain from looking at a comprehensive spectrum of possibilities to unleash more investment, including an exemption from EU fiscal rules of cohesion policy national co-financing for projects contributing to climate action

3. Full involvement and partnership with Regions

10. The CPMR also welcomes the spirit of the European Climate Pact as the initiative to bring together regions, cities, civil society, business and the youth to deliver together the European Green Deal.
11. The CPMR asks for the European Climate Pact to be a driver for change and not be a mere forum of discussion with little policy influence. On the contrary, the European Climate Pact should enable a EU climate policy that is based on multi-level governance and delivered in full partnership with regional and local authorities, civil society, businesses and the youth. It is with this objective that the CPMR will promote the region's contribution to EU objectives in the framework of its initiative "CPMR Regions at heart of the European Green Deal".
12. The CPMR considers that it is crucial to have a concrete involvement of regions in climate policy making and to have a multi-level governance approach. As found in a CPMR [study](#) on the draft Integrated National Energy and Climate Plans (NECPs), which are key to deliver the EU objectives, the involvement of regions was minimal or a pure formal exercise. The CPMR fears that a similar lack of involvement will happen in the preparation of the fair transition plans.

4. A fair and just transition

13. The CPMR welcomes the need to ensure a fair and just transition to the most affected territories by the transition to climate neutrality through the Just Transition Mechanism. Such approach is relevant to ensure that the objective of economic, territorial, and social cohesion is fully included into the European Union's climate action, in a context where climate change and climate action create a growing and colossal risk of a new territorial and social divide within the European territory.



- 14.** The CPMR, however, considers that the opportunity to benefit from dedicated schemes and loan facilities should be extended to all European regions. A fair and just transition should not only focus on territories with high employment in coal, lignite, oil shale and peat production, and territories with greenhouse gas-intensive industries. All regions in Europe are facing specific and heavy challenges in terms of ensuring a fair transition to climate neutrality, which arise from either or both their geographical location and the specific impact of climate change on their economy and territory. Besides, a fair and just transition should not only focus on the social dimension, but fully encompass the economic dimension of the ecological transition.
- 15.** The CPMR also stresses, as noted in recent [analysis](#), the following elements concerning the Just Transition Fund proposed by the European Commission:
- The embedding of the Just Transition Fund in the cohesion policy framework and its implementation through shared management is welcome
 - The EUR 7,5 billion budget proposed for the Just Transition Fund is modest, but the preservation of an ambitious budget for the cohesion policy post-2020 must remain the main priority to fight climate change at territorial level
 - Both the scope and the implementation of Just Transition Fund should be better clarified to avoid overlaps with existing cohesion funding and ensure smooth synergies to maximise the impact.
 - In terms of governance, it is crucial that public authorities of the areas involved are entrusted with a leading role in both the programming and management of resources of the Just Transition Fund. The process of selecting the eligible areas should see an involvement of local and regional authorities and be based on objective criteria.
 - The European Commission should ensure that the Just Transition Fund does not generate additional bureaucracy and complexity in the ongoing negotiations of cohesion policy regulations and programmes causing delays in the deployment of the programming period 2021-2020
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The Conference of Peripheral Maritime Regions (CPMR) represents more than 150 regional authorities from 24 countries across Europe and beyond. Organised in geographical commissions, the CPMR works to ensure that a balanced territorial development is at the heart of the European Union and its policies.

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