

XVI UBC General Conference, online, 29 October 2021

Normunds Popens, Deputy Director General, DG Regio, European Commission

Dear Mayors, Representatives of Cities,

In the opinion of the European Commission, the Union of the Baltic Cities is one of the key urban networks in the EU.

The COVID-19 pandemic has had an impact on all of us and it is not yet over as we see if from the fact that we need to meet still virtually. It has had an impact on the cities in terms of health and economic situation. We have been trying also at the EU level to do whatever we can to help to deal with this situation.

We have been progressing nicely with vaccination. We have been successful in keeping the necessary routes unblocked concerning the flow of goods, services and people. Under the Cohesion Policy, we have been able to unblock the remaining funds for 2014-2020 period within the Coronavirus Response Investment Initiative (CRII) and almost finish the programming of the new REACT- EU instrument. This funding really must help everyone to withstand the crisis and go back to the path of sustainable development.

Most of this funding will be used to support the small and medium size enterprises, the health systems, even vaccination and wage schemes for unemployed people at the same time also providing already new funding for green and digital transition needs..

We also think the pandemic gives us a certain opportunity and we should now reflect about the new ways of living, working and cooperating. We need to take the Green Deal and Digital transition as the key development strategy and to make sure they become reality.

All different levels of governance, regional, urban, local authorities and every citizen should be included. This has been a key paradigm for designing the new way of funding under the EU budget and also the new legislation in that field.

How do we see the future? As mentioned before, there are a lot of funding possibilities to improve the current situation and establish new future within the Cohesion Policy as well with the establishment of the Recovery and Resilience Facility. A lot of funding is going out through the national systems to our regions and urban authorities. We need to make sure that it is used in a correct and efficient way. It is a first time we deploy such a big fund in such different conditions. And we think that cities have important role to play.

But let's look a bit at the Cohesion policy. It is probably something that you know better because we have been investing to CP programmes for decades and it has had very important urban dimensions. We are happy to see the urban earmarking is now strengthened and will be 8% from ERDF in the new period. We have been able to introduce a new policy objective *Europe closer to citizens* to primarily support urban and territorial integrated strategies through the participatory approach, to promote the bottom-up approach, the link to the priorities of concrete needs of urban areas and we encourage to use this objective across the programmes in our member states. We are happy to see our territorial tools: Integrated Territorial Investments and CLLDs are picking up and are being

deployed across Europe and again we are looking forward to funding them under the new Cohesion Policy programmes. It requires a lot of work and support so we think constantly how to better support cities in these endeavours. We have important programmes such as URBACT but we are also launching the new European Urban Initiative, which will build on the Urban Innovative Actions instrument to help cities find innovative solutions for different challenges.

Moreover, we have started to promote the New European Bauhaus initiative, which encompasses the aspects of the Green Deal and sustainability, aesthetics, architecture, social inclusion and participatory approach. We want to bring this Bauhaus Initiative in a forefront of our investment programmes as well. This year we launched the Prizes to recognize existing achievements and good ideas linked to this new concept. We will be dispatching now experts to small urban and territorial authorities who want to work with us on this concept, but mostly we are promoting this initiative also for our future programmes under the Cohesion Policy. I would encourage you to be part of these discussions.

In parallel, I have to mention also the Just Transition Fund, which will support in particular those territories, urban or rural, that would be impacted very deeply by the necessity of changing the energy and industry to become climate neutral in the future. This instrument is something that needs to be deployed together with our urban and territorial authorities as well.

We will be progressing also under the territorial cooperation. We are of course continuing with the existing transnational program for the Baltic Sea Region cooperation, which is linked to the EU macro-regional strategy for the Baltic Sea. We hope this strategy will help you to go further with your cooperation efforts but also to bring in new partners. We want our neighbouring countries to work with us not only on green, environmental issues but also e.g. on the New Bauhaus initiative and other similar initiatives. I hope your network can help us to reach out our partners in neighbouring countries.

Finally, we are planning to launch a call for the next edition of the CITIES Forum and we would like to invite you to apply to hold this event in 2023. The main theme will most likely be the Green Deal objectives and their link to urban realities.

Finally, I should mention also the work on the Urban Agenda for EU, which is a separate workstream under the EU presidencies with the EC and the member states. We have just agreed that two new partnerships will be launched; one of them will be on promoting of sustainable tourism in urban areas. The cities will also be offered to work with us under the Cities Mission of the HORIZON programme to define their priorities on their path to climate neutrality. The CITIES Forum will be the chance to explore links between all these initiatives and provide the cities a possibility to express their expectations.

Thanks a lot!