Improving the European Semester by involving local and regional authorities: Overview of good practices

Main findings of the study

September 2017
Overview of the study

- Executive summary
- 1. Introduction
- 2. European Semester and the role of the LRAs
- 3. Case studies
  - Sweden
  - Portugal
  - Italy
  - Czech Republic
  - Romania
  - France
- 4. Lessons from current practices
- 5. Conclusions and recommendations
- Annex I: Main sources of information and study consultations
- Annex II: Partners’ agreement (Sweden)
Objectives of the study

- Backing the CoR proposal for a Code of Conduct by highlighting good practices and disbenefits arising from insufficient LRA involvement in the European Semester:
  - highlight the negative effects of the current situation on the performance of the European Semester;
  - point at examples showing how the involvement of LRAs would help to improve the delivery of the CSRs and increase ownership on the ground;
  - show that the Code of Conduct can be implemented in a pragmatic and flexible way that fully respects the division of powers in each country and fulfils the subsidiarity and proportionality principles.
Case studies

Each case study covers:

– The current involvement of LRAs in the European Semester process.

– The role of the LRAs in the implementation of the Country-specific Recommendations and towards achieving the Europe 2020 targets.

– Expectations regarding the introduction of a Code of Conduct on the involvement of LRAs, based on a comparison between the current state of play with the key elements of the proposed Code of Conduct.
Lessons from current practices (I)

- There are various consultative arrangements at country level regarding the European Semester but there is a lack of specific arrangements to ensure the full involvement of LRAs.

- Some of the existing practices come fairly close to what is proposed in the Code of Conduct.

- Where the LRAs play a full partner role the advantages of their involvement range from a better analysis and formulation of policy measures to ownership/commitment to reforms and targets.

- Where the process is ‘for information’ and the LRAs are restricted to a role of ‘implementer’ we see tension and inefficiencies leading to underperformance during implementation.
Lessons from current practices (II)

- Adequate administrative capacity, including political level engagement, and a good alignment of competencies and financial resources are important factors for LRAs to be able to play a full partner role.

- Administrative capacity and competencies/financial resources alignment, together with a country’s constitutional architecture and actual division of powers, are key parameters affecting the relevance and transferability of good practices.
Conclusions

- The European Semester is becoming embedded in the national processes concerning economic policy, structural reforms and the attainment of Europe 2020 objectives.

- The LRAs play a relevant role, falling short from being involved as full partners in a visible way.

- The implementation of the CoC’s will offer a common baseline and will raise the involvement of LRAs throughout the EU to full partner level. This is an ambitious step forward that will help maximise the LRA contribution.

- There is plenty of relevant practical experience of relevance to the implementation of the CoC.
Recommendations

- National and sub-national governments can take steps to assess where they are now and how to learn from good practices, and the Commission and CoR can support these efforts. Appropriate actions include:
  - a Semester process ‘check-up’ in each country covering consultative arrangements and key LRA policy fields;
  - sharing of experience and good practices, e.g. on the territorial dimension of the European Semester, the involvement of the LRA politicians and the role of LRA associations;
  - targeted support by the ESOs in countries where the check-up shows major gaps and by the CoR and the Commission;
  - initiating debates on long-term strategy and the links of the Semester with Cohesion and sustainable development policies.