

# Blueprint for a revised Europe 2020 strategy

Contribution of the Steering Committee of  
the Committee of the Regions'  
Europe 2020 Monitoring Platform

EUROPEAN UNION



Committee of the Regions



Disclaimer:

This report does not represent the official views of the Committee of the Regions. It is a working document which reflects the views of the Steering Committee of the Europe 2020 Monitoring Platform building on the CoR's Athens Declaration on "A Territorial Vision for Growth and Jobs" and the accompanying Mid-Term Assessment Report, the Turin Declaration on "Jobs in Europe – Investing in cities and regions for sustainable growth", the Declaration on "Towards the Annual Growth Survey for 2015 of the European Commission" as well as the work carried out by the Europe 2020 Monitoring Platform since the end of 2012 (surveys, conferences, workshops, research, external studies and recent publications)

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# Preface



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## **Blueprint Europe 2020: Preface by Michel Lebrun, President of the Committee of the Regions**

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The mid-term review of the Europe 2020 Strategy was launched by the European Commission in March 2014 with the aim to collect ideas to guarantee more effectiveness to the strategy in the years 2015-2020. The results are expected to be delivered before the 2015 Spring European Council. In this regard, the Committee of the Regions publishes The Blueprint Europe 2020, based on its local and regional expertise, to contribute to the achievement of the Strategy.



This Blueprint brings concrete proposals built on the political recommendations of the CoR's Athens Declaration which was adopted in March 2014. The latter insists on the need of a territorial dimension of the Strategy which should be ensured by the work in partnership of all levels of government in order to set territorially differentiated contributions to the Europe 2020 goals and targets. National Reform Programmes should be designed and implemented in cooperation by national and sub-national governments, by means of multilevel governance instruments, such as territorial pacts.

Furthermore, the Europe 2020 Strategy requires the support of a long-term investment strategy which stimulates synergies with the new programming period of the Structural Funds. And in this sense, the 2015 European Semester should mark a turning point in the EU drive to boost investments, growth and jobs, bringing annual policymaking in line with the long-term perspective of the renewed Europe 2020.

The Europe 2020 Strategy aims to ensure the progress and the well-being of the European citizenship and that is why it is crucial to work all together to make it a real success.

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## **Blueprint Europe 2020: Preface by Michel Delebarre, Political Coordinator of the Europe 2020 Monitoring Platform**

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This Blueprint is very timely. Commission President Juncker and First Vice-President Timmermans have indeed listed the review of Europe 2020 amongst the very top priorities of the Commission's working programme for 2015.

Indeed, it is vital that the new Commission puts Europe 2020 back at the centre of EU policies for growth and jobs. The 6<sup>th</sup> cohesion report has clearly shown that the crisis has put the EU's territorial cohesion at stake. To address these regional imbalances, local and regional authorities need to be closely involved so as to give the renewed Europe 2020 a territorial dimension, by setting territorial objectives and targets and by adopting multi-level governance arrangements - such as territorial pacts – in order to implement, monitor and evaluate the strategy.

Building on the political recommendations made by the Committee of the Regions in its Athens Declaration of March 2014, this Blueprint presents concrete proposals on how to enshrine the territorial dimension in the new strategy and in the European Semester.

The ongoing mid-term review of Europe 2020 coincides with the kick-off of the new programming period for the European Structural and Investment Funds, in which Cohesion Policy objectives are aligned with the Europe 2020 goals.

Against this background, for Europe 2020 to deliver on its promises of growth and jobs, a robust wave of public and hopefully subsequent private investments is needed more than ever. The debate about the wave's overall figures is however just one side of the coin. To make sure a re-launch of investments also takes place at local and regional level, we need a participative approach in terms of governance and implementation. President Juncker, it is time to start thinking local and regional!



Brussels, 21 November 2014

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# **1.Executive summary**





The mid-term review of Europe2020 was launched by the European Commission in March 2014. At the very heart of the Committee of the Regions’ Athens Declaration on “A Territorial Vision for Growth and Jobs”, presented at the 6<sup>th</sup> Summit of European Cities and Regions on 7 March 2014, lies a call to give the renewed Europe 2020 strategy a territorial dimension.

This “Blueprint for a renewed Europe 2020 strategy from a territorial perspective” translates the main recommendations of the Athens Declaration into the concrete proposals listed below, and represents the Committee’s contribution to the European Commissions’ proposal for a renewed Europe 2020, which is expected ahead of the Spring European Council on 26-27 March 2015.

The objectives of the strategy should be territorially differentiated (Athens Declaration Recommendation 1)	
Blueprint proposals	<ul style="list-style-type: none"><li>➤ Each region and city should decide on its own specific contribution to its country’s Europe 2020 targets. These contributions could take on a number of different forms - ranging from setting fully-fledged headline regional targets to a qualitative “path to change” approach of incremental improvement - building on their specific potential and administrative capacities. Regional/local objectives and targets could also refer, where necessary, to indicators that are different from – or alternative to – EU headline targets.</li><li>➤ The process of setting Europe 2020 objectives and targets at local and regional level should be voluntary, based on a mixed top-down and bottom-up approach through multilevel governance agreements. Regular monitoring and peer pressure, incentives and guidance on implementing Europe 2020 should be used as “soft tools” to ensure that regions and cities remain focused on attaining the strategy’s goals.</li><li>➤ A timeline should be set for the European Commission/Eurostat to deliver the regional statistics needed to design, implement, monitor and evaluate the renewed Europe 2020 strategy.</li></ul>

National Reform Programmes should be designed and implemented in partnership with local and regional authorities (Athens Declaration Recommendation 2)	
Multi-level governance solutions should be worked out to ensure effective delivery of the country’s goals for growth and jobs (Athens Declaration Recommendation 3)	
Blueprint proposals	<ul style="list-style-type: none"><li>➤ The active involvement of local and regional authorities and other relevant stakeholders in the European Semester should be ensured through a <b>Code of Conduct on Europe 2020</b>, providing guidelines on the organization of the process, requiring a “governance” section in the NRPs and CSRs. An annual assessment of the implementation of this Code should be issued by the European Commission.</li><li>➤ National and subnational governments should <b>work in partnership with one another to identify which multilevel governance procedures, mechanisms and tools would work best</b> within their specific context and to negotiate appropriate arrangements, such as Territorial Pacts, committing partners to their implementation along specified timelines and deliverables.</li></ul>



**Annual policy programming under the European Semester must be aligned to the multi-annual Europe 2020 goals, giving priority to long-term investments and structural reforms**  
(Athens Declaration Recommendation 4)

Blueprint proposals

- The European Semester should be revised to include: an annual Report on EU cities and regions, ahead of the Annual Growth Survey; a regular hearing in the REGI Committee in September of each year on the “State of local and regional authorities in Europe”; a dedicated Ministerial Working Group on cohesion within the General Affairs Council, providing specific input on the “Territorial Dimension of the European Semester” to the Spring European Council.
- The main documents of the European Semester (Annual Growth Survey, National Reform Programmes and Country-Specific Recommendations) should be structured according to the Europe 2020 goals, targets and flagship initiatives.
- The LRAs’ contribution to Europe 2020 should translate into regional policy documents annexed (or linked) to the National Reform Programmes. LRAs with insufficient administrative capacity could be supported by ad-hoc technical structures and the more effective use of European Semester Officers.

**The Flagship Initiatives should become a lever to enhance policy coordination at all levels and internal coordination between different EU policies**  
(Athens Declaration Recommendation 5)

Blueprint proposals

- The Flagship Initiatives should undergo substantial revision: this would involve making them consistent with the latest developments in terms of EU policies and related financial resources; adopting multiannual action plans and related roadmaps and scoreboards; giving consideration to the launching of new FIs on key challenges such as infrastructure and administrative capacity.
- Each of the renewed Europe 2020 Flagship Initiatives should undergo a territorial impact assessment.

**Funding for long-term investment should be mobilised, ensuring better spending. To “do more with less”, effective horizontal and vertical coordination of public budgets should be ensured, also involving private resources**  
(Athens Declaration Recommendation 6)

Blueprint proposals

- National co-funding of investments supported by the ESIF in 2014-2020 should be exempted from all calculations of compliance with the Stability and Growth Pact.
- An agreement on the better coordination of EU, national and sub-national budgets should form part of the National Reform Programme. Horizontal coordination could be encouraged by earmarking certain national resources towards co-funding projects presented jointly by different sub-national governments.
- The Commission and the European Investment Bank (EIB) should work together to establish a European helpdesk offering targeted advisory services, technical and financial assistance and training on leveraging private funds through financial innovative tools and public-private partnerships (PPPs). To this end, web tools, the animation of networking platforms and easily-accessible updated guidance and collections of good practices could be used. A Public Sector Comparator could help local and regional authorities to assess ex-ante whether or not PPPs provide better value for money in comparison with ‘traditional’ procurement.

Administrative capacity and innovation in the public sector should be strengthened through benchmarking, exchange of experiences, peer reviews and mutual learning between regions and cities (Athens Declaration Recommendation 7)	
Blueprint proposals	<ul style="list-style-type: none"><li>➤ A new flagship initiative should be launched to improve administrative capacity and modernize public administrations, including by stimulating public sector innovation.</li><li>➤ Member States should encourage local and regional authorities to try out innovative approaches to the delivery of public services by setting a “right to challenge” mechanism as well as by providing incentives</li><li>➤ Public sector innovation laboratories could be set up, including in the form of joint actions, at EU and/or country and/or regional levels, with the aim of providing an in-depth analysis of societal problems, generating innovative ideas and offering strategic guidance to policymakers on how to design and implement innovative solutions.</li><li>➤ The European Commission should promote the testing and dissemination of one-stop-shop online platforms making available existing open-source software and IT tools to potential public sector users.</li><li>➤ The European Commission should promote the development of an interactive web tool ranking the performance of EU regions on each of the Europe 2020 indicators, with a breakdown by reference groups of regions.</li><li>➤ The Commission should promote the creation of an online repository of good practices and innovative solutions for public sector policies and services, where the involvement of all stakeholders generates value added for local and regional authorities.</li><li>➤ The Commission should promote mutual learning schemes and secondment programmes at local and regional level, including in the form of mentoring programmes. Regions with strong capacities and their own regional targets could be awarded and form a network of “Europe 2020 regional coordinators”, to transfer their knowledge to regions with lower capacities.</li></ul>

These proposals are interconnected and reinforce one other. Multilevel governance is the way in which territorially differentiated objectives can be designed and implemented, and this basic process needs to get routed into the main steps of the European Semester (Annual Growth Survey, National Reform Programmes, and Country-specific Recommendations). Better coordination through the Flagship initiatives, adequate funding and better spending, stronger administrative capacity and mutual learning, in particular at regional and local levels, are key enablers for the renewed Europe 2020 to deliver on its promises and its ownership if it is to spread across the EU.

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## **2. Proposals for the mid-term review of Europe 2020**



## 2.1 Giving Europe 2020 territorially differentiated targets

### EU regions and cities setting their own specific contributions to Europe 2020

**Each region and city** should be encouraged to decide on its **own specific contribution to its country's Europe 2020 targets**, as set out in the National Reform Programme, building on its specific socio-economic conditions, powers and competencies. They should do so by engaging in **dialogue, consultation and negotiation with their national governments**, building on the work done in preparation for the Partnership Agreements and the 2014-2020 Operational Programmes, under the "European Code of Conduct on Partnership in the framework of the European Structural and Investment Funds". The contributions of regions and cities to the Europe 2020 targets could take on a number of different forms - ranging from setting fully-fledged headline **regional targets** to a qualitative **"path to change"** approach of incremental improvement - building on their specific potential and administrative capacity. Regional/local objectives and targets could also refer, where necessary, to indicators different from – or alternative to – the EU headline targets.

To date, the European Semester cycle has run in parallel to the operational programmes co-financed by the EU Structural Funds. However, from the perspective of the EU's cities and regions, there has been no ex-ante alignment between the two processes in terms of objectives and targets.

On the one hand, the Europe 2020 country targets set by the National Reform Programmes (NRPs) do not necessarily apply to all cities and regions in a given country and not all selected indicators are equally relevant for all of them. For instance, the localization of R&D activities usually follows a pattern of concentration (there cannot be a Silicon Valley everywhere); the same applies to employment rates (some regions have already achieved the country target while others lag far behind and are not in a position to achieve it).

On the other hand, territorially differentiated needs and objectives are acknowledged by EU cohesion policy, whose operational programmes are designed by all levels of government (including sub-national level) in partnership with one another.

Not unsurprisingly, most local and regional authorities surveyed by the Committee of the Regions (CoR) stated that, while the goals of the Europe 2020 strategy were generally considered to be relevant, the EU headline targets and country targets were often perceived as being of limited practical use to them.

The CoR therefore recommends that each region and city should voluntarily decide on its own contribution to the Europe 2020 goals and targets, building on its specific conditions and potential. This approach could include avoiding setting territorial<sup>1</sup> targets for certain EU headline indicators, while adopting alternative indicators - and related targets - specific to a given territory as a pre-condition for progress towards the EU goals and targets. In so doing, regions and cities should build on the indicators retained in the relevant ESIF Operational Programs, which would allow access to , the ESIF performance reserve and therefore provide an incentive for reaching the targets.

Since not all regions and cities have the necessary competences<sup>2</sup>, resources and administrative capacity to engage in target-setting, a range of solutions, including a more qualitative "path-to-change" approach, could be adopted. In this case, the direction of change – i.e. whether regions and cities make positive contributions to national and European targets – would be more important than reaching certain fixed targets and would

1. Territorial defined as relating to a given space at local and regional level

2. The constitutional powers and/or (exclusive or shared) competences of regions, as attributed under the law, differ across Europe. For more details see: CoR, "Division of Powers between the European Union, the Member States and Regional and Local Authorities", 2012 [http://cor.europa.eu/en/documentation/studies/Documents/division\\_of\\_powers/division\\_of\\_powers.pdf](http://cor.europa.eu/en/documentation/studies/Documents/division_of_powers/division_of_powers.pdf)

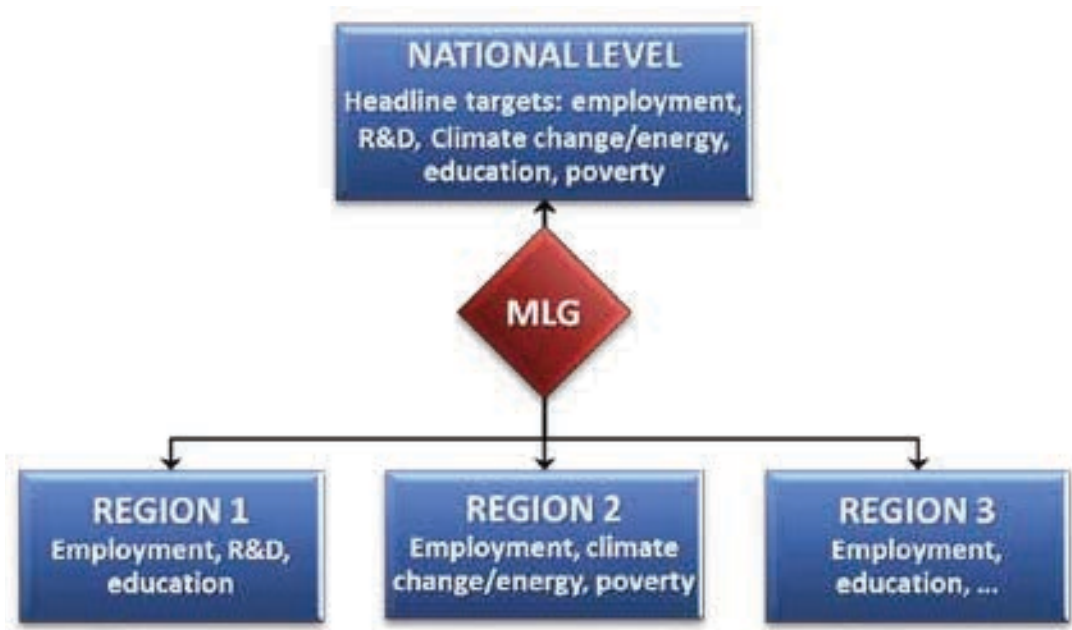
allow local and regional authorities to progress at a pace which corresponds to their own potential and capabilities. For instance, a framework which covers a reasonable numerical range could be set based on the starting points of each region or city and positive progress could be expressed by incremental improvement.

The CoR Opinion on “Towards an Integrated Urban Agenda for the EU”, stressed that it is essential to ensure synergies between the urban agenda and the territorial dimension of the EU 2020 strategy. In the same way, the new Cohesion Policy aims to empower cities to design and implement policies that contribute to meeting the Europe 2020 objectives, by earmarking a minimum amount (5% of ERDF) for integrated investment in sustainable urban development, and by guaranteeing that cities play the main role in selecting projects.

The process of setting Europe 2020-related quantitative and/or qualitative objectives at regional and local level should build on the 2014-2020 OPs, whose 11 thematic objectives focus on pursuing the Europe 2020 headline targets.

### A mixed top-down and bottom-up target-setting approach

The CoR proposes that the process of **setting Europe 2020 objectives and targets at regional and local level should be voluntary**; national governments should encourage this by providing both appropriate legislation and financial incentives and by offering to enter into **multilevel governance agreements** when coordinated policymaking brings value added. Regular **monitoring and peer pressure, incentives and guidance** on implementing Europe 2020 should be used as “**soft tools**” to ensure that regions and cities remain focused on attaining the strategy’s goals.



Sample diagram of the regional contribution to target setting

Territorially differentiated targets cannot simply be set by just breaking down country targets in a top-down manner. National governments do not always have the detailed knowledge on the ground that is available to local and regional authorities. The existing division of powers<sup>3</sup> between the various levels of government in the EU guarantees local and regional authorities a key role in several policy fields since, in quantitative

3. CoR, “Division of Powers between the European Union, the Member States and Regional and Local Authorities”, 2012 [http://cor.europa.eu/en/documentation/studies/Documents/division\\_of\\_powers/division\\_of\\_powers.pdf](http://cor.europa.eu/en/documentation/studies/Documents/division_of_powers/division_of_powers.pdf)

terms, two thirds of public investment in the EU is implemented at regional and local level. This means that top-down target-setting would therefore be ineffective – due, among others, to a lack of coordination with policy planning at sub-national level – and would only result in an additional administrative burden in terms of paperwork.

Equally, a purely bottom-up approach would not have any greater chance of success either. Local and regional authorities (LRAs) are faced with framework conditions which are out of their control because they are set by EU and national laws (examples of the latter include laws regulating the labour market) and policies<sup>4</sup>. If they are set without any consideration for their impact on territories and the lower levels of government, these framework conditions may lead to severe limitations in the LRAs' room for manoeuvre - which would lower their ambitions. Moreover, the economic and financial crisis and the fiscal consolidation policies introduced after the euro crisis have all resulted in stricter budgetary constraints for local and regional authorities.

To ensure that Europe 2020 delivers on its promises, the CoR's Athens Declaration suggested that the process of setting territorial targets be based on a mixed top-down and bottom-up approach. To this end, dialogue, structured consultations and negotiations between the regions and their national governments should take place, allowing the different levels of government to interact with one other while they set their own objectives.

In so doing, LRAs would be able to set more ambitious goals and targets if the framework conditions they work within are improved by their national governments (better regulation, administrative simplification, co-ordinated management of policy priorities to grasp synergies and systemic effects, the possible award of financial or regulatory incentives for LRAs to upgrade their goals and programmes). This would allow national governments to set more credible and ambitious goals and targets than those put forward in the first five years of the strategy.

Under this framework, the process of setting and achieving ambitious targets should be incentivized through regular peer review and the exchange of good practices, focusing on the performance and attainment of goals. To this end, indicators should be drawn from Eurostat, DG REGIO and ESPON's databases. Awareness of regions and cities in terms of the advantages they would draw from achieving the Europe 2020 objectives would be enhanced by the publication of a guidance book, also showing the policy tools they might use and showcasing good practices.

The CoR has already published two editions of its Handbook for local and regional authorities on Europe 2020<sup>5</sup> and will issue a third edition in 2015, once the renewed strategy has been adopted.

The process of target setting should build on the work already done as part of the preparations for the Partnership Agreements and 2014-2020 Operational Programmes, considering that the eleven thematic objectives of 2014-2020 cohesion policy focus on the Europe 2020 goals and that, in several countries, the EU structural funds have proven to be the main funding channel for local and regional policies relating to Europe 2020. The current negotiations on the Partnership Agreements and Operational Programmes have provided a great opportunity as the planning base for policy and target setting has been improved by the Commission's request to meet specific ex-ante conditionality.

The negotiation process was based on the "European Code of Conduct on Partnership in the framework of the European Structural and Investment Funds", which is also a step towards the more transparent and structured involvement of the various levels of government (and all other relevant stakeholders) in the design and implementation of cohesion policy, irrespective of the constitutional layout and the actual division of powers.

4. Examples of national policies relevant to regional development include policies dealing with speculative trends in the housing markets or those setting legal tools to build partnerships with lower levels of government, such as Local Strategic Partnerships in the UK or Community Planning Partnerships and Single Outcome Agreements in Scotland.

5. <http://portal.cor.europa.eu/europe2020/SiteCollectionDocuments/EU2020%20Handbook%2c%202nd%20Edition%202014.pdf>

## Addressing the shortfall in terms of regional statistics for Europe 2020

**A timeline** should be set for the European Commission/Eurostat to **deliver the regional statistics needed to design, implement, monitor and evaluate the renewed Europe 2020 strategy** by setting territorially differentiated targets.

Currently, only some of the indicators needed to track the Europe 2020 headline targets at regional level (NUTS 2 and 3) are available, sometimes with a considerable time lag. The same applies to the alternative indicators that regions and cities might deem necessary in their territories as a pre-condition for progress towards the EU goals and targets. This statistical gap represents a major challenge for regional and local policymakers and for the multi-level implementation of Europe 2020, and should be urgently addressed by the European Commission and by Eurostat. Updated regional statistics would make it possible to build a synthetic Regional Progress Indicator, as recently proposed by the Committee of the Regions.

Cooperation with the EU ESPON programme and the OECD would also bring value added, as would the use of the Commission's Regional Innovation Scoreboard and JRC Regional Competitiveness Index.



## 2.2 Making multilevel governance the standard approach to Europe 2020

### A Code of Conduct on Europe 2020

Based on the European Code of Conduct on Partnership for the 2014–2020 Partnership Agreements, a **Code of Conduct on Europe 2020** should be adopted by the key EU institutions to ensure that local and regional authorities and other relevant stakeholders at national, regional and local levels are actively involved in the preparation and implementation of the National Reform Programme (and in the implementation of the Country-Specific Recommendations). This Code should give guidelines on:

- **the organization of the process**, including a timetable allowing LRAs to receive timely information;
- a **“governance” section** to be included in the NRPs and CSRs, highlighting areas of possible development of multilevel governance;
- an annual **assessment of the implementation of this Code**, to be issued by the European Commission.

The European Code of Conduct for the ESIF 2014–2020 has set a framework for involving all relevant stakeholders in the preparation of the Partnership Agreements. After identifying the relevant partners that should be involved, the Code indicates the main principles to be followed during the consultation, preparation and monitoring phases. Such principles should be adapted in line with the preparation of the NRPs in partnership with the national governments and their LRAs, in the form of a “Code of Conduct on Europe 2020”. For instance, the consultation phase would similarly require: (a) timely disclosure of and easy access to relevant information; (b) a sufficient timeframe for the LRAs to analyse and comment on key preparatory documents and on the draft NRP; (c) available channels through which LRAs may ask questions, provide contributions and stay informed about the way in which their proposals have been taken into consideration<sup>6</sup>; (d) the dissemination of the findings of the consultation. Local and regional authorities are explicitly acknowledged as key stakeholders in the Code of Conduct and these principles are in line with the CoR Charter and Scoreboard on multi-level governance.

Towns and cities should also be involved as partners; the CoR has indeed stated that *“it is time for a new model of governance, giving towns and cities greater involvement throughout the cycle of the European policy process”*<sup>7</sup>.

The Code of Conduct on Europe 2020 could also commit the Member States and the European Commission to assessing the multilevel governance arrangements in place - suggesting improvements and/or further developments – in the dedicated “governance” sections of the NRPs and CSRs.

The European Commission should also monitor the effective application of the multilevel governance approach, by carrying out an annual assessment on the progress made in the area of partnership arrangements – both formal and informal – that have been put in place. Such an assessment could form part of an annual “State of the Regions” report, and could benefit from - and feed into - the “governance” sections of the NRPs and CSRs.

6. These channels could be both the operational teams and the European Semester Officers, whose role has been described in the European Semester fiche.

7. CoR Opinion “Towards an Integrated Urban Agenda for the EU”

# Defining multi-level governance arrangements in partnership

National and subnational governments should work in partnership with one another to **identify which multilevel governance procedures, mechanisms and tools would work best** within their specific context and to **negotiate appropriate arrangements, such as Territorial Pacts**, committing partners to their implementation along specified timelines and deliverables.

Adequate conditions for effective multilevel governance arrangements should be set in order to achieve the Europe 2020 objectives, irrespective of the nature of the Member State's constitutional framework. This includes not only identifying shared goals and targets, but also coordinating and integrating the respective agendas along a common timeline in order to unleash synergies and systemic effects.

Governance modes vary from informal approaches - as in the case of Local Strategic Partnership (LSP) or Local Enterprise Partnership in the UK - to contractual arrangements - as in the case of the *Contrats de Projets État-Région (CPER)* in France or the *conventions* in Luxembourg, involving multiple actors from different tiers of government as well as relevant stakeholders, e.g. from the private sector.

Several examples show that there is no "one-size-fits all" recipe and that workable solutions vary according to the different circumstances linked to specific features or a particular policy field. Member States and their lower tiers levels of government should therefore work together to identify a range of possible MLG procedures, mechanisms and tools which could work best in their specific contexts and circumstances and which are in line with the policy phase in which they need to be applied (planning, implementation, monitoring and evaluation). In the case of Single Outcome Agreements for instance, it could well be that while such agreements have produced very successful outcomes in Scotland, it may simply not be possible to transfer them to another EU region using a copy-paste approach. They could, however, instead be a source of inspiration for defining a region's own MLG arrangements.

Recent literature<sup>8</sup> suggests that successful MLG mechanisms should include: a number of basic organisational principles (including some form of policy coordination); sufficient institutional capacity; the active mobilisation of stakeholders through governance modes (from informal approaches to contractual arrangements); pragmatic arrangements (for the actual implementation of a policy); the involvement of both administrative and political stakeholders.

Once the best MLG solutions have been identified by the Member States and their lower tiers of government, appropriate negotiated arrangements should be put in place, committing each partner to contributing to the implementation and monitoring of jointly agreed objectives, with clear shared responsibilities regarding the timeline and resources needed.

8. Spatial Foresight, Study on promoting multilevel governance in support of Europe 2020, Inception Report of the study promoted by DG REGIO (19 December 2013)  
Metis GmbH and EPRC University of Strathclyde: An assessment of multilevel governance in cohesion policy 2007-2013 (January 2014).

## 2.3 Aligning the European Semester to the long-term goals of Europe 2020

### Giving a territorial dimension to the European Semester

The European Semester should be revised to include:

- an **annual Report on EU cities and regions**, assessing their economic and social situation and their progress towards the Europe 2020 objectives and targets, to be published each year in September, ahead of the Annual Growth Survey;
- a **regular hearing in the REGI Committee** in September of each year on the “**State of local and regional authorities in Europe**”, as part of the structured dialogue between the European Parliament and the European Commission;
- a dedicated **Ministerial Working Group on cohesion** within the General Affairs Council providing specific input on the “**Territorial Dimension of the European Semester**” to the Spring European Council.

With the launch of the new Semester (starting in 2015), the Annual Growth Survey should review the economic and social situation of EU regions, as there can be no progress towards the Europe 2020 goals if none has been made at regional and local level. Regional disparities in terms of income and employment have been widening since the beginning of the economic crisis and should be given special attention.

The proposed annual Report on EU cities and regions could benefit from cooperation with the EU funded ESPON programme and the OECD and would come in parallel with the Committee of the Regions’ Annual Monitoring Report on Europe 2020. Both documents should come ahead of, and feed into, the AGS. The Report could replace the yearly Progress Report on economic, social and territorial cohesion which the European Commission published in the past before publishing the Cohesion Report every three years.

Collaboration between the European Parliament’s REGI Committee and the CoR’s COTER Committee should also be enhanced in order to monitor whether the interests of sub-national levels are being safeguarded throughout the European Semester cycle.

In the context of the structured dialogue between the European Parliament and the European Commission, the Report on EU cities and regions could then be presented at a hearing of the European Parliament’s REGI Committee on the “State of local and regional authorities in Europe” in September of each year. The outcome of the hearing - as well as the EC and CoR reports and the political documents adopted by the EP and the CoR - would contribute to the forthcoming Annual Growth Survey.

A debate on cohesion policy could be held each year at Council level – e.g. in a Ministerial working group of the General Affairs Committee - in order to monitor whether Cohesion Policy is fully aligned with Europe 2020 and its headline targets and is rooted in the European Semester, as a pivotal part of a stronger territorial focus on overall EU economic governance. The Ministerial Working Group could be convened at the beginning of the year to provide - based on the European Commission Report and the resolution of the European Parliament on the AGS - specific input to the Spring European Council on the “Territorial Dimension of the European Semester”.

## Aligning the milestone documents of the Semester to Europe 2020

The main documents of the European Semester (Annual Growth Survey, National Reform Programmes, and Country-Specific Recommendations) should be structured in accordance with the **Europe 2020 goals, targets and flagship initiatives**.

To ensure stronger political coordination at all levels, the renewed Europe 2020 strategy should be at the heart of the EU agenda for growth and jobs and of the European Semester, and cohesion policy should be fully aligned with Europe 2020.

To make these synergies clearer, and to help raise awareness and ownership of the strategy at all levels, the milestone documents of the Semester should be aligned with the Europe 2020 goals, targets and flagship initiatives. In particular:

- › the *Annual Growth Survey* should make explicit reference to the Europe 2020 goals and targets, setting the basis for increased vertical and horizontal coordination of the different levels of government. The AGS should be consistent with the Partnership Agreements, the 2014-2020 Operational Programmes and the report on the progress of the Flagship Initiatives, and provide guidelines for drafting the NRPs;
- › the *National Reform Programmes* should be designed and implemented by all levels of government in partnership with one another, building on the actual distribution of powers and competences. To ensure effective and accountable policymaking, they should also include monitoring and evaluation provisions. A common template could be established for the NRP (at least for the purpose of summarizing contributions to the Europe 2020 goals and targets and the flagship initiatives), to allow comparisons within and across Member States and to identify areas where there is room for improvement, including at regional level;
- › the *Country-Specific Recommendations* should assess the evolution and causes of regional disparities, addressing specific recommendations for local and regional authorities.

## Supporting the implementation of Europe 2020 by local and regional authorities

Local and regional authorities' contribution to the Europe 2020 goals and targets should translate into **regional policy documents annexed (or linked) to the National Reform Programmes**. Wherever possible, these documents could take the form of Regional Reform Programmes.

Local and regional authorities that wish to take part in this process but which do not have the sufficient administrative capacity, could be supported by:

- **ad-hoc technical structures**, set up either by the national governments or by associations of LRAs. Regular interaction with these structures would provide timely information and technical assistance, enabling local and regional authorities to effectively work out their contribution to the NRP;
- the more effective use of **European Semester Officers**, possibly extending their relay role between the EC and MS to include dialogue between national and subnational levels.

To fully benefit from this support, local and regional authorities should **allocate specific responsibilities at administrative and political level**, where possible by setting up **operational teams**, to coordinate their internal work and to act as an interface with national and EU level.

Not all local and regional authorities have the administrative capacity needed to make an effective and timely contribution to the preparation of the National Reform Programmes, especially when it comes to setting their contribution to the Europe 2020 goals and targets.

Evidence<sup>9</sup> shows that successful regions have allocated internal responsibilities, identifying technical structures responsible for the NRP and political structures ensuring internal coordination and the integration of action. Their experiences provide examples that could encourage all regions to allocate internal responsibility for Europe 2020. Those in charge would help the political level to identify local and regional potential for growth and jobs, to maintain contact with “horizontal” stakeholders, to outline growth strategies and, where possible, to set regional targets, building, for instance, on Regional Development Strategies, Smart Specialisation Strategies and Operational Programmes. The output of this activity, contributing to the preparation of the National Reform Programme, could take on a number of different forms, including, where possible, that of a Regional Reform Programme to be annexed to the NRP.

Regions and cities lacking the administrative capacity to engage in this process should take advantage of the technical support from ad-hoc technical structures set either by their national government or by associations of regions and cities.

Support could also come from the European Semester Officers dispatched by the European Commission in its Representations to the Member States. Their role could be extended from their current responsibilities (acting as a relay between the EC and the MS, bridging information gaps for national stakeholders and helping the Commission to tailor its policy assessments and recommendations on a country’s specific needs and potential more closely) transforming them into facilitators in the dialogue between national and subnational levels on Europe 2020 and the European Semester. The Semester Officers could also ensure that timely information is provided to LRAs well in advance so they may take part in the design and implementation of Europe 2020-related policies within the overall Semester timeline.

9. External study “On the role of the local and regional authorities in the Europe 2020 National Reform Programmes: Analysis of the 2014 National Reform Programmes”; CoR workshop “Giving a territorial dimension to the European Semester to achieve the Europe 2020 goals”, 17 September 2014; Open Days workshop “Towards the CoR Blueprint for a renewed Europe 2020: ideas and examples from EU local and regional authorities”, 8 October 2014. One example is the Italian case where the RETE NRP was established within the Conference of the Regions, supported by “Tecnostruttura” (a regional organisation dedicated to EU structural funds), financed by all Italian regions.

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## 2.4 Using the Flagship Initiatives for enhanced political coordination

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### The Flagship Initiatives, coordination levers at the heart of Europe 2020

The current Flagship Initiatives should undergo substantial revision, seeking **synergies** and **interactions**, and addressing potential **conflicts** between them, and aim to:

make their objectives and programmes **consistent with the latest developments in terms of EU policies, including the ESIF 2014-2020, and related financial resources**, as well as by **reshaping FIs** that are completed or close to completion and/or overlapping with others;

adopt **multiannual action plans (possibly five-year plans until 2020)** and related **roadmaps** and **scoreboards**, coordinating and integrating all relevant strands of EU policies and related funding, and allocate **internal coordination responsibilities**, possibly at Vice-President level;

**consider launching new FIs** on key challenges where huge coordinated efforts are needed and urgently required as enablers of further progress, such as **infrastructure and administrative capacity**.

The Flagship Initiatives launched in 2010 were generally appreciated<sup>10</sup> by local and regional authorities across the EU because they provided them and other stakeholders with a framework of objectives and suggested actions orienting their dialogue and agenda-setting, as well as their exchanges with upper levels of government. In so doing, the FIs helped to increase horizontal and vertical coordination both *within* and *among* public administrations and other stakeholders.

However, the FIs were not conceived as a tool for policy coordination at EU and national level - or between them. As outlined in the European Commission's Communication on "Taking stock of the Europe 2020 strategy", recent developments in certain policy fields have taken place outside the relevant Flagship Initiatives launched in 2010, making them obsolete. Other FIs have been completed or are close to completion. Overall, the FIs were barely mentioned in the National Reform Programmes.

The Committee of the Regions recommends that the FIs be given a **central place in the governance of EU policies**. They should be used as effective levers to enhance policy coordination at all levels in the design and implementation of the strategy. The different levels of government, including sub-national levels, should be encouraged to work in partnership with one another and their roles should be clearly identified.

The seven FIs launched in 2010 should be reviewed to this end, to take stock of their implementation and outcome so far and to align them to the most recent policy developments and to the Europe 2020 headline targets; FIs that are completed or are about to be completed or overlapping with other FIs should be remodelled in line with current challenges. This review would appear to be necessary both for reasons of effectiveness, which could be boosted by the use of FIs as effective levers of policy coordination, and to raise visibility and spread ownership of the Europe 2020 goals and targets among European citizens and institutions.

Key policy issues such as infrastructure and administrative capacity should be the aim of the new FIs. For example, an FI on infrastructure could encompass e-communications, media, energy grids and transport networks, including the Digital Agenda on broadband infrastructures, which partially overlaps with "An agenda for new skills and jobs" on e-skills.

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10. CoR mid-term assessment of Europe 2020: rethinking Europe's growth and jobs strategy, <http://portal.cor.europa.eu/europe2020/Documents/CoR%20Europe%202020%20mid-term%20assessment%20report.pdf>

Possible synergies and interactions should be sought between FIs, while potential conflicts between them should be addressed.

At EU level, each FI needs an action plan and roadmap for the 2015-2020 period (as part of a longer-term perspective) and related monitoring tools. To this end, an internal coordination and integration exercise should be carried out at EU level; the new Commission set up with clusters of Commissioners should be in line with the reviewed Flagship Initiatives while the responsibilities for this coordination exercise should be allocated to the Commission’s vice-presidents.

The objectives of the FIs should be supported by adequate financial resources and take into account the contribution of the 2014-2020 Operational Programmes, in order to ensure coherence between FIs and OPs.

At country level, national and sub-national governments should be incentivized to incorporate the reviewed FIs within their actual policy agenda. To this end, annual reporting in the Annual Growth Survey on the state of play of FIs at country level (see section on the European Semester) would allow for peer review and pressure.

**Assessing the territorial impact of the new Flagship Initiatives**

Each of the renewed Europe 2020 Flagship Initiatives should be subject to a territorial impact assessment.

This exercise should examine social, economic and sustainability impacts, as well as the impact on regional and local governments and examine how to avoid additional useless administrative burden. The TIA should also become part of the multi-level governance toolbox, helping to boost effectiveness as well as ownership of the Europe 2020 strategy. The CoR is ready to engage with the European Commission on the assessment of the Flagship Initiatives.



## 2.5 Mobilising funding for long-term investment, ensuring better spending

### Excluding public investments from SGP deficit calculations<sup>11</sup>

National **co-funding of investments supported by the ESIF in 2014-2020 should be exempted** from calculations of compliance with the Stability and Growth Pact.

Following the announcement made by the European Council in June 2014, the Commission should clarify the extent of the **flexibility built into the existing rules of the Stability and Growth Pact**, to promote the public investments needed to stimulate and support economic growth.

The economic crisis and the subsequent recession have led to severe cuts in public expenditure, which translated into a reduction in public investments at local and regional level of 21% between 2007 and 2013, when expressed as a percentage of GDP. Following the introduction of fiscal consolidation measures, sub-national public investment in the EU fell by 7.2% in 2010, 5.9% in 2011, 3.3% in 2012 and 8.6% in 2013<sup>12</sup>. Moreover, delays in payments for several programmes have had a significant impact on the activities of LRAs by increasing the waiting time for the reimbursement of expenditure. The regions most affected were those that were lagging behind and most in need of public investment<sup>13</sup>.

ESIF funds represent an essential funding base for boosting public investments in the current context of severe economic deceleration; according to a recent CoR survey<sup>14</sup>, for 68% of respondents, ESIF funds covered at least half of all public investments, they should not therefore be jeopardised due to a lack of co-funding.

The inclusion of national co-funding in the calculations for complying with the Stability and Growth Pact (SGP) would jeopardize public investments in the EU, particularly in those areas where they are most needed. Empirical evidence shows that a large majority of LRAs consider that the ability to provide the necessary co-financing under the current rules is at risk<sup>15</sup> and that the reduction of national public co-financing would have a strong impact on regional growth and job creation, as well as on private investments<sup>16</sup>.

The “Strategic agenda for the Union in times of change,” set by the European Council in June 2014,<sup>17</sup> stressed the margins of flexibility built into the existing rules of the SGP, which could be used to fund investments to boost competitiveness, growth and jobs.

11. CoR's Turin Declaration “Jobs in Europe – Investing in cities and regions for sustainable growth”

12. European Commission's 6th Report on economic, social and territorial cohesion (23 July 2014), p. 148.

13. CoR Opinion on “The execution of the EU Budget” (25-26 June 2014).

14. The results of the survey show that 37% of respondents (out of 322 submitted replies) estimate that funds from the ESIF cover significantly more than half of all public investment (essential share) while 31% consider that they cover about half of all public investment (moderate share), for more details see: CoR online consultation on public investments, growth and the national co-financing of ESIF, <http://portal.cor.europa.eu/europe2020/news/Pages/EUfunds.aspx>

15. 89% of respondents (out of 322 submitted replies) consider the fact that national governments are obliged to balance the debt level with the consequences of limiting transfers to sub-national level to be a high or a moderate risk; 89% believe that the fact that there are limited possibilities at sub-national level for acquiring additional funding due to debt rules represents a high or moderate risk while 90% consider that the reduction of own resources (e.g. lower tax revenues at sub-national level) due to the economic situation in their region/town represents a high or moderate risk.

16. 70% of respondents (out of 322 submitted replies) consider that the reduction of national public co-financing would have a strong impact on regional growth and on job creation; 63% of respondents consider that a reduction in public investment would have a strong impact on private investments and, therefore, on growth and jobs

17. See: [https://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/143477.pdf](https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/143477.pdf)

The Commission should translate this announcement into clear and applicable rules for public authorities at national and sub-national level.

## Improving the vertical and horizontal coordination of public budgets

An **agreement on the better coordination of EU, national and sub-national budgets** to pursue the country's Europe 2020 goals and targets should form **part of the National Reform Programme**. This agreement should build on, and be consistent with, the country's 2014-2020 Partnership Agreement.

**Horizontal coordination** could be encouraged by **earmarking certain national resources for co-funding projects presented jointly by different sub-national governments**, stretching across policy areas as well as jurisdictions and including the reimbursement of project management costs.

The implementation toolkit of the **OECD principles for "Effective Public Investment across Levels of Government"** could be used to improve coordination.

As local and regional authorities across the EU will need to do more and better with less, ensuring that the available resources are used with the best possible leverage effect, one possible way of achieving this is to improve horizontal and vertical coordination between public budgets. Vertical coordination should be undertaken in the context of the preparation of the National Reform Programmes, as part of multi-level governance agreements (such as territorial pacts), and should be encouraged by the Annual Growth Survey and Country Specific Recommendations.

The OECD principles of "Effective Public Investment across Levels of Government" should be applied to ensure that a "better spending" agenda for Europe 2020 is implemented with respect to public investments. The OECD toolkit could be used to improve budget coordination, allowing local and regional authorities to self-assess the strengths and weaknesses of their capacity to carry out public investments and set priorities accordingly.

## Supporting investments by LRAs, including innovative financial tools and PPPs

- To support local and regional authorities' efforts to fund their investments under the 2014-2020 OPs, including through the **use of innovative financial instruments and public-private partnerships**, the Commission and the European Investment Bank (EIB) should cooperate to establish a **European help-desk** offering targeted advisory services, technical and financial assistance and training.
- The European Commission should inform local and regional authorities about the advantages and risks of leveraging private funds with public money by means of financial innovative tools and public-private partnerships (PPPs), through web tools, the animation of networking platforms and easily-accessible updated guidance and collections of good practices.
- The European Commission should create a **Public Sector Comparator** to help local and regional authorities carry out an ex-ante assessment to check whether PPPs provide better value for money in comparison with 'traditional' forms of procurement.

The shortfall between the estimated aggregate investment needed to implement Europe 2020 and the public funds available is so significant that the public resources available in the coming years are unlikely to be able to cover it. It is therefore vital to leverage private funds with public funds by means of innovative financial tools and PPPs.

Among others, managing authorities at national and regional level should be encouraged to examine and identify the existence of legislative and regulatory obstacles, which could impede the up-take of innovative forms of finance, prior to the validation of their operational programmes.

A number of examples and good practices showcased by the European Investment Bank show the leverage effect of combining loans with EU grants to support investments in line with the Europe 2020 objectives<sup>18</sup>. These instruments require adequate information and administrative capacity; technical assistance should be provided to local and regional authorities willing to use them.

Incentives for public-private cooperation and private co-financing of public investments could also be provided, for instance offering additional benefits to private stakeholders involved in regional projects (e.g. loan guarantees, innovation prizes, payroll tax support for hiring employees). The European Commission and the EIB are well placed to help empower local and regional authorities in this respect. The Commission should create a European helpdesk, in cooperation with the EIB, to spread information to local and regional authorities and provide them with advice, technical and financial assistance and training. Possible examples include the “Technical Assistance Platform for financial instruments in cohesion policy 2014-2020 (TAP)”, set up by DG REGIO to provide advisory and capacity enhancement services for delivering financial instruments; the Platform for investment, recently set up by the EIB to mobilise private capital involving National Promotional Banks, and which could be enlarged to include regional promotional banks and development agencies.

A Public Sector Comparator (PSC) could help local and regional authorities to ensure that a PPP actually delivers better value for money than traditional forms of procurement. The PSC may be used prior to the bidding process and make it possible to compare the implementation of a project through a PPP or traditional forms of procurement, thereby helping the government to choose between the two. This tool could be particularly useful for countries which do not have a sufficient database of past PPP contracts and resulting benchmarks. The CoR is ready to engage with the European Commission on the development of such a tool.

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18. For reference, see the EIB's commitment: “EIB lending in the 2014-2020 programming period will continue to assist EU cohesion objectives in line with the Europe 2020 strategy and targets set by the Member States in Partnership and Cooperation Programmes. In close coordination with the Member States and the European Commission, we are increasing our focus on blending grants with loans, financial instruments and advisory services to enhance the use of EU funds.” from: EIB “Promoting Economic and Social Cohesion in Europe”, available online: [http://www.eib.europa.eu/attachments/thematic/economic\\_social\\_cohesion\\_en.pdf](http://www.eib.europa.eu/attachments/thematic/economic_social_cohesion_en.pdf)

## 2.6 Strengthening administrative capacity for the more effective delivery of Europe 2020

### A new flagship initiative to boost administrative capacity and public sector innovation

**A new flagship initiative** should provide the existing strands of EU and country actions **on administrative capacity and public sector innovation** with a coordination frame and structure, making a difference in terms of synergies, exchange of experiences and measurement of progress against a set of appropriate indicators.

A modern and effective public administration is a key enabler for making the most of Europe 2020. It ensures that reduced public budgets may be used to deliver the best possible effects in terms of effective public services for citizens and the economy. The administrative capacity of the public sector is a key factor influencing economic development, with public expenditure accounting for almost 50% of GDP<sup>19</sup> in the EU.

At country level and at regional level, there are significant variations in terms of the quality of government across Europe<sup>20</sup>. Insufficiency of administrative capacity hits local and regional authorities that are lagging behind harder, and they should therefore be supported in all their efforts.

The modernisation of public administration is encouraged by TO11<sup>21</sup> of the ESIF 2014-2020 ("enhancing institutional capacity of public authorities and stakeholders and efficient public administration"), which is expected to be allocated EUR 4 billion under the operational programmes which are currently being finalised. As for the governance cycle, the modernisation of public administration and governance as such is a recurring priority of the Annual Growth Survey (e.g. one of top 5 priorities in 2014) and in the Country Specific Recommendations for the majority of countries.

The new FIs would aim, among others, to spread technical and organizational innovation, making procedures smarter and simpler, fighting corruption, introducing more effective management tools, also for human resources<sup>22</sup> and enhancing public entrepreneurship to boost investment through financial instruments.

### Providing room for innovative bottom-up solutions

Member States should encourage local and regional authorities to **try out innovative approaches to the delivery of public services** by setting a "right to challenge" mechanism - whereby local and regional authorities could apply for a temporary exemption from existing rules or regulations if they can provide evidence that their objectives may be better achieved through innovative approaches – as well as by providing incentives.

19. Public expenditure data for 2013, calculated for the EU28

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00023>

20. For more information see 1. European Quality Index 2013 and to access the full database of the project visit: <http://nicholascharron.wordpress.com/european-quality-of-government-index-eqi/> and also 2. EC, European Public Innovation Scoreboard: [http://ec.europa.eu/enterprise/policies/innovation/policy/public-sector-innovation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/public-sector-innovation/index_en.htm)

21. Thematic Objective 11 "Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration" is supported by ESF and ERDF. TO11 does not apply to EAFRD and EMFF.

22. For sources on HR, refer to the work carried out by EUPAN, [http://www.eupan.eu/files/repository/20141021120026\\_RomeWG\\_-\\_6\\_-\\_Managing\\_Competencies\\_in\\_Public\\_Administration.pdf](http://www.eupan.eu/files/repository/20141021120026_RomeWG_-_6_-_Managing_Competencies_in_Public_Administration.pdf)

The possibility of testing new ways of delivering public services is closely linked to the challenge of making laws and regulation flexible enough to accommodate innovative practices. Local and regional authorities, which are closest to the citizens, can address certain problems in the most effective way, including by discussing and testing possible solutions with their citizens. The “right to challenge”<sup>23</sup>, granted to local and regional authorities, would ensure the more effective multilevel co-design and co-delivery of solutions and services for citizens. Therefore, creating a flexible environment for the application of rules and procedures is of key importance for achieving further simplifications and for generating cost saving solutions.

To enable the efficient management of risks (e.g. the risk of losing money, risk of delegating a certain level of competences), the “right to challenge” should be granted within a framework of multilevel governance. Exemptions should be granted on the basis of a local/regional assessment, carried out with respect to the division of powers. An evaluation mechanism would show whether or not a specific local solution has any potential for mainstreaming.

The “right to challenge” goes hand-in-hand with the promotion of public sector innovation and a vision whereby public sector managers behave in a more entrepreneurial manner with a personalised response to emerging problems. The Member States and the European Commission could do more to encourage this bottom-up approach by creating dedicated incentive schemes.

## Promoting public innovation laboratories

**Public sector innovation laboratories** could be set up, including in the form of joint actions, at EU and/or country and/or regional level, in order to provide an in-depth analysis of societal problems, generating innovative ideas and **offering strategic guidance to policymakers on how to design and implement innovative solutions**. They would also facilitate cooperation and the diffusion of knowledge between experts, policymaking and the public.

Public sector innovation laboratories, aimed at developing new models for the provision of public services, are becoming increasingly effective and popular. One example is the MIndLab in Denmark, set up in 2002 as a cross-ministerial unit, making Denmark a European leader in this field. The Danish model is based on collaborative practices involving citizens and businesses in the creation of new solutions. Among others, good practices in this field include: Helsinki Design Lab (Finland), Public Services Lab (UK), La 27e Région (France). Their value added is provided by the involvement of key stakeholders in detecting needs and problems and design solutions. Public sector innovation labs (regional, national or also EU level) could be set-up to provide an in-depth analysis of societal problems and to generate innovative ideas and offer strategic guidance in line with the objectives of Europe 2020. Innovation labs could follow different models, depending on the situation in a given country, region or city. Possible models to choose from include cross-governmental bodies, think-tanks, on-demand research services or forums where experts – businesses, civil society organisations – take part in debates and in the generation of new ideas. Labs could be set-up jointly by regions or Member States, funded by a mix of annual fees, ESIF or other public or private funding.

## Enabling easy access to available tools and promoting their use

The European Commission should promote the testing and diffusion of **one-stop-shop online platforms** making available existing open-source software and IT tools to potential public sector users.

23. The “right to challenge” mechanism is used in the UK to enable communities to challenge to take over local services if they believe they can run them in a different or better way.  
<https://www.gov.uk/government/policies/giving-people-more-power-over-what-happens-in-their-neighbourhood/supporting-pages/community-right-to-challenge>

Central governments have, by definition, more resources and tools to steer reforms in the public sector; however, they often lack the expertise on the ground needed to design effective solutions. Regional authorities, on the other hand, often lack the tools and capacities required to design and implement their own measures but are nonetheless aware of the challenges on the ground. A one stop-shop providing the tools they need could generate significant increases in efficiency as well as cost savings.

The importance of IT solutions is also recognised under one of the Thematic Objectives of ESIF 2014-2020, namely TO2 “enhancing access to, and use and quality of, information and communication.” Less ICT-advanced cities and regions struggle to address modern day challenges and citizens’ expectations. Growing disparities between and within Member States are also ICT related; at EU level, a secure online platform where these tools could be made available to local and regional authorities would help bridge this gap. One initiative of this kind is the Institutional Capacity Building Toolbox, currently being finalized by the Commission’s DG EMPL to facilitate progress on the “eGovernment Action Plan 2011-2015”, which aims to facilitate the transition of current administrations to a new generation of eGovernment services at local, regional, national and European levels<sup>24</sup>.

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24. For more information on the eGovernment Action Plan 2011-2015, see: <http://ec.europa.eu/digital-agenda/en/european-egovernment-action-plan-2011-2015>

## 2.7 Mutual learning for capacity building

### Setting an interactive web tool allowing benchmarking on regional statistics

To enhance benchmarking, the European Commission should promote the development of an **interactive web tool ranking the performance of EU regions for each of the Europe 2020 indicators** (possibly also on pre-selected additional indicators), with a breakdown by reference groups of regions (socio-economic and geographical characteristics).

Regions have the potential to speed up their progress towards the Europe 2020 goals of smart, sustainable and inclusive growth by sharing experiences and best practices. Regional benchmarking provides a means of identifying best performers and replicating successful practices. For regional benchmarking to be effective, it is important to identify those territories which are comparable (in terms of social, economic and geographical characteristics) and to analyse what factors determine the differences in their performance, which could then feed into the design of successful policy measures. The pilot phase for an online benchmarking platform could be built on the basis of, for example: “*Eurostat regional yearbook*” and “*Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy*”.

The information provided by this benchmarking instrument could feed into pan-European peer-reviews and mutual learning exercises involving local and regional authorities as well as other stakeholders.

### Online repository of good practices and innovative solutions

The Commission should promote the creation of a **reference point for national and sub-national authorities looking for good practices** or innovative solutions for public sector policies and services. Special attention in such repositories should be given to successful examples where the **involvement of all stakeholders** generates value added for local and regional authorities.

The exchange of good practices is one of the key enablers for mutual learning, as has been demonstrated by existing interregional cooperation programmes such as Interreg Europe (ex- IVc) and URBACT. A dedicated platform could greatly facilitate such exchanges. The model could be built using the model currently being developed by the OECD, the Observatory for Public Sector Innovation (OPSI)<sup>25</sup> and using the successful format of the Smart Specialisation Platform (S3). The S3 Platform was established by the European Commission to provide professional advice to EU countries and regions for the design of their research and innovation strategies for smart specialisation. Among the tools managed within the S3 Platform are the peer reviews, which could now be re-designed to cover the broad scope of the Europe 2020 objectives.

The provision of awards, certificates and distinctions would also be helpful for identifying good practices which could be attractive and inspiring for other regions.

25. For details, visit: <https://www.oecd.org/governance/observatory-public-sector-innovation/>



## Mutual learning schemes, mentoring and secondments

The Commission should promote **mutual learning schemes** and **secondment programmes** at local and regional level, including in the form of mentoring programmes, involving representatives of administrations in which changes and reforms actually took place.

The Commission should encourage awarded regions with strong capacities and their own regional targets to voluntarily form **a network of "Europe 2020 regional coordinators"**, available to transfer their knowledge to regions with lower capacities (following the model of the Covenant of Mayors).

Although there is no such thing as a one-size-fits-all recipe for effective policymaking, mutual learning encourages the creative adaptation of ideas to new contexts. The process of mixing people who deal with the same challenge yet who differ in terms of their origin, background and experience is a key driver for this innovative process.

Mutual learning, especially between different regions (from within the same country or other Member States) could be facilitated by the establishment of a network of "Europe 2020 regional coordinators" from awarded regions with strong administrative capacities, which is available to provide strategic guidance, policy advice and technical assistance at administrative level to other regions (as suggested by the experience of the Covenant of Mayors). Pairing administrative staff from larger, more economically advanced and autonomous regions with those that are smaller, less economically developed and less autonomous would be particularly effective. Mentoring has proved<sup>26</sup> to be an effective way of transferring knowledge allowing mutual learning.

26. Mentoring schemes for Europe 2020 could be built using existing mentoring programmes for specific policy fields or projects, for example CASCADE (Cities changing on local energy leadership), for more details, see: [http://www.cascadecities.eu/cascadecities/about\\_us/activities\\_presentation](http://www.cascadecities.eu/cascadecities/about_us/activities_presentation)



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