



Brussels, 13 July

## Minutes

### Meeting of the Dialogue with CPR Partners 2021-2027

15 June 2023

#### **1. NATURE OF THE MEETING**

The meeting was an ordinary session dedicated to informing the Common provisions regulations (CPR) partners about the new policy initiatives on “Harnessing talents in Europe’s regions” and the “New Regional Competitiveness Index” (by Director for Policy, DG REGIO), the outcome of the negotiations of the 2021-2027 programmes and the state of play of the previous period (presented by acting Director General, DG REGIO). It was a physical only and non-public meeting (not recorded nor web-streamed) at DG REGIO premises. The meeting also served as an exchange of views with participants on the report on the implementation of the macro-regional strategy, the partnership principle (ECoPP and European Code of Conduct on Partnership) and as a presentation on the challenges and bottlenecks encountered by beneficiaries at the local level.

The Dialogue took place in the form of a presentation followed by an exchange between the presenter and the participants. As requested in previous meetings of the group, DG REGIO also proposed options for specific group activities in between formal meetings.

The meeting was chaired by the Head of Unit for Political and Inter-Institutional Coordination, Strategic Management and Document Management of DG REGIO (REGIO 01).

#### **2. APPROVAL OF THE AGENDA**

The Chair announced the agenda and confirmed the approval of the participants.

#### **3. LIST OF POINTS DISCUSSED**

##### **1. Harnessing talent in Europe’s regions ([Link to the presentation](#))**

DG REGIO (Director REGIO.B, Policy, Peter Berkowitz) presented the latest communication on harnessing talent in Europe’s regions. This communication provides the demographic context of the challenges being faced by the EU, highlighting the impacts of aging, lower birth rates, and internal migration flows. Moreover, emphasis is placed on the disparities caused by disproportionately affected regions, and the influence this has on the ability of

regions to retain the level of skilled labour essential for development. This concept of “the talent development trap” is characterized by regional labour shortages, low education rates, and outwards migration. Finally, these issues are addressed with dedicated actions, centred around investments, reforms, and EU initiatives. Special emphasis is placed on the support provided by a new Talent Booster Mechanism, as well as addressing existing gaps in data.

The **EESC** welcomed the Commission’s communication. Referring to the newly adopted EESC opinion on the communication, the EESC highlighted the importance of freedom of movement and stressed the need for funding for the development of adversely affected regions, the importance of social and environmental dialogue, and critically, education.

**CCRE/CEMR** raised concerns about the focus on urban areas, and the associated high costs of living causing difficulties in retaining workers. The need to attract skilled labour to local public services was also highlighted. Lastly, the lack of partnership principle in the European Semester was voiced. **DG REGIO** acknowledged existing risks in both rural and urban regions and the existing challenges to attract suitable candidates for local and regional administrations. Furthermore, a broader reflection process on the future of cohesion policy is also looking into the better implementation of the partnership principle.

**EMA** emphasized the diverse challenges present in different urban neighbourhoods and their surrounding municipalities. It was also questioned, how the report’s findings could be integrated at the local level. **CCRN/CEMR** built on these comments by highlighting the fact that different strategies for different issues are necessary at the local level. Furthermore, concerns were raised about the lack of partnership between the local and national level, suggesting a need for stronger pressure from the Commission on member state governments to include local administration.

**EDF** and **FSG** inquired about the inclusion of persons with disabilities and vulnerable groups in the planned skill boosting initiatives.

**DG REGIO** acknowledged the necessity of adopting sub-national approaches as crucial for the shared management approach of cohesion policy. **DG REGIO** confirmed their commitment to equal opportunities and inclusion. Moreover, providing opportunities for individuals with disabilities and vulnerable groups is identified as an important solution for addressing issues such as depopulation and talent migration. However, some of the high-level commitments are unfortunately challenging to implement on the ground.

## **2. The New Regional Competitiveness Index [\(Link to the presentation\)](#)**

**DG REGIO** (Director REGIO.B, Policy, Peter Berkowitz) presented the latest developments in relation to the EU Regional competitiveness Index, RCI 2.0. The RCI aims to help regions target their development strategies, benchmark themselves, facilitate mutual learning, and support the monitoring of regional disparities. In terms of developments, RCI 2.0 incorporates an updated methodology intended to offer better comparisons over time. Some early indications suggest developed regions generally outperform less developed regions in territorial competitiveness, defined as the ability of a region to provide an attractive sustainable environment for firms and residents. Moreover, while capital regions tend to outperform more rural locations, a decreasing disparity across the EU can be seen to occur

over time. The RCI is intended to serve as a comprehensive and transparent diagnostic tool for assessing the strengths and weaknesses of EU regions through the use of interactive tools, scorecards, and analysis. Finally, discussion is encouraged regarding the strengths and shortcomings of the index and its utilization in designing and monitoring cohesion policy programs and national recovery plans.

**REVES** inquired about the focus on innovation and social innovation in the RCI. **ECOLISE** asked how innovation is defined within the RCI, reiterating the need for regenerative innovations to combat climate change and highlighting the urgent need to reflect this within the tool's methodology. Alternative indicators to GDP and competitiveness, such as biodiversity, state of pollution, environmental protection, and social innovation, should be incorporated as well.

**DG REGIO** informed about ongoing reflections on how to improve the RCI methodology to create a more comprehensive model. One idea is the addition of a fourth pillar on performance across different environmental issues. This addition would be particularly useful for comparing the performance of divergent strategies, possible trade-offs, and regions that excel in green initiatives against those that do not. It is also mentioned that the Social Progress Index could be a potential short-term alternative. A metropolitan focus is also considered interesting, especially considering the substantial work already done on cities, however it is highlighted that the focus of this presentation was on areas and functions rather than specific cities.

### **3. Exchange with acting Director-General Normunds Popens on the outcome of the negotiations of the 2021-2027 programmes and the state of play of the previous period ([Link to the presentation](#))**

Acting Director-General of REGIO, Normunds Popens presented the outcome of the negotiations of the 2021-2027 programmes, as well as a brief discussion on the state of play of the previous period.

The EU has allocated significant funding to programmes focused on green and digital transitions, with the aim of reducing regional disparities, as well as the expectation of creating jobs, supporting enterprises, and improving energy performance. This is based on the prioritization of the European Green Deal, climate action, energy transition, and sustainable urban mobility. Moreover, the Just Transition Fund is highlighted as the primary tool for supporting disproportionately affected territories address challenges brought about by the green transition.

The importance of the partnership principle is highlighted in ensuring democratic accountability as well as the empowerment of local communities in identifying priorities and projects. Social and inclusive growth are also highlighted as a key focus, pillared around issues of unemployment, youth unemployment, social integration, and access to services. Place-based investments are mentioned, with the aim to enhance urban and rural areas, renovate public buildings, and develop cultural sites. Furthermore, Interreg programs are discussed as an essential tool for promoting territorial cooperation and long-term collaboration.

Despite the challenges caused by the Covid-19 crisis and the war against Ukraine leading to delays, progress in programme implementation has been made. The importance of communicating the successes of our policy to citizens (e.g., by promoting successful projects) is also underlined.

**EUROCHILD** asked if there is any analysis available on the implementation of the partnership principle in monitoring committees.

**FSG** underlined ongoing difficulties in the implementation of the principle despite certain improvements and criticized the short time span for call for proposals.

**EMA** also expressed concerns related to the implementation of the partnership principle. Delays in the call for proposals and the lack of involvement of local authorities could result in failure to deliver the funds as intended. Lastly, EMA criticised the different levels of controls leading to increasingly reluctant applicants due to budgetary uncertainty linked to the controls. All these issues mentioned already caused problems in some regional programmes (e.g., in Barcelona).

**CCRN** was also concerned about the poor implementation of the partnership principle not only in Spain but in multiple member states due to the partnership principle being only a “soft condition”. More pressure to enforce compliance would be needed. CCRN also pointed out that some big cities still face resource scarcity despite their relatively high GDP, particularly due to the uneven distribution of these resources within their municipalities and the lack of tax income at local level. At the same time, they indicated that many challenges (e.g., climate change adaption, migration, mobility) need to be managed and dealt with at the local level.

**ECOLISE** raised concerns about the insufficient utilisation of JTF in Bulgaria and the need for support to boost public participation especially by local authorities.

**EDF and ENSIE** asked for support in addressing the challenges faced by small organizations like social enterprises accessing EU funds, namely the administrative burden, the co-financing rates, and the lack of staff resources. ENSIE indicated that they are developing tools to overcome these problems, and both organisations hope for better conditions in the next MFF for smaller organizations and administrations.

**EUA** asked about objective 1 and the implementation of smart specializations in the previous programming period, noting improper execution in many regions. In view of the midterm review and the work of the High-Level Group, EUA also asked for more alignment between the different Commission initiatives (e.g., with the Horizon Europe programme).

**ENIL** asked about the funding of institutions for persons with disabilities. While they welcome the commitment of the European Commission to prioritise family and community-based support, they would like to know whether there are any safeguards put in place to avoid investments into segregated settings for persons with disabilities.

**REVES** underlined the importance of place-based investments, particularly the lack of awareness among some local policy and decision makers is highlighted, suggesting that increased visibility is needed (e.g., through open data portals).

**CCRE/CEMR** welcomed P05 but is concerned about the low uptake and the slow start of the programming. They called attention to the difficulties faced by managing authorities in closing the previous period, particularly with the introduction of new instruments like CRII, and asked for an extension of the closure deadline. **CCRE/CEMR** also called for clear conditions of the partnership principle in future cohesion policy – to be set together with the new regulation

**DG REGIO** replied to the questions and remarks raised by indicating that regarding the partnership principle, improvements have been made, while also acknowledging that activation needs to be more effective and that the Commission needs to keep pushing Member States to further improve the implementation of the partnership principle. DG REGIO is already working on the improvement of the functioning of monitoring committees, for example by requesting the selection criteria in advance. DG REGIO also reminded that the European Community of Practice on Partnership (ECoPP) is providing valuable and promising input. The members of the group were invited to share suggestions to further optimize this process. Concerning the control issues, **DG REGIO** reiterated the progress already achieved through the joint audit directorate, streamlining audit approaches, and facilitating cooperation. However, challenges exist in coordinating joint audits with the European Court of Auditors.

**DG REGIO** reported on the positive evolution of smart specialisation strategies and the effort to align with the Horizon Europe programme (e.g., when launching calls). DG REGIO acknowledges that partnership capacity building is not yet at the desired level, recognizing the need for further support in this regard. The Dialogue with CPR partners group plays an important role in helping identify the best tools and support schemes to better implement the partnership principle. DG REGIO also acknowledged the importance of social enterprises and underlined their potential for addressing the challenges faced in regions with a talent development trap.

**DG REGIO** welcomed the idea of strengthening the visibility of the place-based approach, particularly in relation to thematic policies. This is seen as an important topic for the high-level group's agenda. The importance of extending the closure deadlines is emphasized, a proposal on this can be expected.

On the funding of institutions for persons with disabilities, DG REGIO acknowledged the complexity of this issue and confirmed that investments cannot lead to segregation. In exceptional cases in some programmes, which have been carefully assessed on an individual basis, improving the living conditions in these institutions may be the only possible option in the short term.

#### **4. Report on the implementation of macro-regional strategies ([Link to presentation](#))**

DG REGIO (Head of unit D1, Macro-regions, Transnational/Interregional/External Cooperation, Enlargement) presented the 4<sup>th</sup> Commission report on the implementation of EU

macro-regional strategies. It covers the period from mid-2020 to mid-2022, and focuses on four strategies: Baltic Sea, Danube, Adriatic and Ionian, and Alpine. The report highlights the impact of the war against Ukraine and the COVID-19 pandemic. Emphasis is placed on the cross-sectoral collaboration and value creation facilitated by the aforementioned strategies. The strategies are linked to the European Green Deal and Digital Strategy and have contributed to initiatives like sustainable energy and the Green Agenda for the Western Balkans. Emphasis is also placed on the need for strengthened political ownership, increased involvement of civil society and youth, and the improvement of monitoring and communication activities. Finally, the strategies relevance in addressing current challenges and the importance of aligning them with EU funding programmes is highlighted.

**Euromontana** inquired about a possible Carpathian strategy.

**EESC** highlighted its recently adopted opinion, which emphasizes the lack of private sector funding and connectivity in macro-regional strategies. Moreover, EESC indicated that the opinion highlights the need to bring together regions, businesses, and civil society for better communication and collaboration.

**DG REGIO** welcomed the EESC opinion and reminded that as the strategy encompasses multiple member states and areas the difficulty of bringing together various stakeholders and regions within the strategy is worth considering. The lack of private investment and communication is recognized as a valid concern. It is suggested that annual forums play an important role in facilitating dialogue and collaboration.

Concerning the Carpathian strategy, DG REGIO mentioned the formal process of requesting a new strategy: unanimous support in the council is needed and the process until final adoption usually takes a minimum of two years. Moreover, DG REGIO indicated that Ukraine, one of the associated regions, has currently no capacities for an additional commitment. DG REGIO also recognised that due to the difference of opinions between Member States in the area, confirming such a request would be difficult. Alternatively, it is suggested that interregional cooperation programs could provide a more realistic avenue.

##### **5. Partnership principle application: key takeaways from the European Community of Practice on Partnership (ECoPP) ([Link to the presentation](#))**

DG REGIO (Unit 02, Coordination of Programmes) presented the partnership principle application, along with the key takeaways from the European Community of Practice on Partnership (ECoPP). The ECoPP was introduced as a platform for exchanging experiences and improving partnership practices. The different sub-groups within the ECoPP and their focus areas were discussed. Moreover, key deliverables, upcoming steps, and the challenges in implementing the partnership principle are presented. The launch of a new call for members is announced. The six core principles of the European Code of Conduct on Partnership (ECCP) and the ECoPP's recommendations on these principles are presented, namely (I) the representation of partners, (II) the transparency of selection procedures; (III) partner involvement in Partnership Agreement and programme cycle; (IV) the strengthening of institutional capacity of the relevant partners; (V) the assessment of the role of partners in partnership performance and effectiveness during the programming period and (VI) the exchange of experience and mutual learning across Funds .

The presentation was concluded by an interactive session, to collect input on the implementation of the partnership principle and feedback on the European Code of Conduct on partnership.

Based on the questions shared with the expert group members in a survey before the meeting, four topics were discussed: the reflections of the core principles of the ECCP and possible revisions, suggestions for dissemination and awareness-raising, and the main challenges of partnership that the CPR partners would like to address going forward.

***Summary of discussion in Working group one (rapporteur: CEE Bankwatch)***

On core principles, the group acknowledged that certain core principles like partner involvement (especially from civil society) and institutional capacity were not adequately reflected and should be further improved. The group underlined the need to critically assess and improve these areas, focusing on creating the right conditions and structures to ensure the meaningful participation of stakeholders. Managing authorities are often willing and open to improve, but know-how is missing. The Group also highlighted issues related to the representation of partners, particularly civil society organizations, and the lack of transparency in the selection process.

On the dissemination of recommendations, the participants discussed various instruments and fora for disseminating the recommendations and deliverables of the European Code of Conduct. The importance of leveraging their networks, websites, and events to communicate the outcomes of the code was recognized. The Group also emphasised the need for cross-fertilization with other European Union institutions and initiatives to promote a broader culture of partnership beyond cohesion policy.

On measures to support partnership, the group shared specific measures taken or planned by their organizations to support and strengthen partnership. These measures included promoting and collecting best practices, particularly in relation to the implementation of the European Green Deal and Community-Led Local Development. The Group highlighted the importance of addressing institutional capacity challenges and improving the ability to localize the European Green Deal through community-level developments.

On the challenges that need to be addressed, the participants identified the lack of consultation and partnership in the re-allocation of funds, the need for a review and assessment of partnership, and the desire to broaden the scope of partnership beyond cohesion policy. The upcoming Commission study on partnership was welcomed as a means to review and assess the implementation of partnership.

In summary, the group discussion highlighted the need to improve partner involvement, institutional capacity, and transparency within the European Code of Conduct. The importance of effective dissemination and addressing specific challenges was underlined, in addition to the group calling for a culture of partnership beyond cohesion policy.

***Summary of discussion in working group two (rapporteur: CCRE/CEMR)***

On the core principles of the Code of Conduct participants agreed that the European Code of Conduct is a valuable tool, but its implementation needs improvement. Transparency was identified as a crucial aspect, along with clear guidelines on co-creation and partner

involvement. It is important to reach out beyond the “usual suspects” and try to incorporate a wider European social space. Having the partnership principle embedded in the regulation is crucial.

On the dissemination of recommendations, the group discussed various instruments and fora, as well as the deliverables of the European Code of Conduct. The importance of utilizing the community of practice and leveraging national members to advocate for the principle of partnership towards member states was highlighted. An emphasis was placed on the use of the Code as an advocacy tool and extend its reach beyond Monitoring Committees.

On measures to support partnership, three main proposals were put forth. Firstly, the need to continue strengthening stakeholders and capacity building. Secondly, the importance of keeping the partnership visible in cohesion policy and beyond. Finally, in consideration of the need for evidence-based debates and discussions, the ongoing Commission study on partnership was very much welcomed.

On the challenges to address, the group expressed the desire to extend the scope of the partnership principle beyond cohesion funds. They suggested applying the principle to other areas such as the Recovery and Resilience Facility, and the European Semester, thereby broadening its impact and influence.

In summary, the group discussion highlighted the importance of improving the implementation of the Code of Conduct, particularly by increasing transparency and providing clear guidelines. Emphasis was placed on the need to disseminate the recommendations widely, engage stakeholders, and advocate for the partnership principle across different policy areas.

## **6. Challenges and bottlenecks for beneficiaries at local level ([Link to the presentation](#))**

DG REGIO (Head of Unit E.1 – Administrative Capacity Building and Solidarity Instruments) presented the next session focused on the shared management approach, where Member States are responsible for implementing EU investment funds within an agreed framework, as well as the various challenges faced at this level. The Commission supports Member States in strengthening their administrative capacity through various tools and actions. The significance of well-informed and capable beneficiaries, as well as the responsibility of managing authorities in providing capacity building support was highlighted. The importance of collaborative work and a stronger partnership approach with beneficiaries and other stakeholders is also underlined. DG REGIO also informed about the [call for expressions of interest](#) for a pilot action on capacity building of beneficiaries, and invites managing authorities and intermediate bodies for programmes supported by the ERDF Cohesion Fund and Just Transition Fund to participate until 7 August 2023.

**ENIL** asked about the opportunity for a reporting system to signal problems in the implementation of the programmes and if such a system could be supported under capacity building. DG REGIO reminded that capacity building is not about setting up a complaint system, but rather a tool to support managing authorities to function better and improve their work, leading to fewer complaints.



## 7. Group interactions in-between meetings

DG REGIO (Unit 01 – Political and Inter-Institutional Coordination, Strategic Management and Document Management) presented suggestions for group interactions in between the two annual meetings of the expert group. Based on the replies to a survey that was shared before the meeting and earlier suggestions from group members, REGIO had identified three main points: First, the group’s wish for more interactive exchanges between group members and the Commission (e.g., to share relevant publications or research and to receive up-to date information on policy implementation); Second, the desire for dedicated thematic exchanges in between the expert group meetings; And third, better preparation of the agenda topics. REGIO proposed setting-up a virtual platform for the group to provide the possibility of interactive exchanges (e.g., to better prepare the agenda of the official meetings) and to provide a space to share research and information. The platform could also be used to organise thematic seminars or workshops. Furthermore, the option for study visits of projects was proposed.

## 4. CONCLUSIONS

The participants particularly welcomed the interactive format of this expert group and the frank and constructive exchanges and discussions with Commission representatives.

The partners noted that the implementation of the partnership principle on the ground does not always work. Often, the cooperation between national and local levels is challenging. Accordingly, the Commission should put more pressure on the national level to really involve regional and local partners through the partnership principle. The Commission confirmed the importance of the sub-national approach as a crucial point of shared management and confirmed that the Commission continues to push for better implementation of the partnership principle – on all levels and in all Member States (e.g., by asking for selection criteria for members of the monitoring committees in advance to ensure the involvement of all partners). During the session on ECoPP and the European Code of Conduct , CPR partners generally welcomed the content of the Code, while also reiterating that implementation proves to be challenging. Building a “culture of partnership” and a “meaningful partnership” at the national level and with managing authorities is key to avoid the risk of the partnership principle becoming a mere “box-ticking exercise“. However, the institutional capacity of some organisations is limited, making it difficult for them to be involved and provide meaningful input. While ECoPP is very helpful, further guidance and data on implementation provided by the Commission would be appreciated, therefore the Commission’s upcoming study on the partnership principle is particularly welcomed.

The group also supported the Commission’s proposal to set up a virtual exchange platform to facilitate exchanges and cooperation, to better prepare the two annual meetings, as well as the idea of virtual sessions/seminars dedicated to specific topics.

## 5. NEXT STEPS

Looking ahead to the next meeting, **CCRE/CEMR** expressed their interest to follow the developments in the high-level group on the future on cohesion policy. **ECOLISE** expressed a desire for the next meeting to include localizing the European Green Deal and its associated funds as a central focus of dialogue.

The chair announced that the next formal meeting will take place in December 2023, a virtual meeting in preparation of the formal meeting is envisaged for autumn.

## **6. LIST OF PARTICIPANTS**

**CCRE/CEMR** COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS

**CCRN** CAPITAL CITIES AND REGIONS NETWORK

**CEE** BANKWATCH NETWORK

**CPMR** CONFERENCE OF PERIPHERAL MARITIME REGIONS

**EAPB** EUROPEAN ASSOCIATION OF PUBLIC BANKS AND FUNDING AGENCIES

**ECOLISE** EUROPEAN NETWORK FOR COMMUNITY-LED INITIATIVES ON CLIMATE CHANGE AND SUSTAINABILITY

**ENSIE** EUROPEAN NETWORK OF SOCIAL INTEGRATION ENTERPRISES

**EN** EUCLID NETWORK

**EURADA**

**EUROCHILD**

**EUROMONTANA**

**EDF** EUROPEAN DISABILITY FORUM

**ENIL** EUROPEAN NETWORK ON INDEPENDENT LIVING

**EUA** EUROPEAN UNIVERSITY ASSOCIATION

**EMA** EUROPEAN METROPOLITAN AUTHORITIES

**FSG** FUNDACION SECTREARIADO GITANO/EUROMA NETWORK

**REVES** EUROPEAN NETWORK OF CITIES AND REGIONS

### **OBSERVERS:**

**COR** (EUROPEAN COMMITTEE OF THE REGIONS)

**EESC** (EUROPEAN ECONOMIC AND SOCIAL COMMITTEE)