

Connecting the dots: Aligning EU governance frameworks for a competitive, clean, and fair transition

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ARIADNE@BRUSSELS WORKSHOP SERIES 2025



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WHERE IS CLIMATE IN THE EU COMPETITIVENESS AGENDA?



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WHERE IS CLIMATE IN THE EU COMPETITIVENESS AGENDA?

1.2. A joint roadmap for decarbonisation and competitiveness

Europe has set out an ambitious framework to become a decarbonised economy by 2050. It will stay the course, including through the intermediate 2040 target of 90% ⁽¹¹⁾. This framework can drive competitiveness if objectives and policies are well aligned, as it gives certainty and predictability to companies and investors alike. Moreover, as the Draghi Report shows, decarbonisation policies are a powerful driver of growth when they are well integrated with industrial, competition, economic and trade policies. This

Competitiveness
Compass

Clean Industrial Deal

This is why Europe needs a transformational business plan. The Clean Industrial Deal brings together climate action and competitiveness under one overarching growth strategy. It is a commitment to accelerate decarbonisation, reindustrialisation and innovation, all at the same time and across the entire continent, also reinforcing Europe's resilience. It must present European industry with a stronger business case for large climate neutral investments in energy intensive industries and clean tech.



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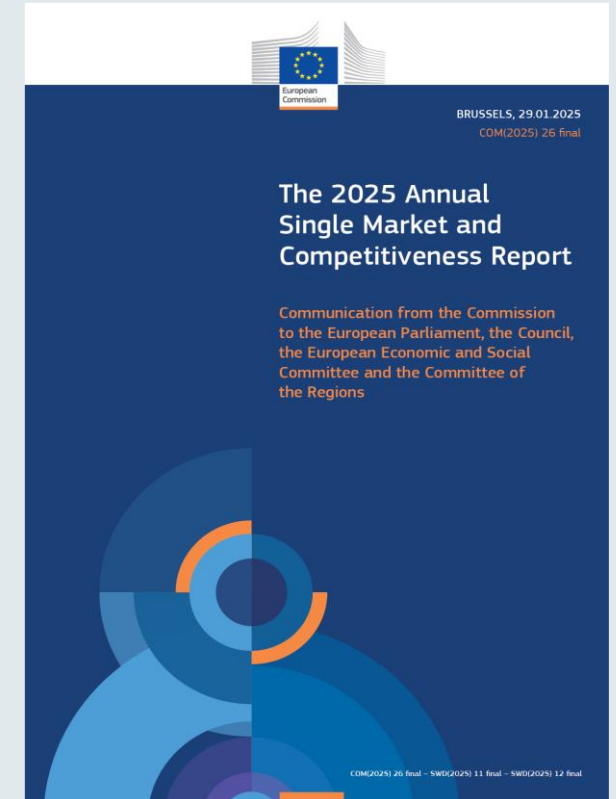
(NEW) GOVERNANCE TOOLS FOR EU COMPETITIVENESS

The Compass will frame the work of the Commission for this entire mandate. Boosting competitiveness is not a quick fix. Some of the Compass' measures will be presented quickly and can rapidly provide tangible effects. But many will deliver over the medium term and will require a steady course. **Progress on the Competitiveness Compass will be annually monitored and reported through the Annual Single Market and Competitiveness Report.**

Competitiveness Compass

Clean Industrial Deal

But a strategy is only as good as its effective implementation. This requires robust measuring, monitoring and dialogue and coordinated action at EU scale for investments and scaling up. **The Commission will closely monitor progress in its Annual Single Market Competitiveness Report towards decarbonisation and competitiveness objectives, gradually adding new KPIs as set out in this document.** It will also reinforce coordination across its organisation to provide strategic steer, monitor progress, and engage in dialogue with local authorities and stakeholders.



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RESEARCH QUESTIONS

1. What is the level of integration between climate, economic, and social policy accountability frameworks – on paper formally, as well as in substance and practice?
2. How could these frameworks be more effectively integrated, yielding better information and transparency for policymaking and certainty for investors and citizens alike?

In short: How do we know if we are on track towards an EU economy that is *at once* **clean**, **competitive**, and **fair**?

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OUR RESPONDENTS

- **Frank Siebern-Thomas**, Head of Unit, Fair Green and Digital Transitions, Research, DG EMPL
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RESEARCH QUESTIONS – INTERIM RESULTS

1. What is the level of integration between climate, economic, and social policy accountability frameworks – on paper formally, as well as in substance and practice?
 - Mapping exercise of the overall landscape
 - Zooming in on three specific processes
2. How could these frameworks be more effectively integrated, yielding better information and transparency for policymaking and certainty for investors and citizens alike?

In short: How do we know if we are on track towards an EU economy that is *at once* **clean**, **competitive**, and **fair**?

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WHAT WE MEAN BY **ACCOUNTABILITY FRAMEWORKS**

Governance mechanisms and tools that guide and monitor EU policy as well as frameworks that include feedback mechanism to Member States across the three pillars of **climate**, **economic** and **social policy**.

Accountability frameworks fulfill three functions: **planning**, **monitoring / reporting**, and **feedback**

Main types of instruments:

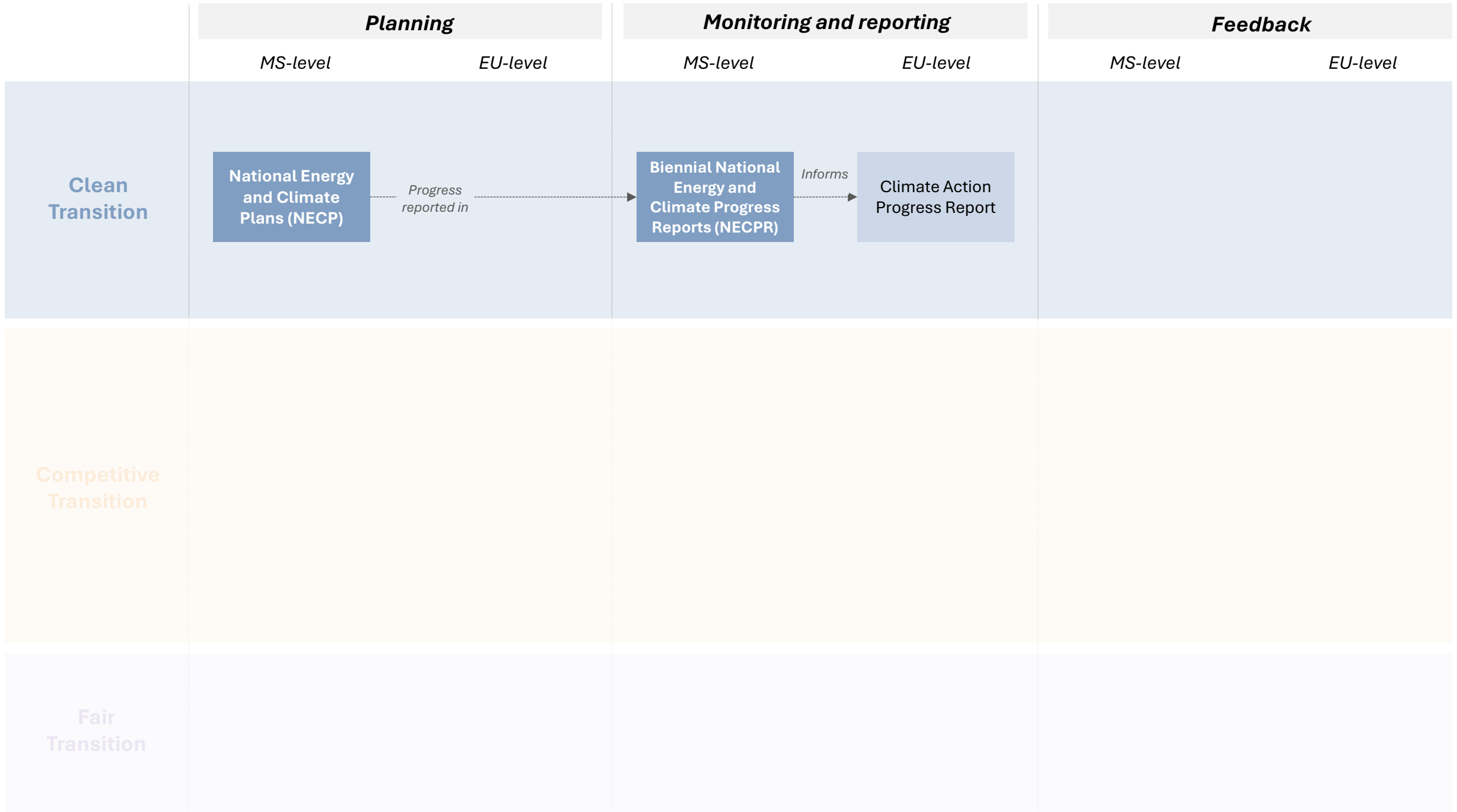
1. **Strategic policy plans** (e.g., National Energy and Climate Plans)
2. **Funding plans** (e.g., Social Climate Plans, Recovery and Resilience Plans)
3. National progress reports
4. Commission assessments and country-specific recommendations (**CSRs**)
5. EU-wide progress tracking activities (e.g., Annual Single Market and Competitiveness Report)

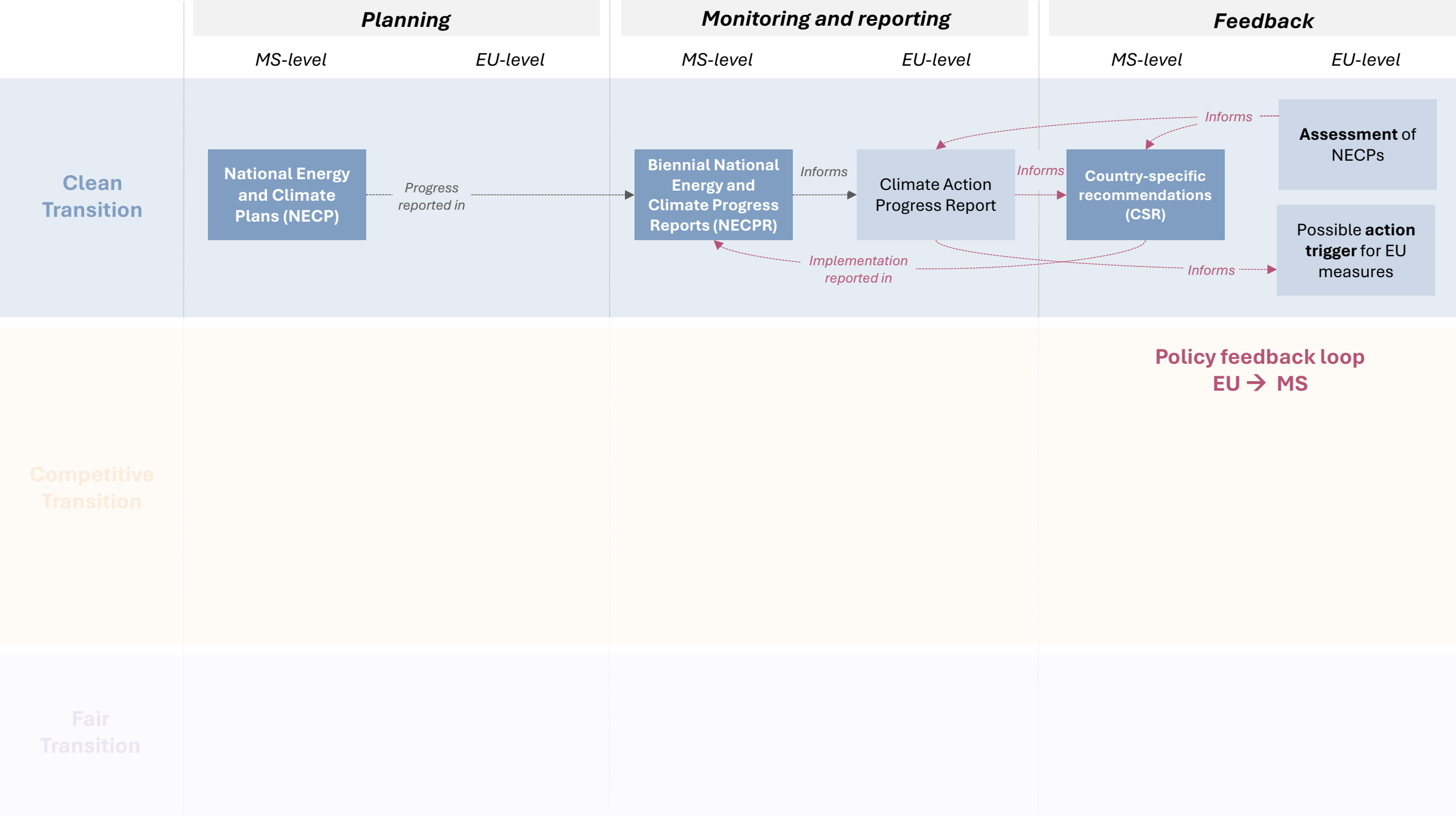
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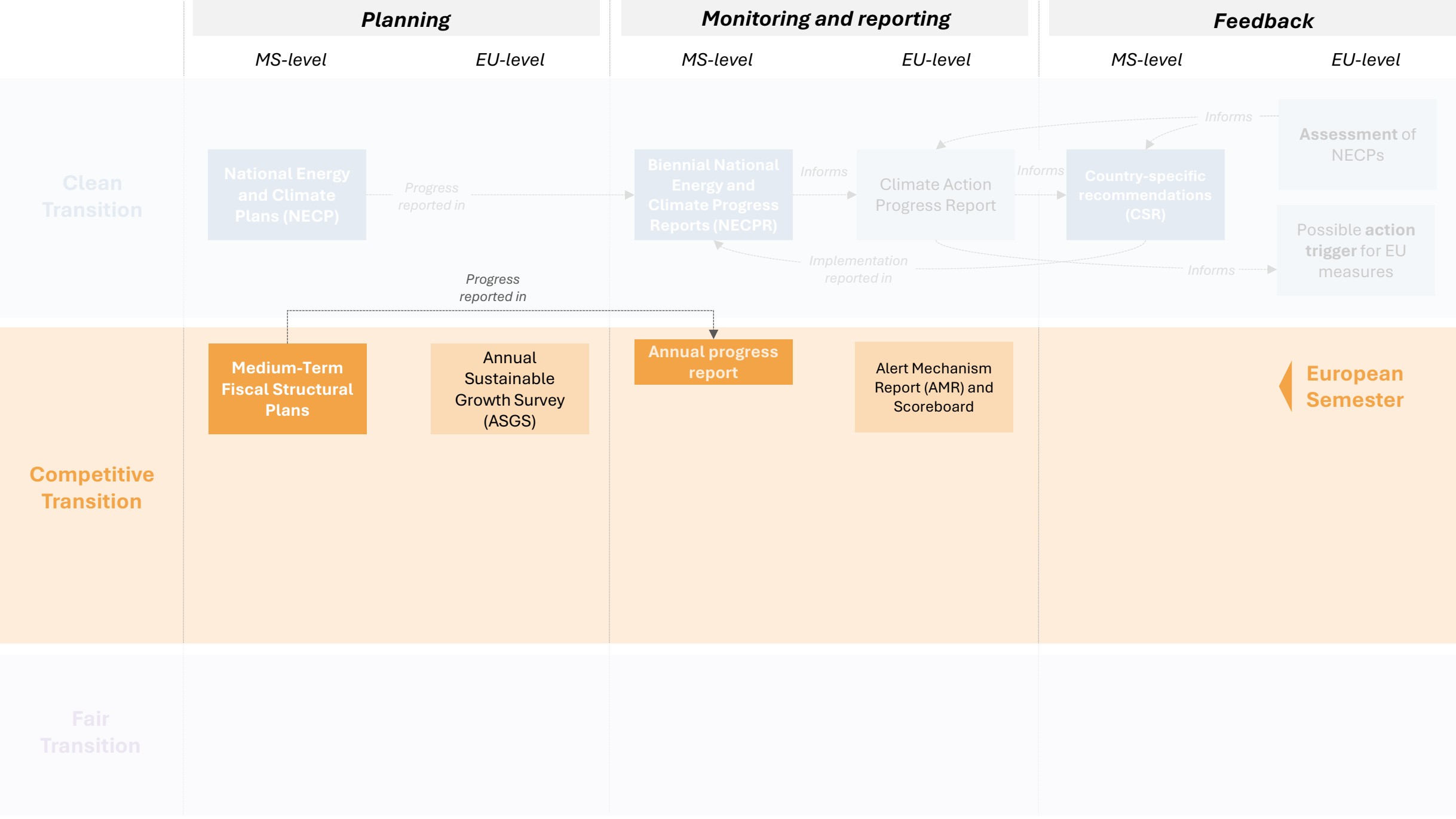
MAPPING EXERCISE OF THE OVERALL LANDSCAPE

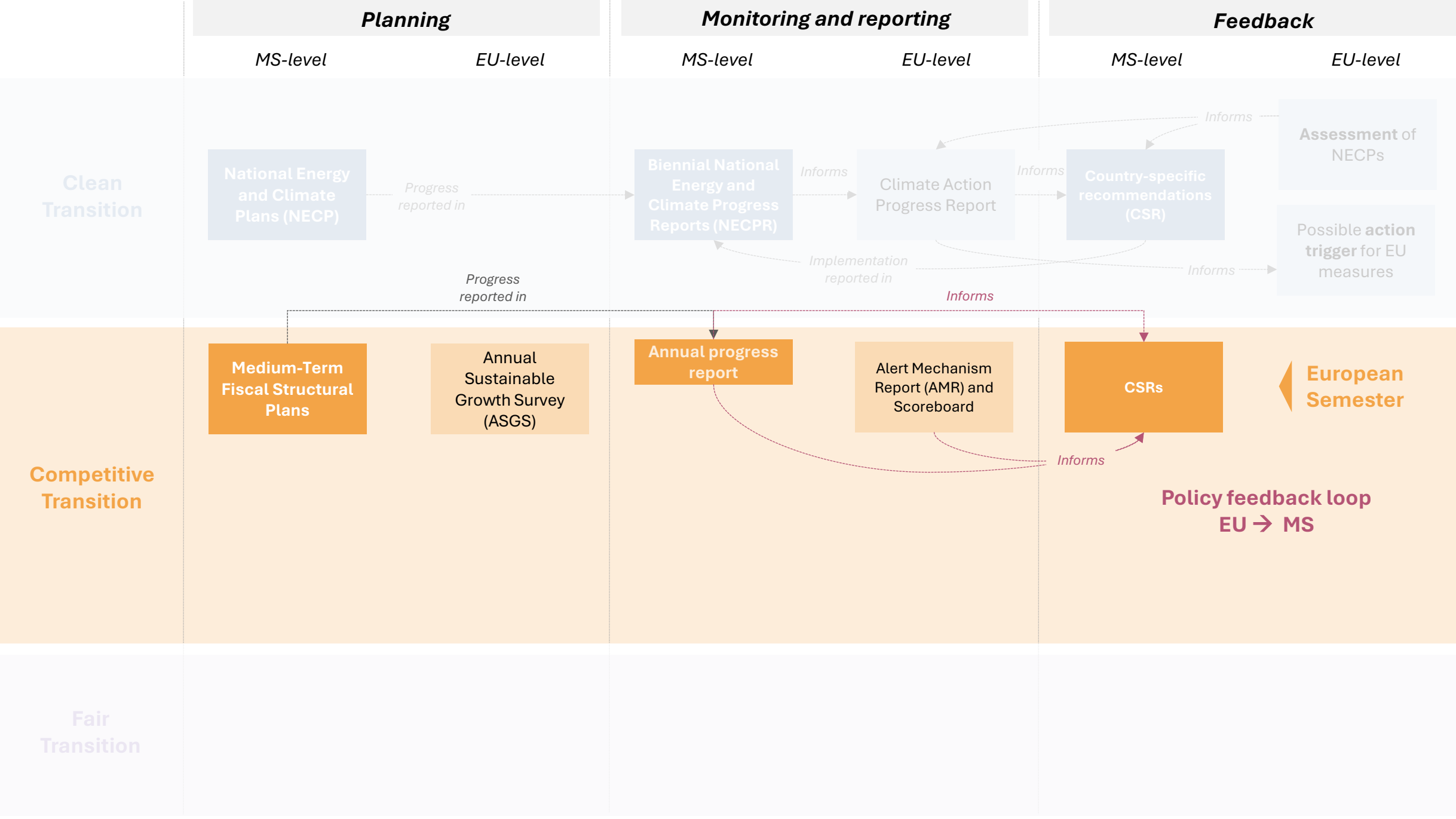
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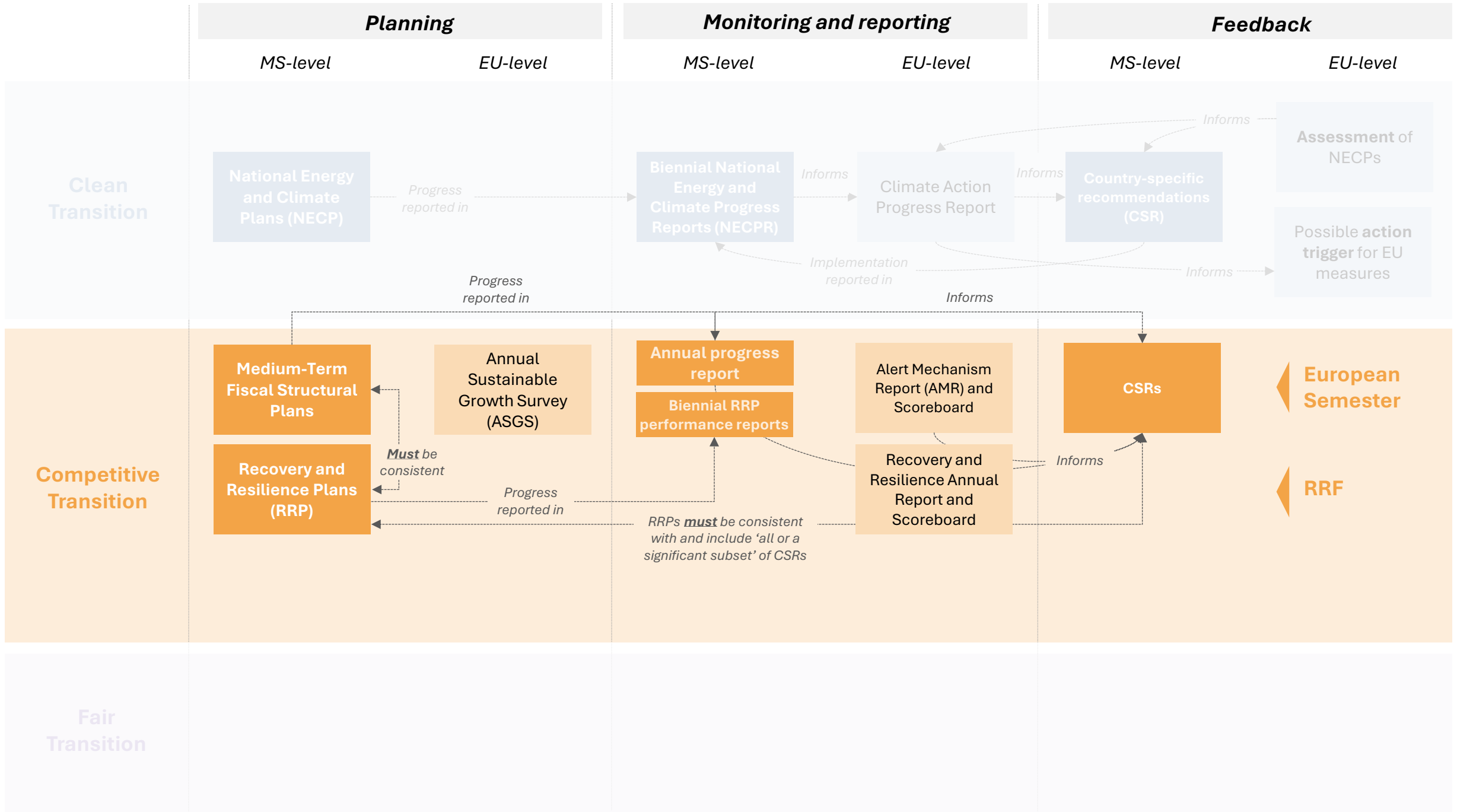


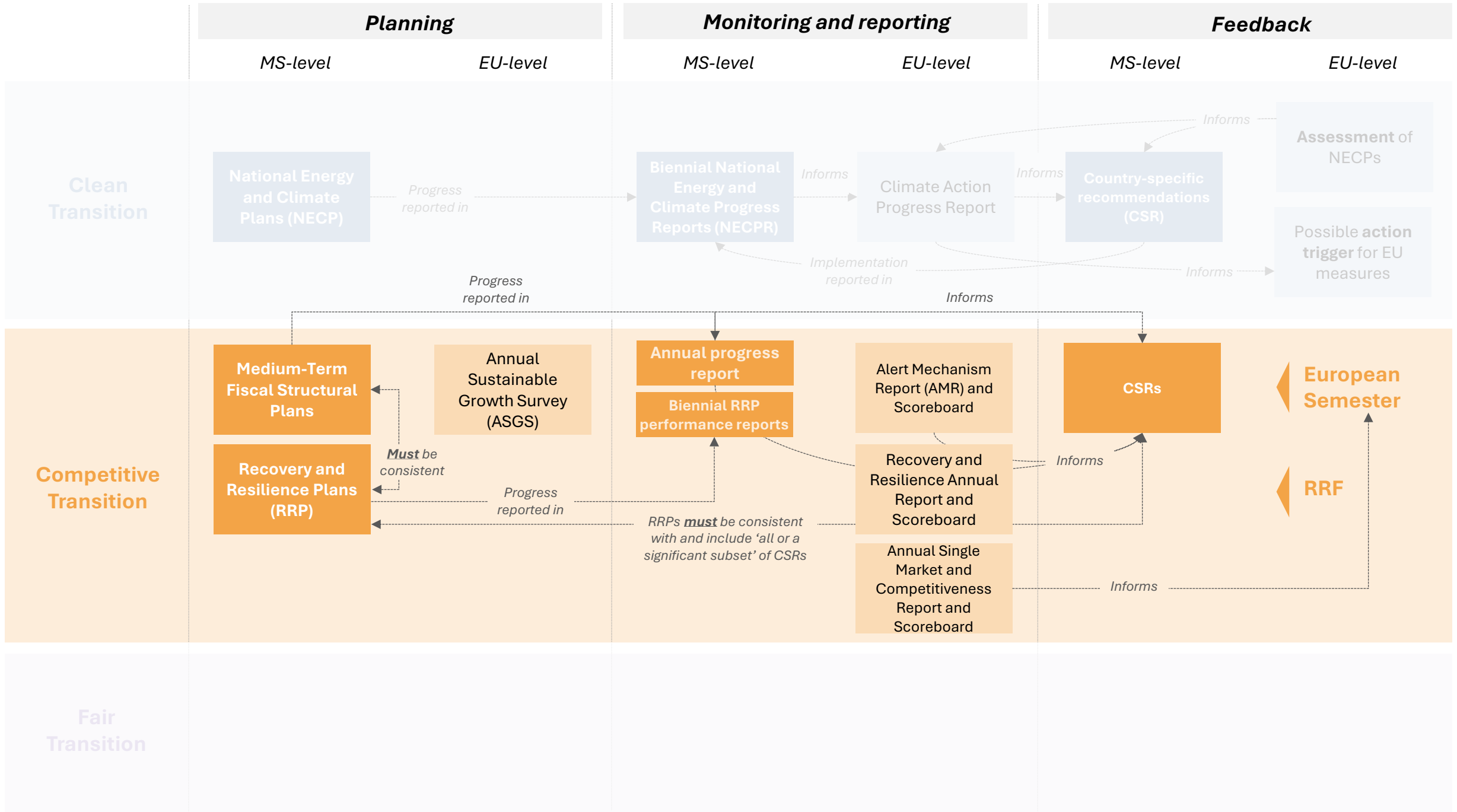


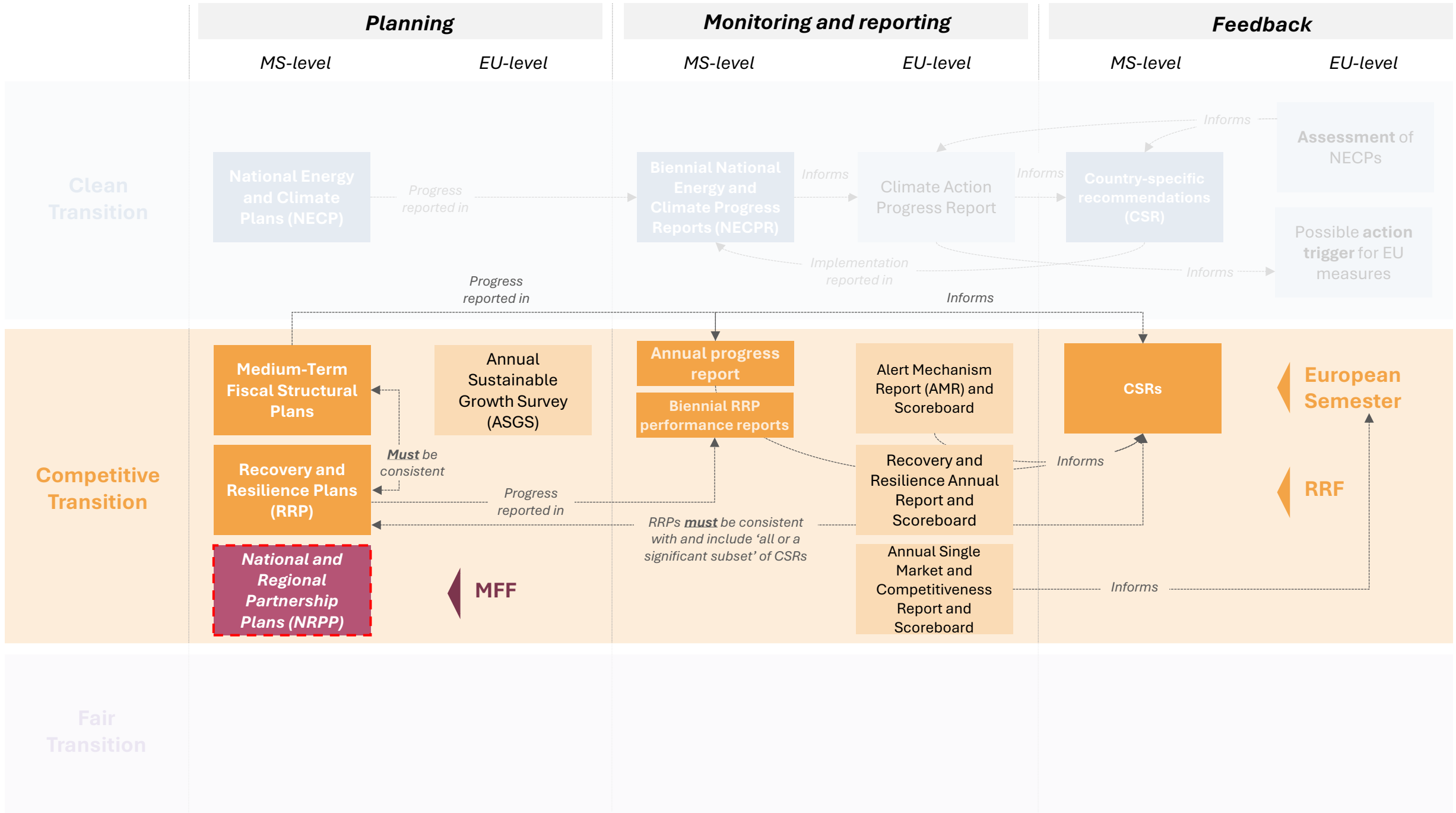


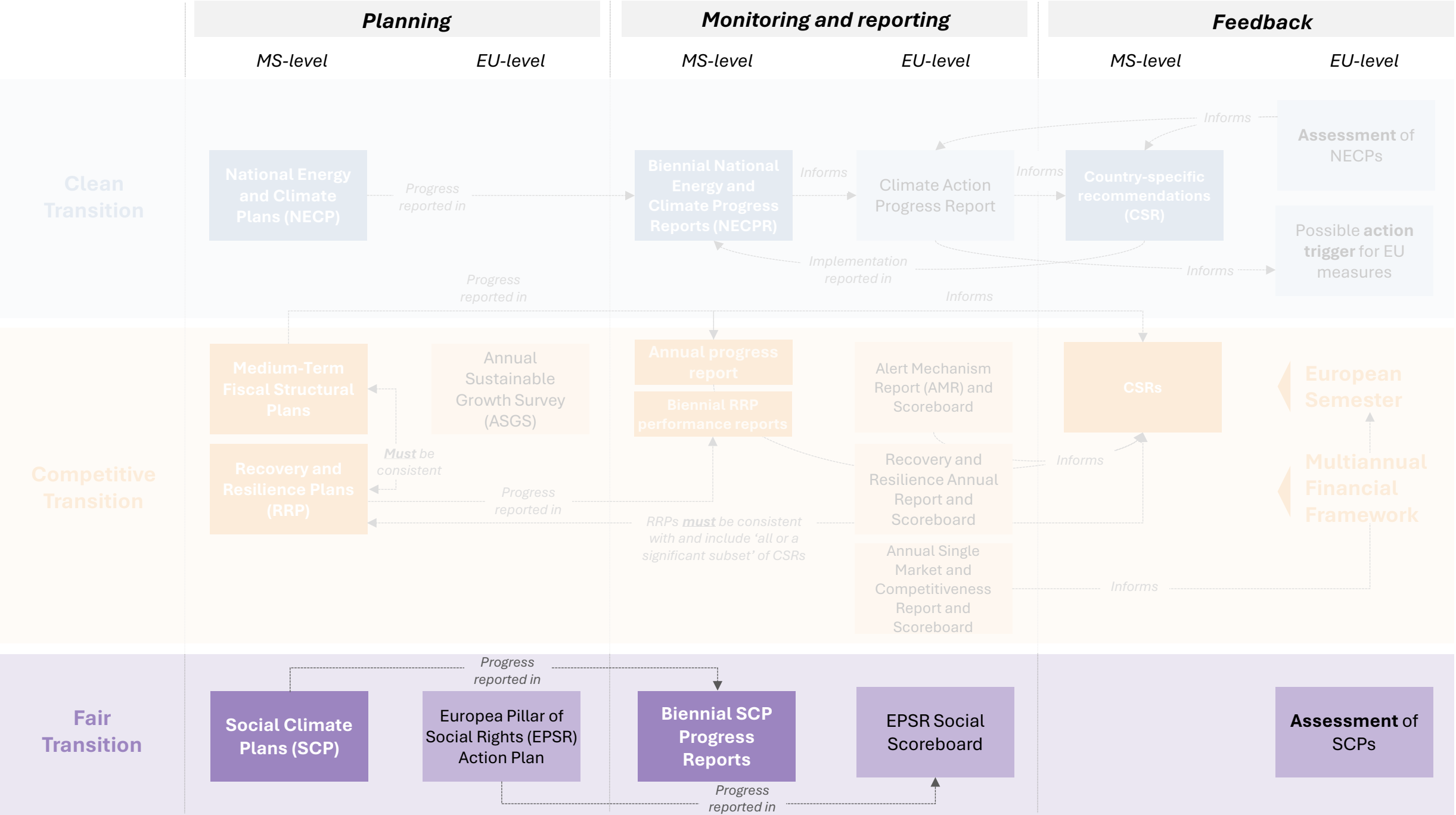


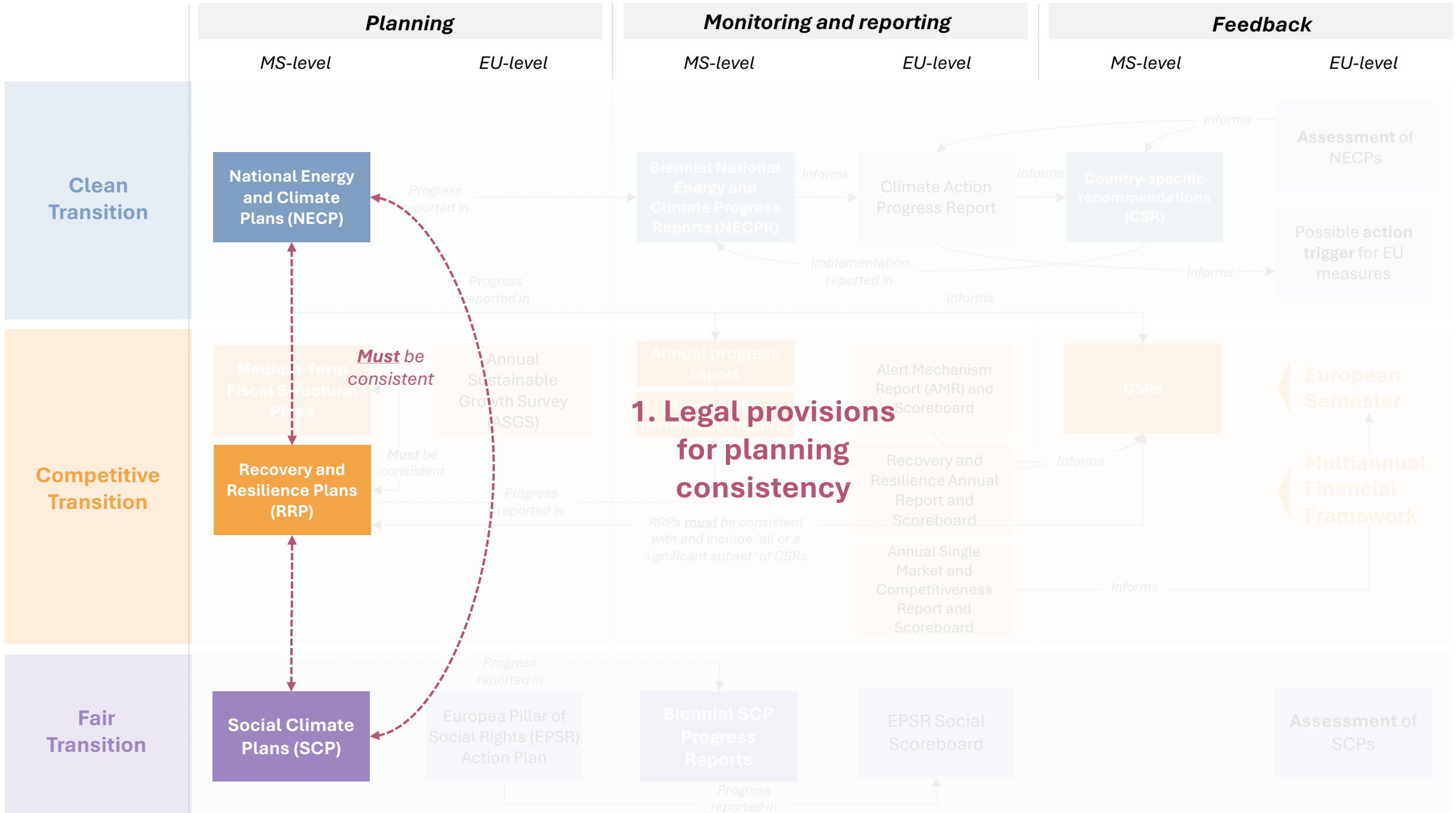


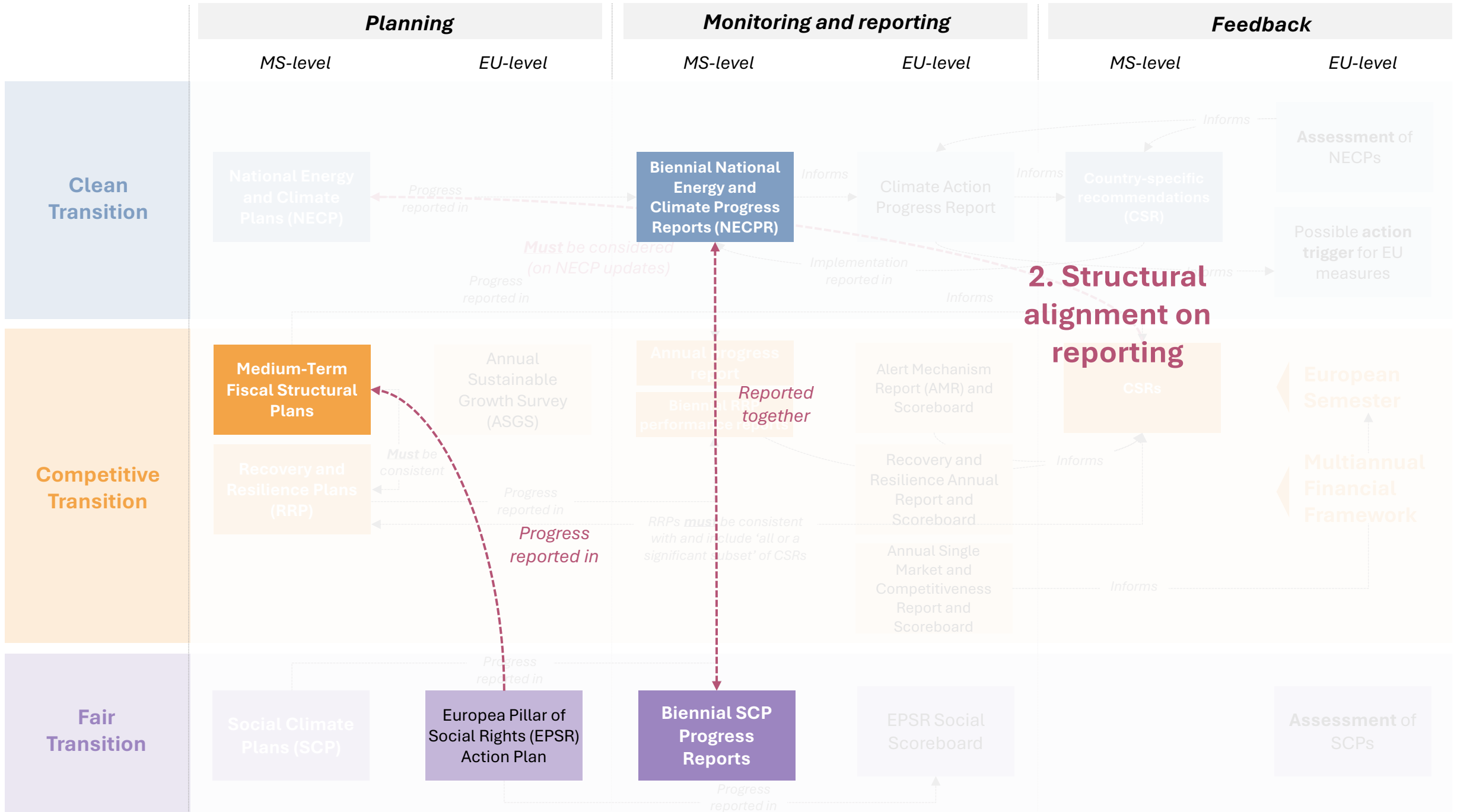


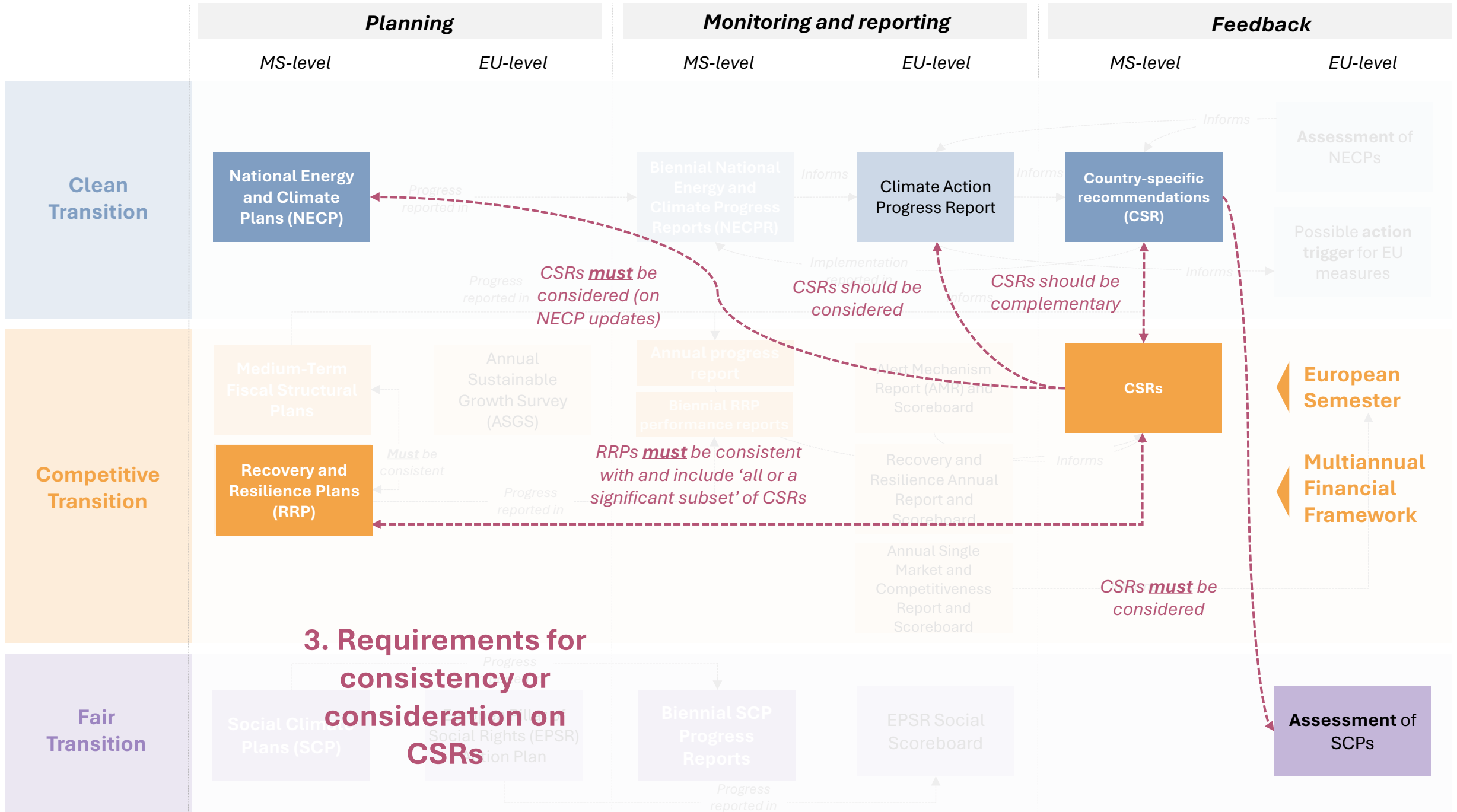


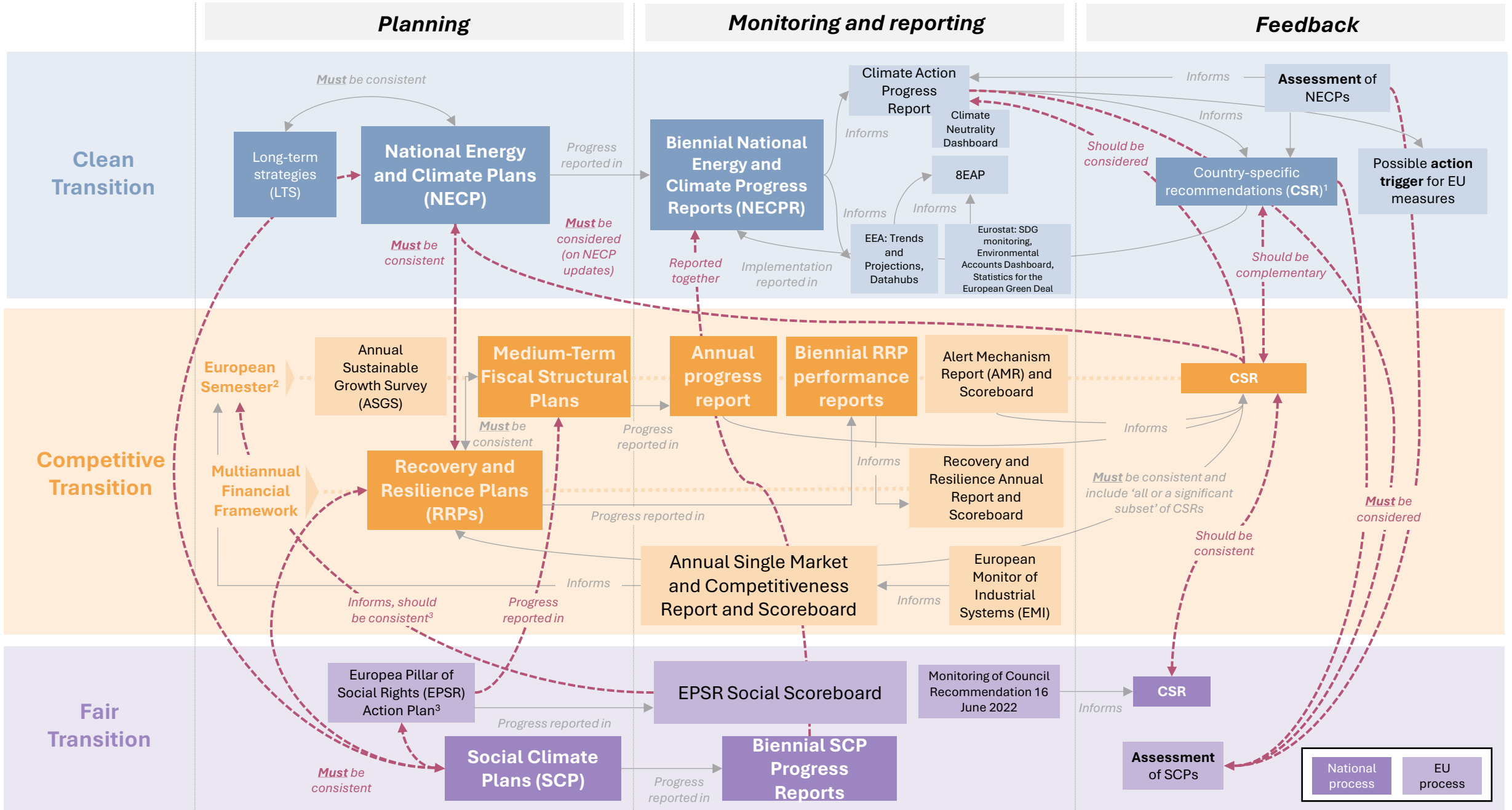












Note: (1) CSRs are provided as per Arts. 32, 34 of the Governance Regulation by the Commission, based on the draft NECPs and their updates (Arts. 9, 14 of the Governance Regulation), as well as following the Commission’s assessment of the consistency of national measures with Union-wide climate neutrality (EU Climate Law, Art. 7) ; (2) This presentation is not meant to accurately represent the annual ‘timeline’ of the European Semester (e.g., the AMR comes in advance of the national plans); (3) The EPSR Action Plan notes the mainstreaming of the EPSR principles across the European Semester and notes several connections.

ZOOMING INTO THREE SPECIFIC PROCESSES

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1) ANNUAL SINGLE MARKET AND COMPETITIVENESS REPORT – EVOLUTION OVER TIME



Competitiveness got added to the Single Market Report in 2023



Informs discussions in the Council and at higher level.

ASMCR is not providing Member State level information. The data is presented aggregated for the EU as a whole.

2026 Report

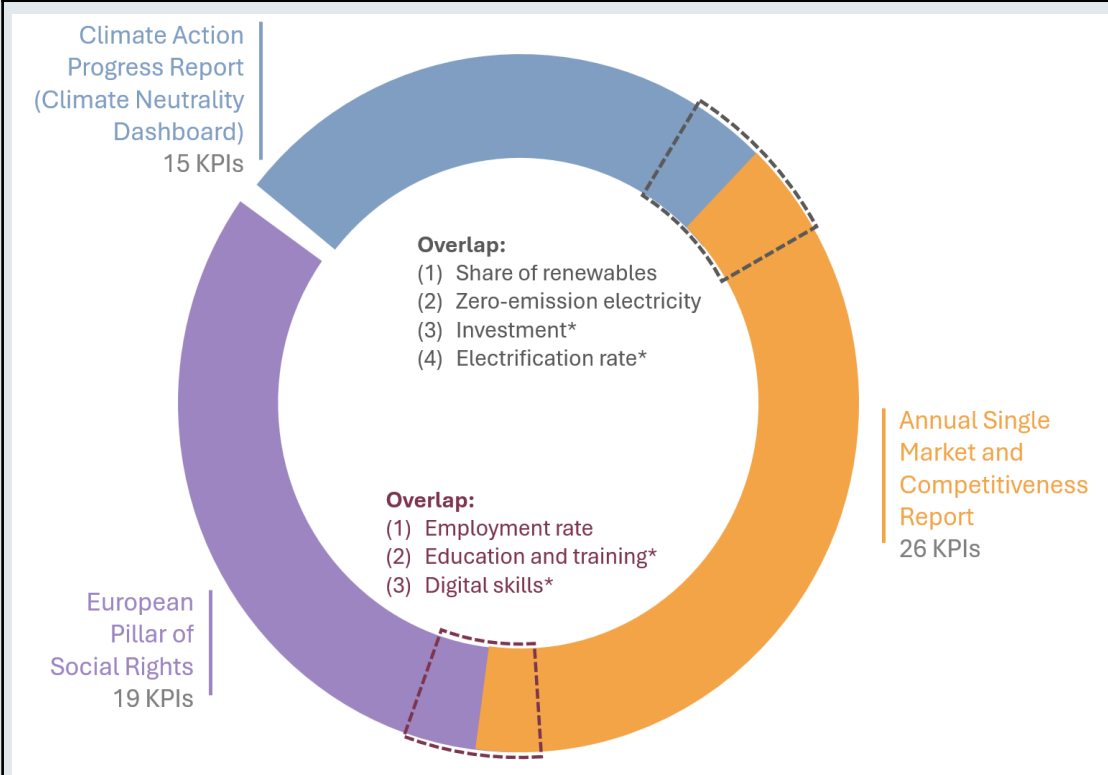
First since new EU strategy was published

Competitiveness Compass, Clean Industrial Deal, Single Market Strategy:

ASMCR to become the central element to track progress (CID indicators)

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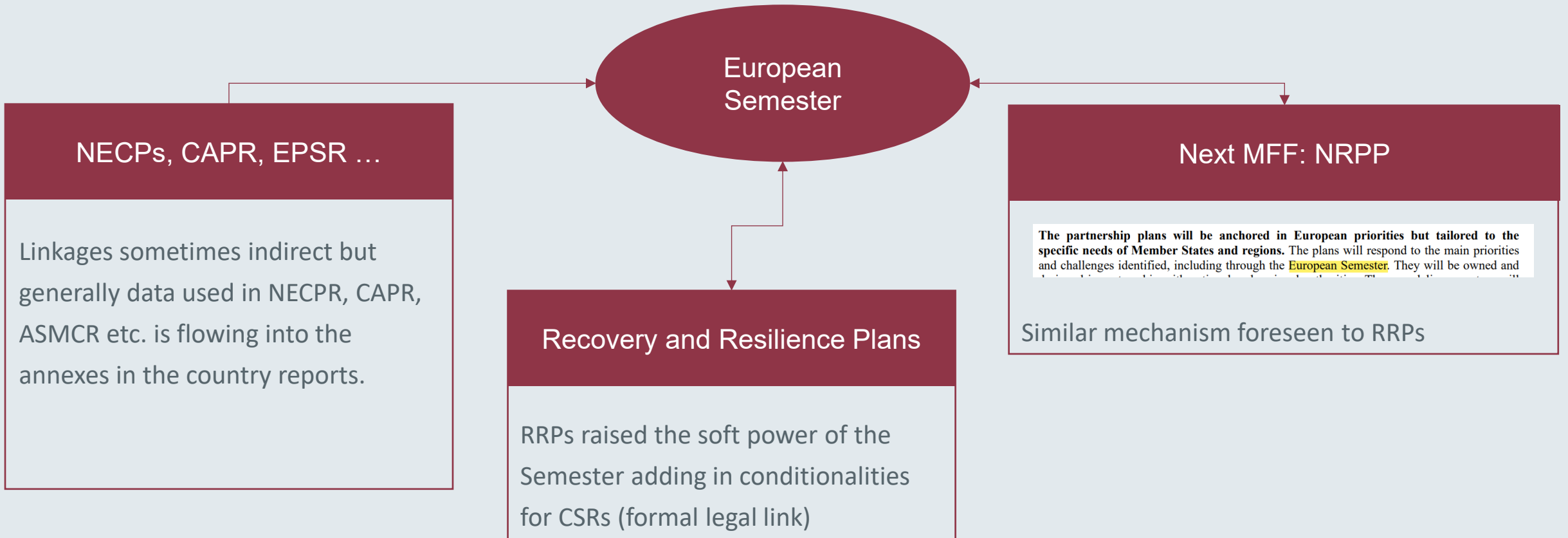
1) ANNUAL SINGLE MARKET AND COMPETITIVENESS REPORT

Integration of data and information flows	Integration with other governance processes
 <p>Climate Action Progress Report (Climate Neutrality Dashboard) 15 KPIs</p> <p>European Pillar of Social Rights 19 KPIs</p> <p>Annual Single Market and Competitiveness Report 26 KPIs</p> <p>Overlap:</p> <ul style="list-style-type: none">(1) Share of renewables(2) Zero-emission electricity(3) Investment*(4) Electrification rate* <p>Overlap:</p> <ul style="list-style-type: none">(1) Employment rate(2) Education and training*(3) Digital skills*	Not directly integrated with other governance tools
	Indirect link with the European Semester : Scoreboard and indicators might be used as input for the Annexes of the Country reports and complementary information.
	Future integration - next MFF : ASMCR will serve as evidence base and progress check for the Competitiveness Coordination tool and Competitiveness Fund

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* Not an exact match due to differences in operationalization or sector (e.g., the investment indicator for the Annual Single Market and Competitiveness Report focuses only on industry)

2) EUROPEAN SEMESTER



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2) EUROPEAN SEMESTER

Is the Semester the right tool to ensure tracking across the three pillars in a more integrated way?



Central tool bringing all other accountability frameworks together



High political weight



Political filter: Evidence based process, but ASGS and CSRs follow political priorities



Not fully transparent process



Integrating everything has high administrative burden and leads to prioritization (not everything can be covered)

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3) RECOVERY AND RESILIENCE PLANS – MODEL FOR THE NEXT MFF?

- European Semester: RRP had to integrate CSRs
- In practice no proper integration with the NECPs (timing and sequencing issues)
- Next MFF – National and Regional Partnership Plans: similar approach to RRP

Integration

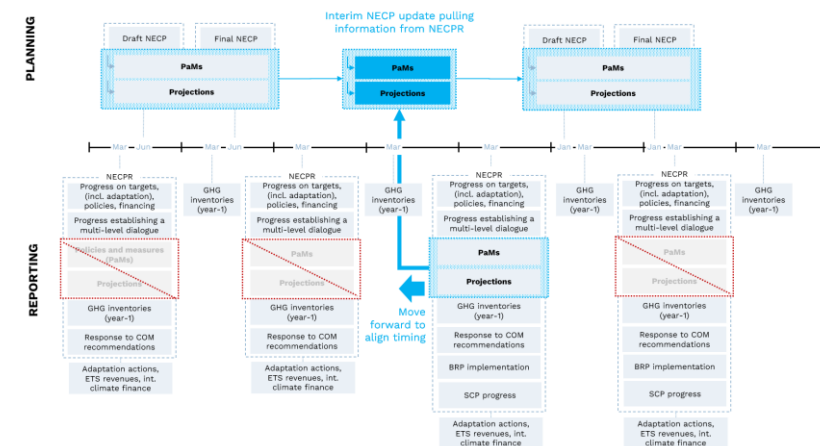
- European Semester: conditionality of funding of RRF ensured implementation of CSRs

Compliance



Possible improvement: better linkage of the policy plans x funding plans.

Requires keeping NECPs updated more regularly (e.g. based on the NECPRs)



Source: Evans, Nick and Matthias Duwe (2025): Smarter, simpler, more effective: Options to improve EU transition policy. Ecologic Institute, Berlin.

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INTERIM FINDINGS AND IDEAS FOR IMPROVEMENT

1. **Integration** is limited – on paper & more so in practice processes are not very well connected
2. **Data**
 - Scope of ASMCR might be too narrow as a central monitoring tool for the new EU strategy
 - A common indicator base across the three pillars could improve more integrated policy making
3. Planning:
 - **Timing** issues exist
 - **Sequencing** is important, especially when policy plans and funding plans should be linked. Policy plans should come first.
4. NRPPs pose an opportunity to improve integration across pillars – but also a risk of lack of integration

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THANK YOU FOR YOUR ATTENTION!

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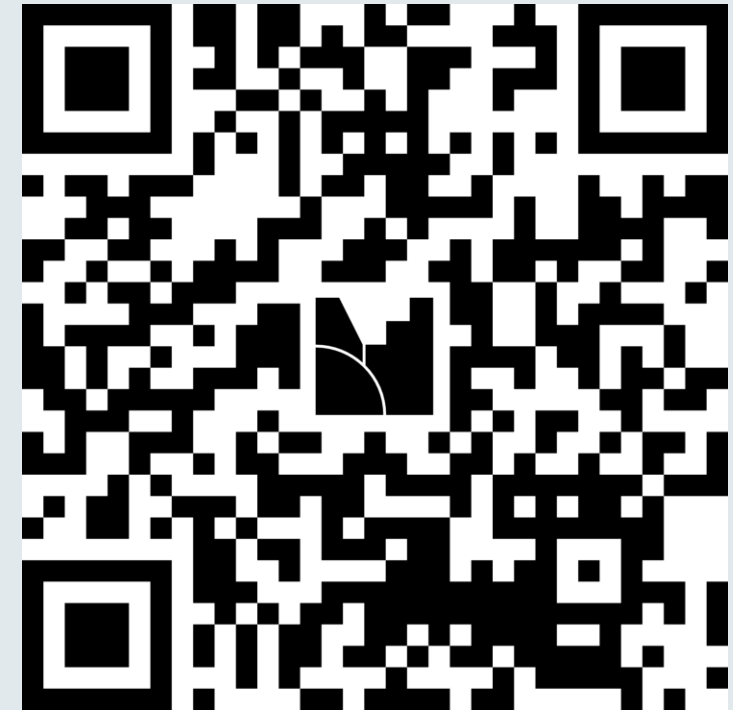
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