

EUROPEAN UNION



Committee of the Regions

7th Monitoring Report on Europe 2020 and the European Semester

October 2016 • Final Report



Regions and Cities supporting
Europe2020
Europe's growth strategy



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PREFACE by Markku Markkula, President of the Committee of the Regions



Since the beginning of the economic crisis in 2008, public and private investment have dropped by 15% overall, and in some parts of the EU even by a dramatic 50%.

This investment gap, which is the difference between current levels of investment and their projected investment potential, is currently holding back Europe's long-term prospects for growth and jobs and affects EU regions and cities in a differentiated manner, hitting the regions already weakened by the crisis the hardest. Overall, regional disparities have widened across the EU.

Our 7th Monitoring Report shows how crucial the role of the local and regional authorities can be in addressing the investment gap, taking account of their constitutional roles and their administrative and institutional capacities. As *investors*, they are responsible for more than half of the EU's public investment; as *planners*, they lead regional development strategies and take part in multi-level planning and governance; as *investment partners*, they promote public-private partnerships and create the conditions for the involvement of private investors; as *regulators* (e.g. of spatial planning and construction permits), as well as *providers of basic infrastructure*, they contribute to setting the scene for private investors; as investment *promoters/facilitators*, they help attract new investments in their territories. Our analysis confirms the validity of the OECD Principles for effective public investment across all levels of government.

The European Fund for Strategic Investment is still scarcely known and used by EU cities and regions after its first year, although its ability to use public funds to leverage private investment is overall encouraging. While lack of information is a challenge for the EFSI, lack of administrative and institutional capacity is even more so, especially in less developed EU countries, which would most benefit from its implementation. An effort should be made to encourage and support a stronger involvement of local and regional authorities in the EFSI, also through investment platforms.

This report found that local and regional authorities face three major obstacles to boosting investment: a lack of funding, their own administrative and institutional capacity and their still limited involvement in the European Semester as full partners in a multi-level governance approach.

These constraints were addressed in the Bratislava Declaration "Invest and connect" of the European Committee of the Regions (CoR) (July 2016), which gives a key role to cities and regions in strengthening investment for smart and sustainable growth and job creation.

PREFACE by Michel Delebarre, Political Coordinator of the Europe 2020 Monitoring Platform



In February 2016, the CoR Plenary committed to analyzing obstacles to investment at all levels of government.

This is the main focus of this 7th Monitoring Report, which helps identifying, assessing and addressing obstacles to investment with a role for local and regional authorities.

The Report also highlights that more than half of the Country-specific Recommendations address regional development challenges and the role of local and regional authorities. Two out of three National Reform Programmes mention at least some coordination between levels of government. Overall, development challenges specific to the local and regional level, and the need to involve local and regional authorities, although not addressed in a systematic way, appear throughout the European Semester.

In the forthcoming 2017 European Semester, local and regional authorities need to be fully acknowledged by the EU and national governments as partners in relevant policy reform areas. It is an issue of efficiency and legitimacy, as also recognized in the recent European Parliament's report on the European Semester. To move up a gear in this direction, the CoR will put forward a proposal for a Code of Conduct for the involvement of local and regional authorities in the European Semester, respectful of national differences and careful to avoid unnecessary administrative burden.

Many LRAs need support to build up the administrative and institutional capacity necessary to fully develop their potential role with respect to investment, growth and jobs. The European Commission's "Quality of public administration" Toolbox provides a useful 'one-stop-shop'. The CoR has proposed that the EU adopts a single strategic document to coordinate all the EU-funded strands of technical assistance.

In the context of a smart use of the flexibility allowed by the Stability and Growth Pact, increased investment expenditure should be allowed also in the countries that need it most, including those in the corrective arm of the Pact. Cohesion policy should stick to its mission as formulated by the Lisbon Treaty, that of strengthening economic, social and territorial cohesion.

The European Semester urgently needs a longer-term multi-level policy framework beyond 2020. It is high time for the European Commission to draw its conclusions from the review of the Europe 2020 Strategy and the ongoing review of the EU sustainable development strategies.

1. EXECUTIVE SUMMARY

This 7th Report presents the results of the CoR monitoring activity on the European Semester and the Europe 2020 strategy from October 2015 to early September 2016.

Specifically, it looks at how regional disparities and the role of the local and regional authorities are dealt with in the 2016 European Semester (**full report, section 2**) and at how local and regional authorities (LRAs) can help removing obstacles to investment and making the most of the EFSI (**section 3**), before giving some relevant statistical updates, also with respect to the Europe 2020 targets (**section 4**).

1.1 The 2016 European Semester and the local and regional authorities

Although not explicitly considered in the 2016 European Semester, regional development challenges and the role of the local and regional authorities appear throughout the Country-specific Recommendations and the National Reform Programmes. The involvement of the LRAs as full partners in the design of the NRPs is still limited.

- More than half of the 2016 *Country-specific Recommendations* (CSRs) pointed at specific regional growth and jobs challenges and stressed the role of the local and regional authorities in their implementation¹; 20 out of 28 Member States were addressed recommendations to improve the quality of the public administration also at the sub-national levels.
- Three quarters of the 2016 *National Reform Programmes* (NRPs) address specific regional problems. More than half of the NRPs state that the LRAs were involved in their preparation² and all NRPs state that the LRAs were involved in their implementation. Two thirds of the NRPs mention existing coordination/cooperation frameworks between different levels of government, often in the context of wider partnerships including civil society and other actors.
- Finally, lack of quality in public administration is raised in 60% of the NRPs, often explicitly mentioning the challenge of capacity building at the regional and local level.

¹ See "2016 European Semester. Territorial analysis of the Country Reports and accompanying Communication", Report of the Steering Committee of the Europe 2020 Monitoring Platform, May 2016, at <http://portal.cor.europa.eu/europe2020/Pages/welcome.aspx>. All Country Reports (CRs, the background documents for the CSRs) addressed at least some regional disparities, mainly related to labour market and social issues, the quality of the public administration, structural reforms and the fiscal framework, transportation, energy and other sectors and competitiveness/investment

² Especially in the NRPs from Nordic and Central EU 15 countries.

1.2 Obstacles to investment and the local and regional authorities

A) Identifying obstacles

Lack of funding, over-regulation, inadequate administrative capacity, missing infrastructure and poor coordination across levels of government hinders public and private investment, challenging the role of the local and regional authorities.

- **Inadequate quality of the public administration (PA) at the regional and local level** challenges the LRA's role as **planners**.
- **Difficult access to, and management of, funds** challenges the LRA's role as *investors*.
- **Difficulties in managing public procurement and public-private partnerships (PPPs)** challenge the LRA's role as *investment partners*.
- **Unfriendly business environment** challenges the LRA's role as *regulators*.
- **Lack of essential preconditions for private investment** challenges the LRA's role as *providers of 'basic infrastructure'*.

B) Assessing obstacles

Obstacles to investment are a primary concern of the CSRs and the National Reform Programmes, both of which acknowledge the role of LRAs to remove such obstacles. In a recent survey, LRAs confirmed that administrative complexity, over-regulation and slow judicial procedures were the toughest obstacles to investment in their territories.

- Respondents to a recent **CoR's survey of local and regional authorities on obstacles to investment** (Summer 2016) stated that private investors in their territories see administrative procedures to launch/extend/close an activity, slow judicial procedures and ongoing regulations as relevant obstacles to investment.
- The survey also showed that regulatory obstacles proved more burdensome than those related to daily procedures and services provided at local/regional level.
- Respondents stated that getting involved in public-private partnerships, managing complex public procurement procedures and getting funding from the European Investment Banks or the EU Structural Funds is a challenge for most of them.

C) Addressing obstacles

Three main policy avenues would enhance local and regional authorities' ability to promote investment: improving their administrative capacity, developing multi-level governance and provide them with financial resources.

1. **Promoting and supporting administrative capacity building.**
2. **Improving multilevel coordination and governance, also by implementing related public administration reforms as necessary.**
3. **Improving the fiscal and financial framework³**

The first one could be taken by the LRAs (up to a certain point); the two others request action at the national and EU level. Parallel undertaking of the three avenues would generate synergies.

D) The EFSI challenge

The above mentioned CoR survey suggests that the EFSI is still scarcely known and used by EU cities and regions after its first year. For many LRAs, joining investment platforms could be the main way to benefit from the EFSI: but this opportunity is also scarcely known. And LRAs lack the administrative and institutional capacity to deal with the EFSI, even more so in the less developed EU countries.

- Only 25% of respondents to the above mentioned CoR survey of local and regional authorities said they were "well" or "somehow" informed on the EFSI.
- Only 10% said their cities/regions were planning to use the submit projects under the EFSI, and an even smaller 7% said they had done it already.
- Only 10% said local administrations had promoted/will promote the EFSI with other actors.
- The European Investment Project Portal and the European Investment Advisory Hub are almost unknown (probably also because they were set up very recently).
- Almost three quarters of respondents were "not informed" about the possibility of setting up investment platforms⁴ in the context of the EFSI.

³ This is mainly about using flexibility within the SGP and avoiding macroeconomic conditionality in cohesion policy.

⁴ The EFSI's investment platforms are a means to aggregate investment projects, reduce transaction and information costs and provide for more efficient risk allocation between various investors.

2. THE 2016 EUROPEAN SEMESTER: A TERRITORIAL PERSPECTIVE

2.1 The Country-specific recommendations for 2016

Overview⁵

This section analyses the state of play of the *territory-related recommendations* included in the 2016 Country-specific Recommendations (CSRs), defined as *those CSRs that, entirely or in part, point at regionally-differentiated challenges, and whose implementation rely (directly or indirectly) on sub-national levels of government*⁶.

In 2016, 89 CSRs were addressed to 27 Member States⁷, of which 51 (57% of the total) were *territory-related CSRs* (**Table 2.1**).

In 2015, 102 CSRs had been addressed to the 26 Member States that had received recommendations⁸, of which 55 were *territory-related* and 23 addressed directly the role of the local and regional authorities.

In 2014, the same 26 countries had received 157 CSRs. The reduced number of CSRs from 2015 on reflects the approach of the Juncker Commission to reduce the number of CSRs in order to (a) focus efforts on each country's urgent and specific challenges and (b) increase ownership of the CSRs at country level.

Some territory-related CSRs are addressed to local and regional authorities (LRAs) either directly or indirectly. In both cases, given the current distribution of competences, the LRAs are necessarily involved in the implementation of such recommendations.

A same recommendation might be reiterated in the following years if it is seen as a top political priority in light of the priorities of the European Semester. Indeed, it is the case not only that 73% of the 2016 *territory-related CSRs* had been issued already in 2015, but also, even more notably, that 45% of them had been already issued in 2014.

This is not surprising, since *territory-related CSRs* mostly address difficult challenges such as the improvement of administrative capacity and the removal of obstacles to investment. Efforts to make progress on these recommendations seem to bring their fruits: according to the Country Reports for

⁵ Since 2015, the European Committee of the Regions analyses the main documents of the European Semester – the Country Reports (CRs), the National Reform Programmes (NRPs) and the Country-specific Recommendations (CSRs) - from a territorial perspective. The CoR's analysis focuses on those challenges that appear territorially differentiated and on those policies and recommendations which cannot be implemented without the involvement of the local and regional authorities (LRAs).

⁶ This definition implies that one CSR may contain more than one territory-related recommendation. This has to be born in mind when comparing territory-related CSRs' and all CSRs by means of summary statistics. In this report, for the sake of simplicity, any territory-related recommendation is a "territory-related CSR".

⁷ In 2016, Greece did not receive CSRs because it was under macro-economic adjustment programme.

⁸ In 2015, Greece and Cyprus did not receive CSRs because they were under macro-economic adjustment programme.

2016, the state of implementation of the 2015 territory-related CSRs *that had already been issued in 2014* is more advanced than the average state of implementation of all 2015 CSRs.

Table 2.1 - Territory-related Country-specific Recommendations in 2016, in comparison to 2015

	2016	2015
Countries receiving territory-related CSRs	26 of 27 countries getting CSRs (a) (b)	24 of 26 countries getting CSRs (a)
Territory-related CSRs (total)	51 of 89 recommendations overall	55 of 102 recommendations overall
Territory-related CSRs (as a % of total CSRs)	57%	54%
<i>Of which:</i>		
<i>Addressed to local and regional authorities</i>	31 (61% of territory-rel. CSRs)	23 (48% of territory-rel. CSRs)
<i>Addressing obstacles to investment</i>	37 (73 % of territory-rel. CSRs)	32 (58% of territory-rel. CSRs)
<i>Addressing administrative capacity issues</i>	33 (65% of territory-rel. CSRs)	28 (51% of territory-rel. CSRs)
<i>Already issued in the previous year</i>	37 (73% of territory-rel. CSRs)	36 (65% of territory-rel. CSRs)
Territory-related issues in the Country Reports	178 (26 Member States) (c)	83 (27 Member States)

a) In 2016, Greece did not get CSRs since it was under financial assistance. In 2015, the same applied to Greece and Cyprus - b) Malta received 2 CSRs in 2016, but none of them was territory-related / c) The Country Report for Cyprus was published after the analysis was finalized

Source: CoR/ECON elaboration on the EC 2016 Country Reports (26.02.2016) , the 2016 Country-specific Recommendations (18.05.2016) and EP "At a glance" notes on the implementation of the 2014 and 2015 CSRs (12.08.2015 and 04.03.2016 respectively)

A list of all *territory-related* CSRs for 2016 is provided at the end of this chapter (**Table 2.2**, at the end of the chapter). As observed with respect to the 2015 European Semester, the number of *territory-related* CSRs per member country is higher the wider are territorial disparities between countries.

Policy areas covered by the 2016 CSRs include labour market and social issues (39%), the quality of the public administration (23%), structural issues and the fiscal framework (22%), transportation, energy and other sectors (10%) and competitiveness/investment (6%).

Overall, the findings for 2016 show that, after the streamlining of the European Semester, *territory-related* CSRs have increased as a percentage of all CSRs, and that the involvement of the LRAs is necessary to implement a relevant part of these CSRs. These findings confirm that the territorial dimension is horizontal to most policy areas and seems congenital to the European Semester.

Territory-related obstacles to investment in the 2016 Country-specific Recommendations

In the 2016 Annual Growth Survey (AGS), the European Commission launched an exercise of identification of obstacles to investment in cooperation with the Member States. In its Resolution on the 2016 AGS, the CoR has invited the local and regional authorities to take part in this exercise. This section identifies those of the *territory-related* 2016 CSRs that address obstacles to investment.

73% of all *territory-related* CSRs for 2016 concerned obstacles to investment; they were addressed to 23 Member States. In 2015, the corresponding proportion was 58%. Almost half of these (46%) dealt with the quality of the public administration (governance and administrative capacity), 35% with education, the labour market and credit for SMEs and the rest with sector-specific regulations.

Administrative capacity at regional and local level

Improving the quality of public administration at all levels of government is a difficult long-term challenge for the EU to deliver on both the current priorities of the European Semester and the long-term goals of the Europe 2020 strategy. This challenge is an urgent and pervasive one across Member States and policy areas⁹, although especially crucial in the less developed Member States and those with sharp territorial differentiations.

Sixty-five per cent of the *territory-related* CSRs issued by the European Commission in 2016 (33 out of 51) concerned administrative capacity issues and were addressed to 20 Member States. In 2015, the corresponding figure was 51% per cent, and concerned 17 Member States, which stresses the increasing perception of this challenge.

The issue of the quality of the public administration was a specific goal in itself in 42% of all capacity-related CSRs, or instrumental to objectives in the policy areas of labour market/ education / social policies (39%), structural issues/ fiscal framework/ taxation (9%), competitiveness/investment (6%) and transportation/energy, the environment and R&D (3%).

Member States that received territory-related recommendations on improving administrative capacity differ from one another in terms of size, per capita GDP, geographic location and internal disparities. This finding suggests that this challenge is not exclusive to a specific group of Member country. However, as shown in the previous reports¹⁰, EU countries with lower GDP per capita and strong regional differentiations are more likely to receive recommendations concerning the quality of their public administration than others.

⁹ Almost half of the 178 *territory-related issues* raised in the 2016 Country Reports (83 out of 178) concerned administrative capacity and were addressed to 23 Member States. Within this group, the policy areas of "public administration" accounts for 40% of the total, "labour market/social issues" for 30%, "competitiveness and investments" for 20%.

¹⁰ 2015 European Semester: Territorial analysis of the 2015 Country-specific Recommendations". Report of the Steering Committee of the Europe 2020 Monitoring Platform (<http://portal.cor.europa.eu/europe2020/pub/Pages/welcome.aspx>).

2.2 The National Reform Programmes for 2016

A basic assumption of this section, based on a study¹¹ commissioned by the CoR, is that the extent to which a country addresses territorial challenges by appropriate policies and governance is shown by the extent to which its NRP adopts a territorial perspective.

A large majority of NRPs (even if not all of them) reflect a territorial perspective to some extent, which is what one would expect given the strong presence of such perspective in the CSRs and CRs.

However, the way in which NRPs deal with the territorial perspective is highly variable. By means of a checklist of criteria and a simple scoring system¹², the 2016 NRPs have been ranked based on the extent to which they make reference to the following four aspects:

- Differences between regions and cities (a) in social, economic and environmental challenges, (b) in how national policies impact on the territory, and (c) in how local policies are implemented to address specific challenges;
- The involvement of LRAs in the design and implementation of the NRP, highlighting good practices in the implementation of the Europe 2020 Strategy and the European Semester;
- The existence of obstacles to investment and related policies to overcome them (how and to what extent the NRP deal with this issue)
- Partnership and multi-level governance (do these principles take effect on the design and implementation of the NRPs and EU 2020?).

Territorial differentiations

The NRPs were analyzed to spot 1) challenges and needs concerning certain LRAs or types of LRAs or territories, 2) the impact and coverage of policy measures on certain territories or LRAs and 3) specific policies targeting types of LRAs or territories¹³.

- 12 NRPs outline specific challenges for types of regions or even specific regions are mentioned in the NRP (2015: 15), ranging from housing to unemployment and from transport to education. Typical examples are housing challenges in specific NL provinces (Zeeland, Overijssel, and Amsterdam), the regional labour market situation in Ida-Viru County (EE) or deficits regarding professional skills and education levels in underperforming regions in the North of England and in Scotland.

¹¹ "The role of the local and regional authorities in the implementation of Europe 2020 – Analysis of the 2016 National Reform Programmes"; Metis GmbH study for the European Committee of the Regions (September 2016) (<http://cor.europa.eu/en/documentation/studies/Documents/role-lra-NRP-EU2020.pdf>)

¹² The quality of the information provided in each NRP has been assessed according to a quite simple and straightforward scoring system. The Consultant has introduced a rough classification with three stages, following the logic that the more concrete and concise the information the more reflected is the integration in the NRP and thus the awareness for the role of LRAs. The scores range from 0 up to 2 points per dimension, in which 0 means that no reference to LRAs is included, 1 stands for an explicit but general reference to LRAs and a score of 2 shows a specific reference to LRAs.

¹³ These three dimensions have only been evaluated since the 2015 NRPs.

- 21 NRPs include at least one or more elements which can be considered as specific policy approach for certain regions (2015: 16). The most frequent reference is to social inclusion (8), followed by employment initiatives in areas most affected by unemployment (6) and transport issues (6). Examples include support programmes to Marginalised Roma Communities (MRK) in most deprived parts of SK and the transport investment plan in UK explicitly focusing on the connectivity of northern parts of England (connection Leeds – Manchester) as well as on Greater London ('Transport for a World City'). Peripheral rural regions are an issue in the Programmes of PT and SI.
- 7 NRPs refer to the impact of envisaged measures on specific territories (2015: 11).

Involvement of the LRAs in the design and implementation of the NRPs

The Northern and central European countries as well as some peripheral countries show a strong involvement of the LRAs, often together with social partners and the civil society, in the preparation of the NRPs. This involvement takes place either as a consultation process or a bilateral exchange with the Commission, or adopting specific solutions such as a Contact Committee.

- The descriptions of the role of LRAs in the preparation of the NRP show a quite stable position over the years – starting from 17 NRPs (63%) in 2011 to 20 NRPs (71%) in 2015. In 2016, 16 NRPs (57%) include such references
- The most detailed descriptions, often laid out in a dedicated chapter, can be found in the programmes of DE, DK, FR, NL and SE - all EU-15 Member States, mostly with a long tradition of regional self-governance. The case of Belgium illustrates how substantial can the role of regions become in a context of strong devolution of powers: the three main regions' Reform Programmes are annexed to the Belgian NRPs¹⁴.

All NRPs include references to the role of LRAs in the implementation of the NRP¹⁵.

- The clear majority of them (24) provide references to specific policy areas where the LRAs have a role in implementation (2015: 19).
- The most frequently mentioned policy fields are: social inclusion (12), taxation, public finances public debt (10), education (8) labour policy/employment (7), and industrial policy and business development (7).
- In CZ where deprived areas with marginalised (socially excluded) population shall be addressed with the Strategy for Combating Social Exclusion for the period 2016-2020. In IT

¹⁴ In this context, each region takes the role of involving the lower levels of government and other stakeholders in the preparation of the NRP. See for instance: "Flanders and the European Semester: A Regional Perspective", by Joeri De Blauwer, Paper presented at the SGEU Conference in Trento, Italy (15-18 June 2016): <https://ecpr.eu/Events/PaperDetails.aspx?PaperID=26814&EventID=105>.

¹⁵ Since 2011, the percentage has remained high, oscillating between 100 % (2011) and 82 % in 2015.

where the contribution of local authorities to the spending review, local taxes, cadastral values, real estate assets is mentioned in the context of reduction of public debt.

- All these topics relate to the economic crisis and its main effect: unemployment with its social and budgetary consequences, and the attempts to reduce via education and establishment of new businesses. A further aspect is that two of the programmes explicitly mention migration and refugees as policy topics (DE, SI as two of the countries that have been strongly affected by the refugee crisis of 2015/2016).

To some extent, the responses related to the role of LRA in attaining the EU 2020 targets mirror those for the previous question related to the NRP. For 2016 a total of 20 NRPs (71%) including direct references have been identified¹⁶.

- The number of references to specific policy areas is slightly smaller (18; 2015: 16) than for the previous key evaluation question. The policy areas most frequently mentioned are education (15 out of 18!), social inclusion (10), labour/employment (9), energy efficiency (7), and RTDI (5).
- Examples are provided by: (a) BE where the local level is specially mentioned with regards to child poverty reduction measures (mainly apprenticeship schemes), providing shelter to homeless people, reducing school drop-out rates, and fighting long-term unemployment; (b) Scotland's "Schools for the Future" comprises 112 new schools in Scotland, built in partnership with local authorities.
- As compared to 2015, issues of education and employment policy stand higher in the agenda. Again, it is interesting that two NRPs mention the integration of refugees, with DE and SE again two of the countries mainly affected by the large refugee flows since summer 2015.

Obstacles to investment and related policies to remove them

This topic is covered to widely differing extents in the various NRPs¹⁷. Specific references to the territorial perspective on obstacles to investment are shown in about one third of the NRPs (7), mainly EU-15 countries with a long tradition of regional self-governance (BE, DE as federations; IT, SE, PT, UK). The only EU-13 MS with specific references is SI where a detailed local self-government strategy is presented.

- In BE, a tax shift aimed at reducing taxation on labour is said to have an impact for the regional as well as local entities. A chapter is dedicated to investment; annexes 1-4, devoted to the country's three regions, describe the role of municipalities in specific measures.

¹⁶ Until now, the highest percentage had been reached with the 2014 NRPs (68%).

¹⁷ The questions under this heading have been introduced with this report and do not yet have reference data for past years.

- Also DE clearly differentiates between the obstacles to investment according to a territorial perspective, while PT gives special importance to low density peripheral areas, which are shown to have specific needs for investment.
- The UK NRP states that the programme on infrastructure investment should i.a. target transport infrastructure bottlenecks which are explicitly addressed (Manchester, Leeds, Greater London). Financial problems of municipalities in performing the tasks assigned to them (sinking revenues from income tax due to high unemployment) and the respective remedies planned are discussed in detail in the NRP of SI.

The role of LRAs as actors of investment policies, and in particular with respect to obstacles to investment, is covered by specific references in about one third of NRPs.

- Germany provides a well-known example, with its system of support for economically underdeveloped regions as well as a system of fiscal equalisation based on the federal constitution (“Finanzausgleich”). Other examples are the issue of expenditure ceilings (DK), taxation (HR) or financing for LRAs (LV, PT).
- About half of NRPs include specific references to policies related to investment challenges covering a wide range of policy topics from transport and digital infrastructure over housing to education. Examples include the Capital Plan in IE focussing on broadband in rural areas, spatial planning guidelines for local governments in EE adhering to the policies of energy efficiency and sustainable development or the ‘Organised land’ programme in HR establishing an effective land administration system in order to encourage investment processes and improve the functioning of real estate markets.
- The role of EU Cohesion Policy is explicitly mentioned in three cases in the explicit context of policies fostering investment (EL, IE and LT).

Partnership and multi-level governance (MLG) including related issues of administrative capacity

References to partnership and MLG show relatively low variations between MS, indicating a basic and increasing acknowledgement of these principles.

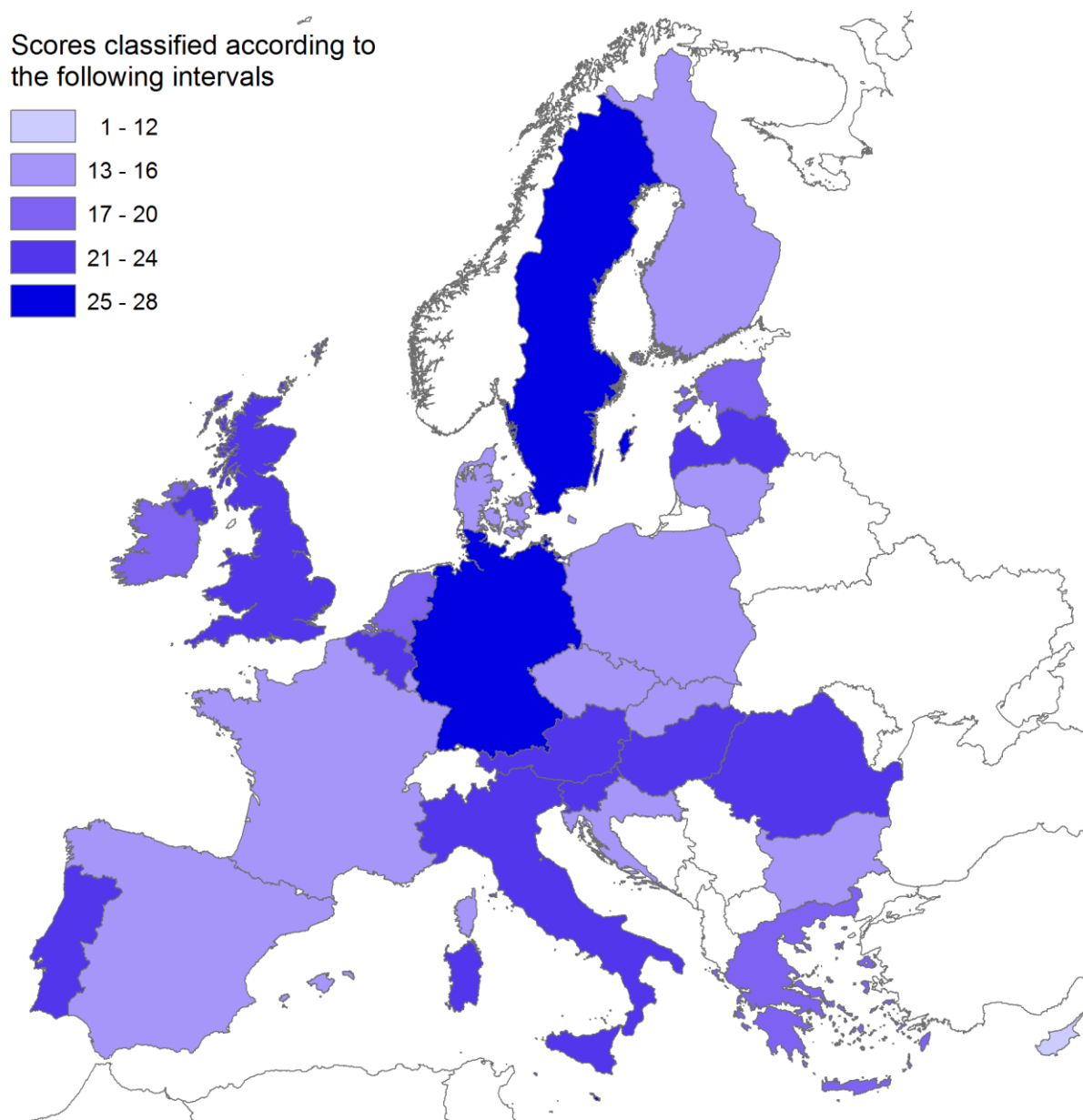
- Specific reference is made to coordination or cooperation frameworks between the national, regional and local level in 18 NRPs (16 in 2015). The most frequently mentioned areas are labour/ employment (8, also ranked first in 2015), social inclusion (5), education (4), administrative issues (4).
- For example, the Annex of the NL document lists several joint initiatives of LRAs, the national level and the social partners concerning employment (Technology Pact, Sectoral Plans and Crisis Action Team, The Workroom and the Regional Job Centres).

- An example for social inclusion policies bringing together the national and the local levels is related to social aid law in LU: During 2015, the 30 Social Offices gave out a total of €2.9 million in non-repayable financial aid. The measure will be allocated an annual budget of approximately €17 million, 50% of which is furnished by the State and 50% by the municipalities. In DE and SI, refugee policy is mentioned.
- Reference to specific models of cooperation is made in 15 cases (2015: 17). One example is the so-called Youth Guarantees – an approach mentioned in two Programmes (BE, FI) which targets the issue of youth employment. For instance, the Brussels Youth Guarantee Scheme is to be implemented through cooperation agreements between the Region and the French and Flemish Community institutions relating to cross-cutting employment-training policies. In ES, IE, NL, SE cooperation models also focus on employment initiatives. Another common topic is education (6). E.g. IE intends to establish Regional Skills Fora as a mechanism for enterprise and education and training providers to work together in building the supply of skills for their regions.
- In 23 cases specific reference is made to the role of wider partnerships in the context of policies which are relevant for LRAs (2015: 20). A quite specific feature is the strong focus on the inclusion of the social partners in 12 programmes (BE, DE, FR, HU, IT, LU, LV, MT, NL, PL, RO, SI). A large number of programmes include references to specific policy areas where participatory approaches have stronger role: labour market and labour policy, employment and social policies rank among those policy areas.

In three MS (EE, HR, PT) public sector reform is obviously subject to an intense debate – thus the references to the issue of administrative capacities are comparatively comprehensive. In general one can state that administrative capacity is an issue for the NRP in those MS with an ongoing public sector reform such as EE, ES, FR, HR and PT, although LRAs are not mentioned specifically in all cases. In 17 MS there is an issue with a view to specific policy aspects, e.g. procurement and utilisation of ESIF in EL and SK, a much higher number than in the 2015 NRPs (7).

- In 12 NRPs, the intended approach to capacity-building includes a reference to LRAs (2015: 12). Recurring issues are the judicial system (3), described as specific training for judges or in the form of strengthening the capacities and improving management in public administration, which will be used in the justice system, as well as education (3). An example is the “Action Plan on Strengthening Capacity and Developing the Competences of Human Resources of the Judicial Power and Law Enforcement Institutions for 2015-2020” in LV. DE mentions education measures regarding refugees and immigrants (municipal coordinators - “kommunale Koordinatoren/-innen”). The 2015 NRPs had rather focused on social policies and childcare (5), employment (3) and the fight against corruption (3).

Chart 2.1 - Map illustrating the scale of LRA involvement in the EU 28



The overall picture

Summary scores reveal a marked diversity between countries (**Chart 2.1**). On the one hand, a considerably strong involvement of LRAs is visible in some Northern and central European EU15-countries with strong traditions of regional self-government, among them the three genuine federations within the EU (AT, BE, DE) as well as UK and SE. This mirrors the results of the 2015 study clearly indicating a sustained strong role of LRAs in the political structures of these countries.

On the other hand, some peripheral countries also show strong involvement of LRAs in their NRPs: on the Mediterranean side IT and PT and on the CEEC side mainly HU, LV, RO and SI.

- High scorings of some peripheral countries also have been noted on the 2015 study; however most of the MS concerned have changed. This is most noticeable for EL, which lost points compared to 2015 and scaled down two categories. In the other direction, e.g. HU scored better in 2016 and rose two categories. Only LV and RO had already shown similar high scorings in 2015 with LV having carried out a local government reform in 2009 and a decentralisation process underway in RO¹⁸ probably resulting in detailed descriptions in the NRP reports. The results seem to indicate that, with a few exceptions, LRA involvement in Mediterranean and CEE MS is not anchored as deeply in the political processes as in the first group of MS resulting in fluctuations caused by contingencies changing every year.
- In general, countries with ongoing or recently implemented administrative reforms show a tendency for a more intense coverage of LRA involvement than comparable countries without such reform programmes (e.g. DE, EE, PT, SI).
- The overall scorings are on the average slightly lower than last year. Taking into account a certain inevitable room for interpretation inherent to the underlying comparative approach, this need not necessarily be interpreted as a sign of stagnation. However, the trend should be closely followed in the next years in order to verify if it might reflect an actually shrinking role of LRAs in the wake of increasing budgetary pressure at national and regional levels.
- The prevalent recurrent topic covered in the NRPs is social protection. It is by far the issue most often cited in connection with the involvement of LRAs. The topic has a clear territorial dimension since it concerns primarily regions with high unemployment, often threatened by a “vicious circle” of shrinking or ageing population, rising social expenses, infrastructural deficits and diminishing economic base. Other topics recorded in last year’s NRPs like health care tend to be overshadowed.
- In general, the aftermath of the economic crisis leaves its mark on the issues where LRA responsibilities are explicitly involved. Main topics are on the one hand side the constraints put on public budgets with their consequences for LRAs, on the other hand side measures to ease unemployment like social payments, employment initiatives, education programmes and improvements to the business environment.
- The large flows of refugee since summer 2015 leave its mark in the NRPs of some of the most affected countries (DE, SE, SI). The budgetary and financial consequences of the integration efforts will start materializing this year.

¹⁸ Council of European Municipalities and Regions (CEMR), Decentralisation at a crossroads - Territorial reforms in Europe in times of crisis, Brussels, October 2013, p. 40 and 50.

Table 2.2 – Territory-related Country-specific Recommendations for 2016

<i>Territory-related CSRs for 2016 - 1 of 2</i>						
Country	N° of relevant CSR	Territory -related CSRs per country	Of which:			
			Directly addressed to LRAs	Addressing administrative capacity issues	Addressing obstacles to investment	Already issued in 2015
Austria	1	2	1	1	1	1
	3			1	1	
Belgium	1	3	1	1		1
	2		1	1	1	1
	3					
Bulgaria	3	2		1	1	1
	4		1	1	1	1
Croatia	1	2			1	1
	3		1	1	1	1
Cyprus	1	2	1	1	1	
	4			1	1	
Czech Republic	1	3	1			1
	2		1	1	1	1
	3					
Denmark	2	1	1		1	1
Estonia	1	1	1	1	1	
Finland	1	3	1	1		1
	2			1	1	1
	3			1	1	1
France	1	1	1	1		1
Germany	1	2	1		1	1
	2		1	1	1	1
Hungary	2	2		1	1	1
	3		1		1	1
Ireland	1	1	1		1	1
Italy	2	3	1	1	1	1
	4		1	1	1	
	5		1		1	1
Latvia	1	2		1		1
	2			1		1
Lithuania	2	1			1	1
Luxembourg	2	1	1		1	
The Netherlands	2	1			1	1

Territory- related CSRs for 2016 - 2 of 2						
Country	N° of relevant CSR	Territory -related CSRs per country	Of which:			
			Directly addressed to LRAs	Addressing administrative capacity issues	Addressing obstacles to investment	Already issued in 2015
Poland	2	2				1
	3		1	1	1	
Portugal	2					
	3		1			
	5		1	1	1	1
Romania	2	3		1	1	1
	3			1	1	1
	4		1	1	1	
Slovakia	1	2	1	1		1
	2			1		1
Slovenia	2	2				1
	4			1	1	
Spain	1	3	1	1	1	1
	2		1	1	1	
	4		1	1	1	
Sweden	1	1	1	1	1	1
UK	2	2	1		1	1
	3		1		1	1
TOTAL (territory-relevant recommendations)		51	31	33	37	37

3. THE CONTRIBUTION OF CITIES AND REGIONS TO BRIDGING THE INVESTMENT GAP

3.1 The investment emergency

It is widely acknowledged that the level of investment in the EU fell considerably in the wake of the financial crisis and has remained relatively depressed since. This **investment gap** is now recognised as one of the major factors inhibiting Europe's long term economic growth and job creation. As a result, investment – both public and private – has become a major and cross-cutting theme on the EU policy agenda.

Tellingly, relaunching investment was the first priority of the European Commission's 2016 Annual Growth Survey (AGS), which also outlined many of the obstacles that are holding back investment. In its Plenary Resolution on the AGS, the European Committee of the Regions (CoR) strongly supported this priority and, “considering the European Commission’s intention to engage in a dialogue with the Member States on the identification of such obstacles, stresse[d] the need to specifically analyse them at all government levels and to involve the CoR in this process”. The CoR reiterated its commitment to finding solutions to bridge the investment gap in its Bratislava Declaration, adopted during the 7th Summit of Regions and Cities "Invest and Connect", which took place on 8-9 July 2016. Fixing Europe's investment problem requires a broad range of measures across the policy spectrum, including practical measures to remove obstacles to investment at all levels of governance. Furthermore, key EU-level initiatives to relaunch investment, such as the Investment Plan and European Fund for Strategic Investment (EFSI), should be supported and at the same time assessed, and improved where needed.

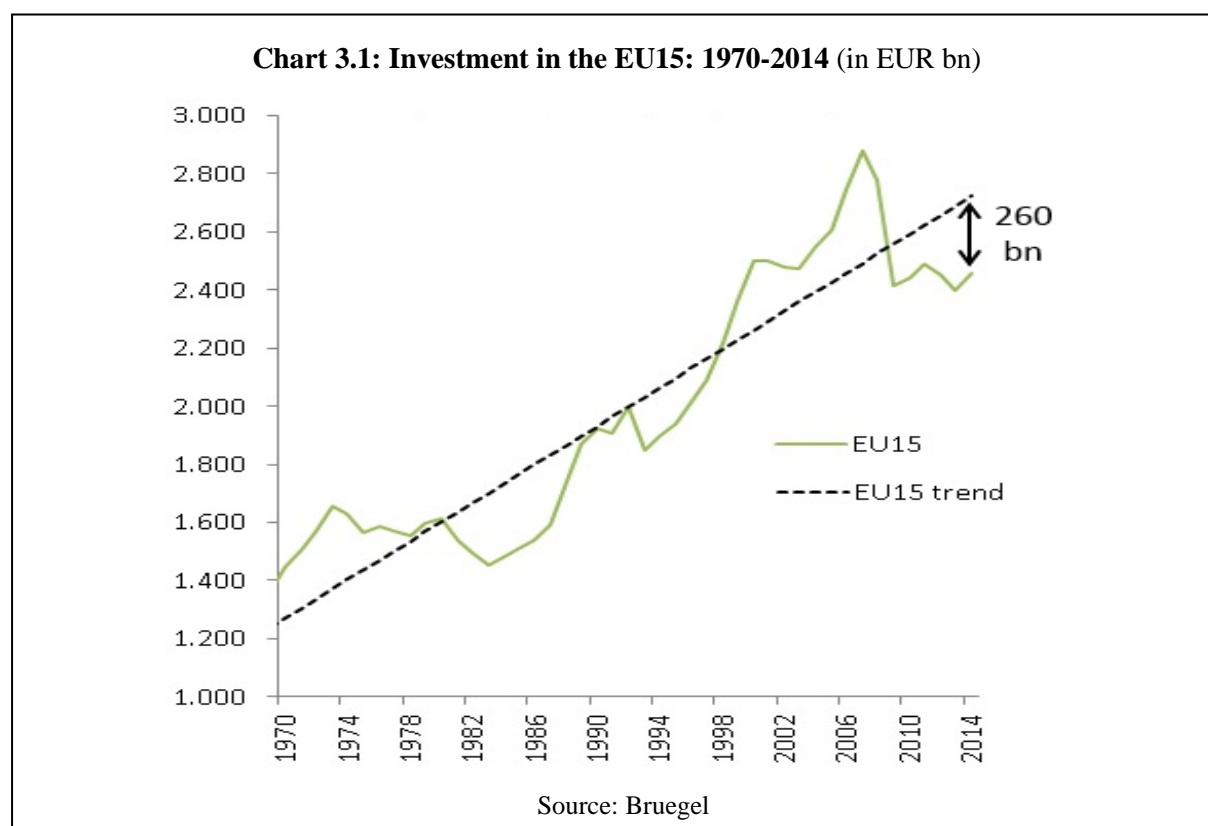
In order to better understand these highly topical issues, this thematic chapter in the CoR's 7th Monitoring Report starts by giving an overview of the EU's investment gap, with a particular focus on its territorial dimension and the key issue of public investment. In a second section, key elements of the EU's response to the situation are briefly explored. The chapter's third section provides a comprehensive overview of obstacles to investment at the local and regional level, their relation to local and regional authorities' different functions, and the contribution LRAs can make to addressing them. The fourth and final section explores the most significant new initiative to boost investment: EFSI, and to what extent it can bridge the investment gap given the challenges that lie ahead.

3.2 A territorial perspective on investment

There exist various methods of calculating the evolution of investment levels. One, shown in Chart 3.1 by the think tank Bruegel,¹⁹ is to compare current level of investment with long term trends. Such

¹⁹ Bruegel, *Measuring Europe's investment problem*. Blog post by Grégory Claeys, Pia Hüttl, André Sapir and Guntram B. Wolff. 25/11/2014. Available online: <http://bruegel.org/2014/11/measuring-europes-investment-problem/>.

a method finds that the **current investment level is approximately EUR 260 billion below long-term trends.**



The European Political Strategy Centre (EPSC) for its part, basing its calculation on a long-term average of investment in share of GDP compared to the current level, assesses the investment gap at approximately EUR 61.4bn for the fourth quarter of 2015,²⁰ an annualised figure of approximately EUR 245bn. Different methods thus tend to confirm the existence of the investment gap as well as its significant size.

For most EU countries, this huge gap appeared after a peak in 2007. In the EU as a whole, investment fell from approximately 23% of GDP in 2007 to 20% in 2015, a significant, 15% decrease. This overall trend hides significant divergences though, with "periphery" countries (Ireland, Greece, Spain, and Portugal) that suffered the most from the crisis as the starkest examples. The value of total investments in Greece, for example, decreased from approximately 26% of GDP in 2007 to around

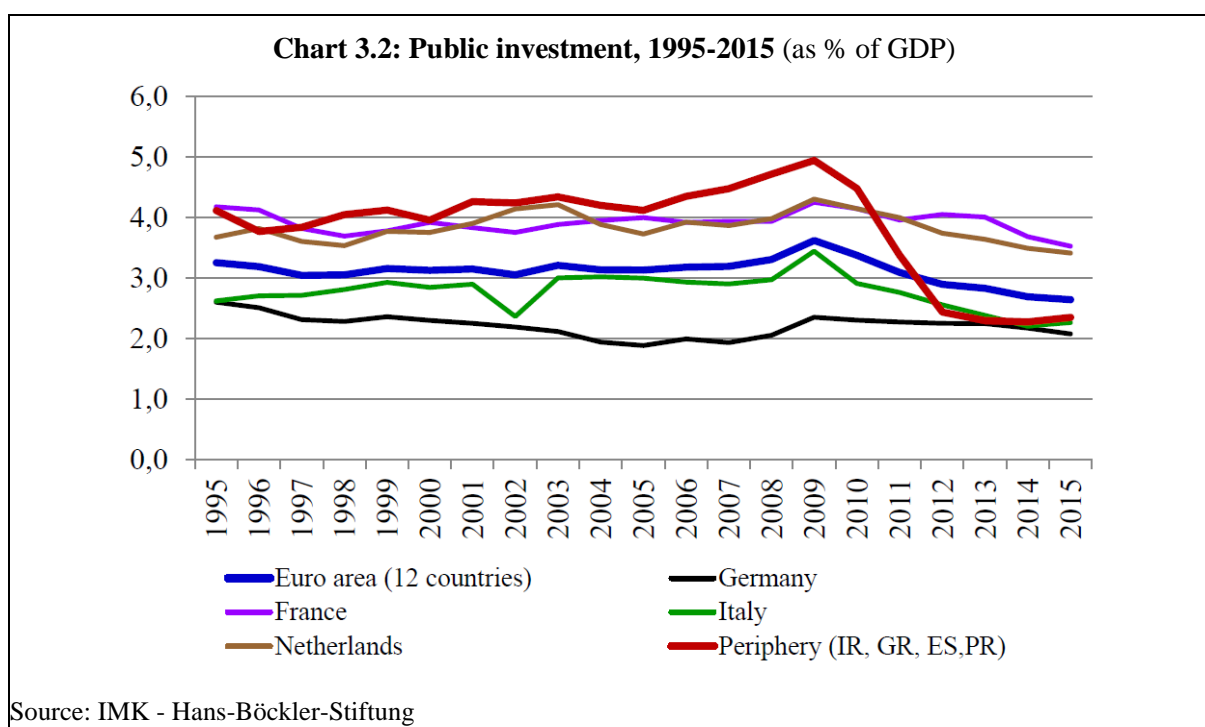
EU15 = the 15 EU Member States which joined the Union before the enlargement of 2004 (and for which more data is available) The linear trend is computed over the period 1970 to 2005 in order to neutralise the years of the construction boom that affected some EU countries in 2006 and 2007.

²⁰ The EPSC calculates the investment gap in relation to a 1995-2006 average (in percentage of GDP) as opposed to Bruegel's linear trend over a longer period. See: EPSC, *The European Fund for Strategic Investments*. Strategic Notes, Issue 11/2016. 6 April 2016. Available online [here: https://ec.europa.eu/epsc/file/strategic-note-11-european-fund-strategic-investments-efsi_en](https://ec.europa.eu/epsc/file/strategic-note-11-european-fund-strategic-investments-efsi_en).

12% in 2015. In Portugal, investments decreased from 23% of GDP to only 15% in the same interval.²¹

At the regional (NUTS 2) level, the picture is more varied with some regions displaying extreme changes. Total investment amounts in the Algarve region in Portugal for example, fell from EUR 2.98bn in 2007 to 1.03bn in 2013 (latest year available), a decrease of nearly two thirds. In the Italian region of Campania, the change in the nominal amount of investment over the same period was -42%, falling from approximately EUR 25bn to EUR 14bn.²²

Within total investment, the specific case of **public investment** is particularly noteworthy. The aftermath of the financial crisis has put a strong pressure on public budgets due to rising social expenditure, bailouts, and decreased tax revenues coupled with the constraint of the EU's budget and deficit rules. This led to **particularly strong cuts in public investment**, since unlike many other types of public spending it is not mandatory and politically relatively easy to cut. The phenomenon was particularly visible in the "periphery" countries as shown in Chart 3.2.

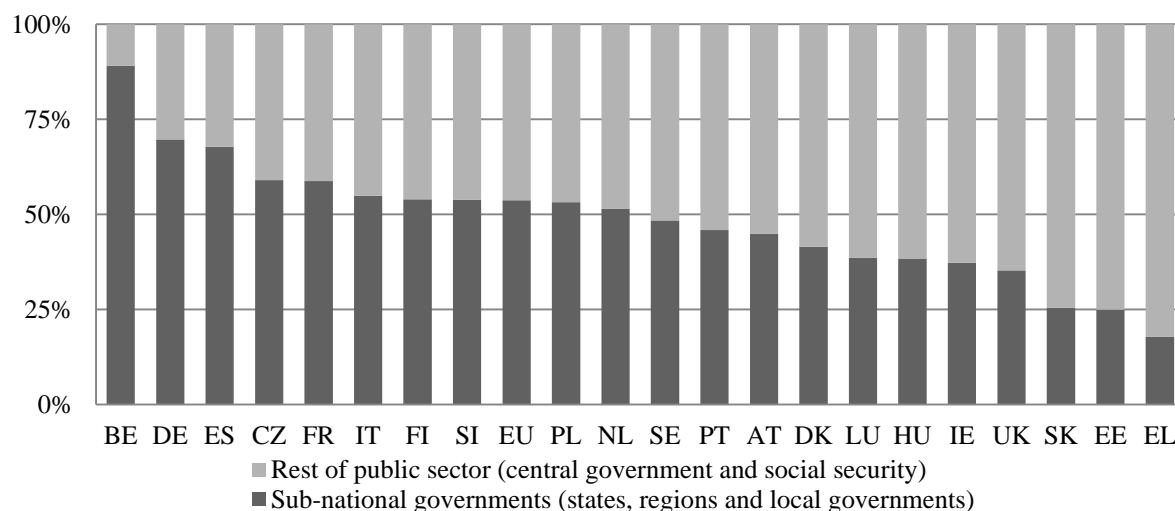


The marked contraction in public investment has also deeply affected **local and regional authorities which undertake over half of public investment in the EU** across sectors as diverse as infrastructure, transport, education, healthcare, and many others.

²¹ Eurostat. Dataset: tec00011

²² Eurostat. Dataset: nama_10r_2gfcf

Chart 3.3: Share of public investment by sub-national governments
(Selected Member States, 2014)

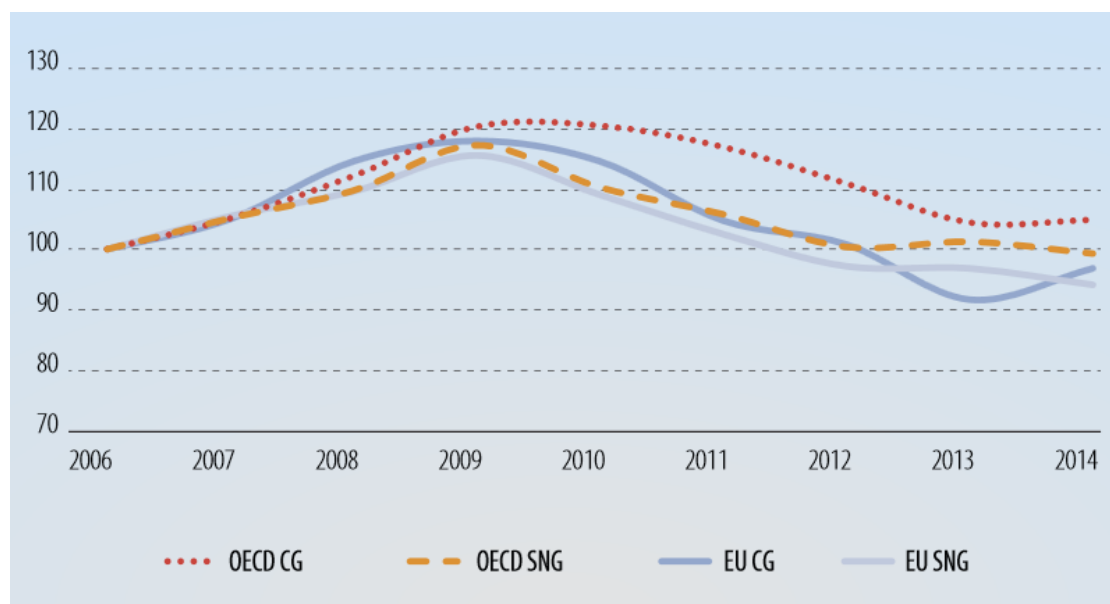


Source: OECD: Subnational Government Structure and Finance

Along with central government (CG), public investment by subnational levels of government (SNG) has marked a significant decrease in the past few years, as illustrated by Chart 3.4 below.

Chart 3.4: Public investment at the sub-national level in the EU and OECD

(Base 100= 2005)



Source: OECD and Eurostat

Tellingly, in a survey of sub national governments conducted jointly by the CoR and OECD, almost all respondents (96%) reported having gaps in public investment spending for building new infrastructure and/or operation and maintenance.²³

This deterioration of public investment levels is particularly worrisome since these investments are often considered to be directly linked to growth. This is one of the main findings of a recent **Briefing on "Public investment to support long term economic growth in the EU "** by the **European Parliamentary Research Service**, which quotes some studies estimating that the fiscal multiplier of public investment is between 1.3 and 1.8, meaning that 1 euro of general government expenditure in public investment increases GDP by an average of 30 to 80 cents.²⁴ Several studies from across the EU and elsewhere have found **strong evidence to suggest a positive relationship between public investment and economic growth**, and importantly, this is also true over the medium to long term, with some studies pointing towards the fact that increased public investment worth 1% of GDP would increase output over the long term by 2.5% because of the resulting higher stock of public capital from which the economy benefits.²⁵ This is true of course also at the local and regional level where an LRA's investments in transport infrastructure, for instance, is a key factor in determining its attractiveness for investors and businesses, and therefore its economic growth.

Box 3.1: Economic governance, fiscal rules and investment

Economic governance and fiscal rules form an overarching framework for the investment environment, in particular from the perspective of public investment. In order to ensure the stability of the single currency and its financial markets, the Maastricht Treaty signed in 1992 set two key fiscal rules concerning debt and deficit, stating that: a budget deficit is excessive when greater than 3 % of GDP, while public debt is considered excessive if it exceeds 60 % of GDP without diminishing at an adequate rate. The Stability and Growth Pact (SGP) of 1997 is the set of rules (amended since) that were designed to enforce respect for these thresholds and ensure sound public finances.

*Whether existing fiscal rules are appropriate is an eminently political question. Nevertheless, it has been the CoR position in the past that **current EU rules, and in particular the SGP, have a restrictive effect on public investment of LRAs and other levels of government**, particularly in times of economic crisis.²⁶ More specifically, the method for calculating the structural deficit is seen as*

²³ OECD-CoR survey: <http://portal.cor.europa.eu/europe2020/pub/Documents/oecd-cor-jointreport.pdf>

²⁴ European Parliamentary Research Service (EPRS), *Public investment to support long term economic growth in the EU*, Briefing, July 2016. Ref: EPRS-BRI(2016)583.831. Available online. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/583831/EPRS_BRI\(2016\)583831_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/583831/EPRS_BRI(2016)583831_EN.pdf)

²⁵ *Ibid.*

²⁶ See, for instance:

- CoR, Opinion *Promoting quality of public spending in matters subject to EU action*. BUDG-V-009, Ref: COR-2014-04885. Rapporteur: Catuscia Marini (PES/IT).
- CoR, Opinion *Making the best use of the flexibility within the existing rules of the Stability and Growth Pact*, ECON-VI-02, Ref: COR-2015-01185. Rapporteur: Olga Zrihen (BE/PES)

inadequate, in that it fails to fully take into account the individual characteristics of national and regional economies, structural differences in national and regional public spending, and the difference between current expenditure and investment expenditure.

Furthermore, the conditions imposed on the application of flexibility in the SGP, including the fact that flexibility is essentially limited to the preventive arm, are deemed too restrictive to have a real impact on Member States' and local and regional authorities' investment capacity and do not account for the degree of underinvestment at national or regional level. The CoR has also consistently called for public spending by Member States and local and regional authorities under Structural and Investment Fund co-financing not to be included among national or equivalent structural expenditure as defined in the SGP, without other conditions, given that this investment is by definition of general European interest and has a proven leverage effect when it comes to sustainable growth.

3.3 The EU response to the investment gap

In recent years, this problematic investment gap has become a top priority for the EU. Commission President Jean-Claude Juncker made it a defining element of his mandate, stating in his political guidelines that his *"first priority as Commission President will be to strengthen Europe's competitiveness and to stimulate investment for the purpose of job creation."*²⁷ Launched in late 2014, the "Investment Plan for Europe" is the cornerstone of this priority with its triple focus on (i) mobilising finance for investment, (ii) making finance reach the real economy, and (iii) improving the investment environment. These overarching priorities have given rise to a variety of initiatives, from the European Fund for Strategic Investments (which is explored in more detail in a dedicated section (3.5) of this chapter), to the Capital Markets Union or the European Semester of economic policy coordination's focus on easing obstacles to investment, among others.

The quality and predictability of the regulatory environment, a major factor for investors, is for instance a key concern for the Commission. Its 'Better Regulation Agenda' thus aims to ensure that objectives in all fields across the policy spectrum are reached in the most effective and least burdensome way, both for new proposals and by keeping the body of existing EU regulation under review (REFIT exercises). Aside from this horizontal initiative, one key sectoral example is the work to deepen and integrate capital markets in Europe through the development of the Capital Markets Union (CMU) – which the EC hopes will boost investment across Europe. The goal of the CMU, initially launched in September 2015,²⁸ is to provide the European economy with a higher number and more diverse sources of capital by breaking down the obstacles to the movement of capital between potential investors and the businesses seeking funding, and by attracting more investment into the EU

²⁷ President Juncker's Political Guidelines, 15 July 2014. https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines_en.pdf

²⁸ EC, Communication *Action Plan on Building a Capital Markets Union*. Ref: COM(2015) 468 final. Available online: http://ec.europa.eu/finance/capital-markets-union/docs/building-cmu-action-plan_en.pdf.

from the rest of the world. The CoR adopted an opinion on the CMU in July 2015.²⁹ The CMU is an essential element of the EU-level priority focus on improving the investment environment, since it aims to: 1) make it easier for companies to finance investment through capital markets, 2) increase investment opportunities for retail and institutional investors and 3) facilitate cross-border investment.

In addition to the CMU and other initiatives aiming to improve the situation at EU level directly, there exist many regulatory and non-regulatory obstacles that must be tackled at the national level or the level of LRAs, and this has been a major focus of the European Semester in recent years. In the 2016 Annual Growth Survey (AGS), where the European Commission identified relaunching investments as a top priority, it also for the first time focused prominently on these obstacles to investment, even providing Member-States with a list of country-specific investment challenges.³⁰ In this analysis, the EC categorised Member States in three broad groups, according to their investment situation and the main types of obstacles to investment they are facing and should concentrate on tackling. This provides a useful overview of the different types of challenges affecting EU Member States and is summarised below in Table 3.1.

Table 3.1 - Investment situations and obstacles in EU Member States

Group 1: Euro area Member States which have been heavily hit by the crisis
Situation: In these Member States, both private and public investments have collapsed with the crisis, reflecting a rapid adjustment of the capital stock following an investment boom before the crisis.
Types of obstacles: The main obstacles identified for these countries are linked to the legacy of private and public debt and the need to reallocate resources to the tradable sector, including through improvements in cost competitiveness and reform of the wage setting mechanisms. Significant progress has been achieved on this front, and competitiveness gains need to be further strengthened through productivity gains. Challenges to investment often encompass a difficult access to finance associated with weak insolvency frameworks, administrative challenges (regulatory burden or unpredictability of regulation) and low labour market responsiveness.
Group 2: Most Member States in the group of the cohesion countries
Situation: In these Member States, investment, including foreign direct investment is crucial for the continuation of the catching-up process.
Types of obstacles: The main challenges to investment in these countries often relate to the unpredictability, complexity, and heavy burden of the regulatory framework, a lack of transparency

²⁹ CoR, Opinion: *Building a Capital Markets Union*. ECON-VI/001, Ref: COR-2015-01184. Rapporteur: Tadeusz Truskolaski (PL/EA). Available online [here: http://webapi.cor.europa.eu/documentsanonymous/cor-2015-01184-00-01-ac-tra-en.docx](http://webapi.cor.europa.eu/documentsanonymous/cor-2015-01184-00-01-ac-tra-en.docx).

³⁰ EC, *Member States Investment Challenges*, Ref: SWD(2015)400. Available online [here: http://ec.europa.eu/europe2020/pdf/2016/ags2016_challenges_ms_investment_environments_en.pdf](http://ec.europa.eu/europe2020/pdf/2016/ags2016_challenges_ms_investment_environments_en.pdf)

of public administration, the judicial system and the tax system, and often difficulties of access to finance. In addition, for many of these Member States, the innovation frameworks are not conducive to investment in the most innovative and productive activities.

Group 3: Remaining group of Member States (including most core euro-area countries and some non-euro area countries)

Situation: In these Member States, investment has been relatively resilient, but with different patterns in terms of levels and composition of investment.

Types of obstacles: These Member States generally face fewer challenges to investment, and remaining obstacles can include sector-specific regulatory challenges (e.g. retail, construction, and business services and regulated professions). In addition, some of these Member States, despite showing resilient investment, face a marked decrease in equipment investment, associated with a deterioration of competitiveness in their manufacturing sectors. Besides sector-specific regulatory challenges, obstacles to investment also often include a high level of taxation, some aspects of the wage setting mechanism and insufficient labour market responsiveness.

3.4 Obstacles to investment at local and regional level³¹

Among the obstacles to investment outlined in the AGS and the other steps of the European Semester – mainly the Country Specific Recommendations and the Country Reports – many are "territory related", in the sense that they either have a territorially differentiated impact within countries, are relevant to the functions of the local and regional authorities (LRAs) as regards investment, or there is potential for LRAs to contribute towards easing or removing them. This was shown by a recent analysis of the EC's 2016 Country Specific Recommendations in a report by the CoR's Europe 2020 Monitoring Platform Steering Committee.³² The document outlines that 37 out of the 51 territory-related Country Specific Recommendations issued in 2016 deal with obstacles to investment. Turning to the National Reform Programmes (NRPs) – the plans that Member States must submit each spring – investment is also a key concern in them and the role of LRAs is also acknowledged. This year, the role of LRAs related investment policies or to obstacles to investment are covered by specific references in about one third to the NRPs.³³

³¹ The contents of this section are largely based on the CoR study, *Obstacles to investments at local and regional level*, by Metis GmbH. July 2016. Available online at: <http://www.cor.europa.eu/en/documentation/studies/Documents/obstacles-to-investments.pdf>.

³² CoR, *Territorial Analysis of the Country Specific Recommendations*, Report of the Steering Committee of the Europe 2020 Monitoring Platform. May 2016. Available online at: <http://portal.cor.europa.eu/europe2020/Pages/welcome.aspx>

³³ *The Role of Local and Regional Authorities in the implementation of Europe 2020 – Analysis of the 2016 National Reform Programmes*, Study commissioned by the CoR. August 2016.. Available online at: <http://cor.europa.eu/en/documentation/studies/Documents/role-lra-NRP-EU2020.pdf>

Box 3.2 - CoR survey of local and regional authorities

In order to better understand the investment situation on the ground, the CoR carried out an online consultation on obstacles to investments at local and regional level between 19 May and 14 July 2016, which resulted in over 320 replies from all 28 EU Member States. The survey results show that although the national context is important, there are specific needs and conditions that characterise the subnational level of government and which should be addressed to improve the level of both public and private investments.

The survey confirmed that the economic crisis brought a decrease in both public and private investments in all countries. A clear majority of respondents (75%) confirmed a downward trend for their total investment rate (public and private combined) between 2008 and 2014. The share of respondents who confirmed this trend was significantly higher for those working in countries that were the hardest hit by the economic crisis. Respondents to the survey were asked questions concerning specific types of potential obstacles to investment, and their responses showed that coordination between and within the different levels of public administration as well as insufficient capacity to design or manage specific financial tools are of prime importance.

Findings on these issues, other types of obstacles and the key topic of the Investment Plan, and much more are explored in more detail throughout the following pages.

The full results of the survey are available at:
<http://cor.europa.eu/en/events/Documents/ECON/results-survey-obstacles.pdf>

A study commissioned by the CoR to look into *Obstacles to investments at local and regional level* reviewed the recent related EU exercises and other sources in order to build a compilation of "territorial obstacles to investment. It identified 5 main categories of territory related obstacles to investments: (i) issues of public governance and administration, (ii) problems with access to and management of funds, (iii) issues with public procurement and public-private partnerships, (iv) challenges in the business environment, and (v) "essential preconditions" for private investment. Each category is explained in more detail in the subsections below.

Before doing so, however, it is worth recalling the variety of roles played by LRAs with regards to investment. Although these roles are in most cases inter-connected they are still useful in understanding the situation and seeking solutions that are aligned with the potential of LRAs. Overall, depending on competences, situations, and individual projects, cities and regions can act as:

- **Investors** directly: LRAs are responsible for 54% of public investment in the EU, and are often the principal investor for basic infrastructure and public services at sub-national level;
- **Planners**: by participating in multi-level strategic planning and leading at sub-national level, as well as being the principal actor in major local development projects;
- **Investment partners**: through public-private partnership-type schemes, complex procurement, or even as a provider of local infrastructure;

- **Regulators** of private investment and business activity, by being responsible for spatial planning and construction permits, for the implementation of various regulations, or issuance of licences;
- **Providers** of ‘basic infrastructure’ which often represents ‘enabling infrastructure’ for private investment, such as good transport infrastructure, etc.;
- **Promoters / facilitators**: by leading or participating in efforts to attract new private or public investment in their area and facilitating new investments by providing information and advisory support to investors.

Keeping these roles in mind, it is possible to match the different territorial obstacles to investment to one or several of them, to better understand the impact they have at the local and regional level. In broad terms, the first group of obstacles (governance/administration) corresponds to the role of planner, the second (accessing funds) to that of investor, the third (public procurement/PPP) to investment partner, the fourth (business environment) to regulator, and the fifth (essential pre-conditions) to provider. The role of promoter or facilitator through information and advisory support can be associated to some extent with all groups of obstacles.

3.4.1 Public governance and administration

The first category of territorial obstacles to investment that can be outlined relates to **public governance and administration**. Fragmentation, overlaps, lack of efficiency and coordination between different services within the publication are a very significant problem, as is lack of coordination with other levels of government and weak multilevel governance (MLG). Lack of coordination and cooperation with other actors outside the public administration – the private sector, civil society, etc. – is also a problem. These obstacles increase the cost and diminish the value of public services which affects all economic activity and deters investment.

They also hamper an LRAs' role as strategic planner for investment in the territory, and can also negatively affect its role as promoter/facilitator of investment and partner. It is therefore, a key area of concern that is closely related to issues of institutional and administrative capacity, and multilevel governance. In a recent survey of LRAs by the CoR, respondents strongly agreed that these factors posed challenges to investment. "Coordination with other levels of government", for instance was deemed a challenge by 46% of respondents and a major challenge by a further 23%.³⁴

³⁴ CoR Survey of local and regional authorities on obstacles to investment at the local and regional level, available at: <http://cor.europa.eu/en/events/Documents/ECON/results-survey-obstacles.pdf>

Box 3.3 - Public governance: Northern Ireland's Housing Supply Forum³⁵

The problematically low supply of housing in the UK – a field which involves the roles of competences of central government, devolved administrations and local government as well as many other actors – presents an interesting challenge. In Northern Ireland, an example of good practice in coordination and planning across levels of government and actors was however developed in the form of the Housing Supply Forum. Established in January 2014, it aims to identify ways of helping to increase housing supply in Northern Ireland particularly in the private sector, by examining the keys areas of land availability, finance and economics and regulation.

Membership of the forum comprises of a number of key stakeholders with regards to housing supply: Government organisations covering housing, planning, regional development, finance and the Strategic Investment Board, the construction industry, financial institutions, academics and housing professionals.

The forum, through a series of meetings and bespoke focused workshops, capitalised on the wealth of collective knowledge and expertise of the members to seek workable solutions to improve housing supply in a sustainable way. Its objectives are:

- to identify the most important demographic, cultural, construction and housing market related issues affecting housing supply and how they can potentially be addressed*
- to assess the extent of the supply gap that exists in Northern Ireland and project the likely gap over the medium and longer-term if the current position continues*
- to identify the financial, structural and practical challenges and constraints impacting on housing supply and, where possible, recommend viable solutions*
- to analyse the policy and regulatory environment and, where possible, make viable recommendations which will help to generate sustainable increases in housing supply*
- to produce a report detailing viable recommendations to address issues identified with a realistic set of agreed actions for the way forward. The report was published in 2016.*

3.4.2 Access to and management of investment funds

The second category of obstacles concerns **access to and management of investment funds**, which has a direct negative impact on LRAs role as investors, and to a lesser extent on their role as promoter/facilitator.

This category includes both deficiencies in planning, designing, submitting and managing public investments, including EU funds, as well as the problem of mismatches between the functions and the financial resources of local/regional governments. The former is linked to the human resources and

³⁵ <https://www.communities-ni.gov.uk/topics/housing/housing-supply-forum>

other capacities of the LRAs to perform these functions and as such can be highly differentiated from a territorial point of view. It leads to highly suboptimal situations such as the well-known low rate of absorption of EU structural funds. In the recent CoR survey, LRAs' capacity to design and manage public investment & public-private partnerships funded by the EU was rated a challenge or major challenge by fully 68% of respondents.

The second type of obstacle in this category – mismatches between resources and functions – is a common problem for LRAs and was recently highlighted by the European Commission in several Country Reports. Regarding Germany, for instance, the mismatch between the resources allocated to the different layers of government and their individual investment responsibilities hampers municipalities' investment.³⁶ This affects the poorer municipalities in particular, as they find themselves in a vicious circle with decreasing and ageing population, rising unemployment and a shrinking tax base on the one hand, and rising social expenses on the other, leaving little room for much needed infrastructure investment. For these municipalities, budgetary constraints do not leave room for infrastructure investment.

3.4.3 Public procurement and public-private partnerships

A third category of territory-related obstacles to investment relates to shortcomings in the areas of **public procurement and public private partnerships (PPP)**. There exist various challenges in these areas of direct relations between private actors and public authorities, including LRAs, which are then acting as investment partners primarily.

Excessive length of procedures, uncertainty regarding the specific legal framework (due to frequent revisions, and complexity) or low expertise for complex cases of PPP in particular, especially at LRA level, are common problems. Lack of transparency, insufficient competition and cases of corruption are also a significant challenge in some Member States. Overall these challenges form very significant obstacles to investment and have several adverse effects: for public bodies the expected benefits are not realised, public services to residents and businesses deteriorate, and for the private enterprises the shortcomings lead to delays, cost overruns, or termination.

LRAs' capacity to manage complex procurement procedures, and their capacity to get involved in public-private partnerships, were each rated as a challenge or a major challenge to investment by approximately 70% of respondents to the CoR survey, highlighting how wide-spread such problems are.

³⁶ DE-CR1.2

Box 3.4 - Public procurement for roads in Slovakia

One major obstacle in the implementation and development of many types of public investment, including road projects, is issues linked to public procurement. From the perspective of LRAs in Slovakia, some of the most important challenges relate to the frequent changes of the Public Procurement Act (PPA) and the resulting legal uncertainties, as well as a relative shortage of staff in the services which control and supervise public procurement in Slovakia (creating long waiting times in cases where assistance is needed.) This is true among other sectors in the maintenance and construction of secondary and tertiary roads, which have been a responsibility of regional authorities in Slovakia since 2001.

The Bratislava Region has implemented a practical response to the problems by setting up framework contracts for works related to the maintenance of existing roads and the construction of new roads:

- The specialised agency (Regionálne cesty Bratislava) established by the Bratislava self-governing region uses external providers for preparation of the projects and actual construction, rehabilitation and maintenance of the secondary and tertiary roads.*
- Given the fact that the annual budget is known the Agency concluded a multi-annual framework contract.*
- The framework contract enables the Agency to fulfil its tasks according the time-schedule (planned activities) and flexibly respond to unexpected situations related to the road infrastructure.*
- The framework contract has been tendered in line with the public procurement law and significantly reduces the time and resources that would have been needed to procure individual contracts.*

3.4.4 Business environment

The **business environment** is another important category gathering the key obstacles encountered by businesses, emanating from the regulatory and administrative burden imposed on them.

This includes lack of stability of the regulatory framework, burdensome/lengthy/costly rules and procedures, in particular for starting a business, or difficulty to access financing (in particular for SMEs). With regards to these obstacles, the role of the LRAs is principally that of a regulator, but in many instances, it can/could also act as a promoter and facilitator of investment. In addition to general hindrance to the business environment, sector-specific regulatory burdens are a concern, in particular for regulated professions, or the construction and retail sectors. In Denmark, for instance, the European Commission noted that “restrictive retail establishment regulations for large outlets (including bans on outlets above a certain surface area and strict rules on outlet size and location) hold back investment”.³⁷

³⁷ Better Regulation Guidelines, EC SWD (2015) 400, 19.5.2015

In the recent CoR survey of LRAs three elements were identified as relevant in their city or regions by 9 out of 10 respondents: burdensome rules, concerning the environment, labour market, retail trade and other areas; costly/long/burdensome administrative procedures (authorisations) to launch / extend /close an activity; and judicial procedures being too slow or burdensome.³⁸

3.4.5 "Essential preconditions"

The fifth and last category of territory-relevant obstacles to investment is "**essential preconditions**" and concerns largely the public investments which enable and foster further investment by the private sector.

The two key components of these are the availability of an appropriately skilled labour force and employment policies to support it, and a well-developed transport networks and other infrastructures, which are both well-recognised pre-conditions for investment and economic development. Both of these fields have a strong territorial dimension, since the prevalence of these conditions is geographically differentiated within most counties –often strongly – and because LRAs play a strong role of providers and/or promoters of such preconditions.

In the recent CoR survey, 29% of respondents agreed and 32% agreed to a limited extent that transport infrastructure was a relevant obstacle to investment in their region or city. A further 11% of respondents agreed, and added that policy actions were already being implemented by the LRA to tackle this. Concerning problems with labour force skills, 27% agreed, 34% agreed to a limited extent, and a further 13% of respondents agreed and indicated that actions were ongoing by their LRA to address the problem.

Box 3.5 - Skills mismatches in Sweden: the "fast track" programmes

As highlighted above, the availability of an appropriately skilled labour force is a precondition for investment and economic development. Sweden, however, has been facing labour shortages in various sectors of the economy, with many Swedish counties suffering from significant skills mismatches.

*This has led the government to launch "**Fast track**" programmes, with the dual objective of **helping newly arrived immigrants** to find quickly a workplace that is relevant to their education, experience and interest and, at the same time, **addressing the skills mismatches** that affect many sectors and regions. The fast track policy has been developed and is being implemented through a strong partnership and multilevel governance approach involving government agencies and the Swedish Public Employment Service, LRAs and social partners. "Fast track" programmes encompass different services ranging from language training and assessment of education and professional skills to vocational and study guidance and employment matching. Such programmes have already been established for 16 professions including chefs, painters, drivers, medical professions or teachers, and*

³⁸ CoR Survey of local and regional authorities on obstacles to investment at the local and regional level, available at: <http://cor.europa.eu/en/events/Documents/ECON/results-survey-obstacles.pdf>

more are currently in preparation.

In the "Fast track" for teachers and preschool teachers, for instance, the Public Employment Service's schemes for newly arrived immigrants (e.g. work experience), can be combined with Swedish language for the workplace and supplementary education. The establishment of the programme is done in cooperation with the social partners, including teachers' unions, the Swedish Association of Local Authorities and Regions, and Almega, the employers' organisation for the Swedish Service Sector.

3.4.6 Impact and relative "height" of obstacles

Having identified the categories of obstacles, it is useful to briefly explore their relative "height", or the degree to which they impede LRAs from performing effectively and efficiently their competences and functions. The simple classification (high/medium/low) presented here is approximate and relies to some extent on subjective judgement. It is therefore debatable but it nevertheless provides a worthwhile overview.

On the basis of the above sections and a review of the available literature, the highest obstacles appear to be in two categories public procurement and PPP as well as essential preconditions, and these affect two roles of LRAs: respectively investment partner for the former and provider for the latter. As explained above, LRAs are confronted with a huge challenge in their role as investment partners, largely due to their lack of capacity, experience and specialist expertise. This is compounded by an often unstable legal framework and uncertainties. As regards the role of LRAs as provider, there are significant inadequacies in essential public infrastructure throughout the EU, and an alarming shortfall in investment as discussed in previous sections. These conditions amount to a high hurdle for LRAs (though slightly less so in the case of problems related to workforce skills since LRAs competences are often slightly less important in this field).

In other cases the degree to which observed obstacles impede LRAs from performing effectively and efficiently their competences and functions can be classed as 'medium'. This is the case for problems related to governance and public administration, and thus the role of LRAs as planner, for issues of access and management of investment funds and the role of LRAs as investors, as well as for problems of business environment linked to the role of LRAs as regulators. In these categories the height of the obstacles is slightly lower, in part because LRAs are often not the main agenda setter.

Finally, the cross-cutting role of LRAs as promoters and facilitators of investment – which as stated above can be linked to some extent to nearly all categories of obstacles – is not in any major way impeded. This "information and advice" can still be performed more-or-less effectively.

3.4.7 Possible actions and LRA contributions

In parallel to the different categories of territory-related obstacles to investment, and to their impact on LRAs' roles, it is worth noting the actions needed to address these obstacles, and the contributions that LRAs can make to this process. Here, three broad types of actions can be outlined:

- Firstly, adjustments should be made to the **fiscal and financial framework** within which the LRAs pursue their investment related functions. This is important in relation to mismatches between functions and resources of LRAs and public procurement and PPP issues among others, however the contribution that LRAs themselves can make to these actions can be rated as low (consisting mostly of advocacy).
- Second, there should be improvements to **multilevel governance and related institutional reform**. This would allow to overcome obstacles such those related to coordination between levels of government and with other sectors, and would contribute to addressing obstacles in many of the other categories outlined, such as access to and management of funds. The possible LRA contribution to these actions of improvement of MLG and related institutional reform is significant but final outcome will depend on other levels of government.
- Thirdly, actions in **administrative capacity building** are crucial with regards to most of the obstacles identified, especially in allowing the LRAs to overcome shortcomings in public procurement and PPPs and, generally, to play an effective role in promoting investment and combining different financial instruments and acting as an ‘enabler’. It is with this type of action that LRAs' contribution to addressing the obstacles can be the strongest since the necessary initiatives can be instigated and implemented to a significant extent through the LRAs own administrative, legal and fiscal capacities – although, of course, support from EU and national levels would be highly valuable.

3.4.8 Overview

Overall, the territory-related obstacles, their impact on LRA competences and types of roles, the types of actions that could play a part in addressing them, and the contribution that LRAs can make to these actions are mapped and summarised in Table 3.2 below.

The shade of blue in each box indicates the high/medium/low impact on LRA competences and roles of each sub-category of obstacles for the one or two LRA functions that are relevant to the subcategory, as developed in section 3.4.6.

The symbols (triangle, lozenge, and circle) indicate which of the three major type(s) of actions identified in section 3.4.7 are relevant to each sub-category of obstacles and thus LRA role. While their colour (red, orange, green) indicate the level of contribution that LRAs can have in this regard.

Table 3.2 - Territory-related obstacles to investment, LRA roles and potential actions

Main obstacles	LRA competences and roles* / Types of action** / LRA contribution***					
	Planner	Investor	Investment partner	Regulator	Provider	Promoter/ Facilitator
1. Governance and Public Administration						
1.1 Deficiencies in quality, efficiency, coordination within public administration						
1.2 Fragmentation and lack of coordination with other levels of government						
1.3 Lack of coordination/cooperation with other sectors						
2. Accessing and managing investment funds						
2.1 Deficiencies in planning, managing public investments incl. EU funds						
2.2. Mismatch between the functions and financial resources of local/regional						
3. Public procurement and PPP						
3.1 Public procurement shortcomings						
3.2 PPP shortcomings						
4. Business environment						
4.1 Burdensome (general) regulatory regime						
4.2 Burdensome sector-specific regulations						
4.3 Difficult to access finance						
5. Essential pre-conditions						
5.1 Lack of appropriate skilled labour force						
5.2 Inadequate transport and other infrastructures						

*Impact on LRA competencies and roles

High	
Medium	
Low	

**Types of action

Fiscal & financial framework	
MLG & institutional reform	
Administrative capacity building	

***LRA contribution

Low	
Medium	
High	

3.5 The EFSI: opportunities and challenge for local and regional authorities

The efforts to remove obstacles to investment – which the previous section has focused on – aim to tackle Europe's investment gap by improving the framework and conditions within which investments take place. In parallel to this, major work has been undertaken at the level of the EU to **boost overall volume of investment** directly. The key initiative in this field has been the launch of the European Fund for Strategic Investment (EFSI).

EFSI was launched in late 2014, by EC President Jean-Claude Juncker, as the centrepiece of his "Investment Plan for Europe".³⁹ A joint initiative of the EC and European Investment Bank (EIB), EFSI aims to use public funds to unlock larger amounts of private financing for strategic investment projects across the European Union by addressing the market failures that make many investment projects too risky for private investors only. The stated aim of the Fund is to mobilise a total amount of additional investments of at least EUR 315 billion over a three-year period (thanks to an initial EUR 21bn of public money) for economically viable projects, with added value and a positive impact for the European economy, but with a higher risk profile than ordinary EIB activities. At its launch, the CoR welcomed the EFSI, and stressed the need for consistency with local and regional investment strategies, the operational programmes of the European Structural and Investment Funds, and called on Member States to closely involve LRAs in identifying projects.⁴⁰

Box 3.6 - EFSI funding for energy efficiency in buildings in Île de France⁴¹

Many homes in the Paris region of Île de France are in apartment buildings from the 1960s and 1970s or earlier — before oil shocks prompted energy efficiency regulations — which have very poor energy efficiency performance: they simply leak heat. To tackle this problem, the Regional Council of Île-de-France, the city of Paris and a number of other local authorities joined forces, and with investments from Caisse des Dépôts and Caisse d'Épargne, created "Énergies POSIT'IF". The public-private company works to improve energy efficiency of buildings in the region, and can save buildings between 40% and 75% of energy use. Despite these gains, progress was slow since each apartment owner in the condominium buildings had to be persuaded in order to finance their share, and "Énergies POSIT'IF" was struggling to find commercial banks willing to finance the work.

As part of EFSI, the EIB has offered a EUR 100m loan to "Énergies POSIT'IF" on advantageous terms, which enables it to scale up its work and propose financing plans itself to each of the apartment-owners in a building. These can even include pre-financing the energy efficiency grants that residents might receive after the project is completed. Thanks to this EFSI support, "Énergies POSIT'IF" estimates that an additional 8,000 to 10,000 homes will benefit from an energy-efficiency renovation programme over the next four years.

³⁹ EC, Communication *An Investment Plan for Europe*, Ref: COM(2014) 0903 final. Available online [here: http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52014DC0903](http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52014DC0903)

⁴⁰ CoR Opinion: "The Investment Plan and European Fund for Strategic Investments". Ref: CDR 943/2015. Rapporteur: Claude Gewerc.

⁴¹ EIB, *Project Stories*: "Energy efficiency in the Paris region: Pullovers for old condos". April 2016. Available online [here: http://www.eib.org/infocentre/stories/all/2016-april-04/energy-efficiency-in-the-paris-region.htm](http://www.eib.org/infocentre/stories/all/2016-april-04/energy-efficiency-in-the-paris-region.htm)

EFSI operations started in September 2015, after an agreement was reached on 25 June between the European Parliament and the Council on Regulation (EU) 2015/1017, which officially established it.⁴² As of 1 June 2016, the EIB had approved financing under EFSI worth EUR 12.8bn, broken down between on the one hand EUR 3.5bn for 185 financing agreements benefitting 140,000 businesses, and on the other EUR 9.3bn for 64 infrastructure and innovation projects (in strategic infrastructure including digital, transport and energy; education, research, development and innovation; renewable energy and resource efficiency). Total investment related to EFSI approvals, after crowding-in other investors, is estimated at EUR 100bn – a third of the objective.⁴³ On this basis **the EC considers that EFSI is delivering good results, and that it is on track to achieve its objectives.**

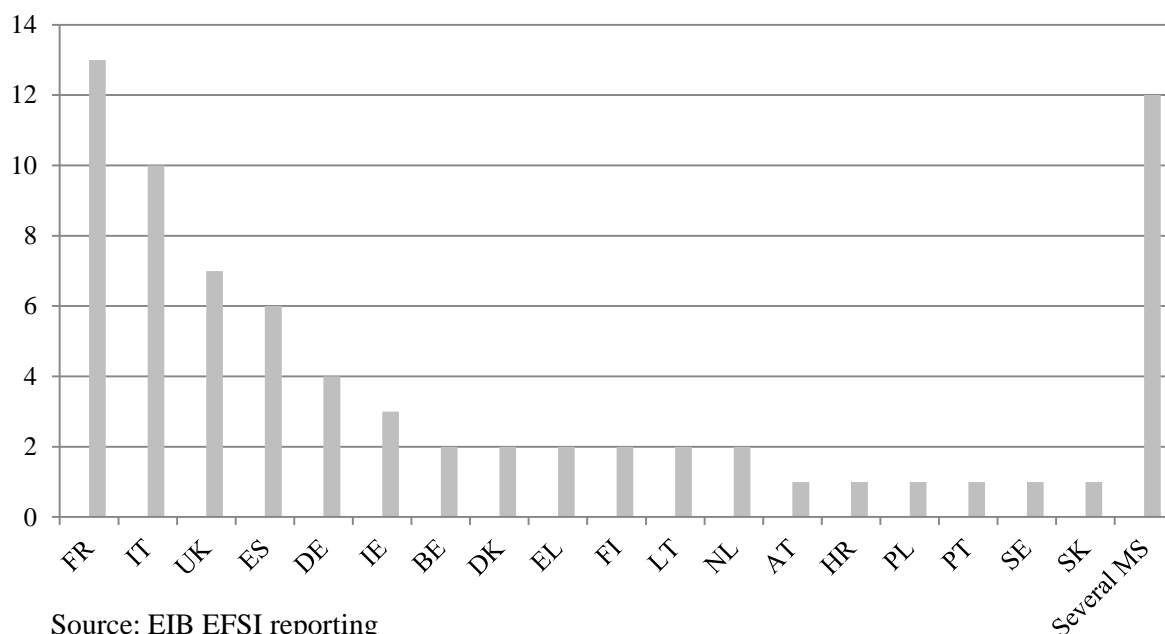
Nevertheless several **questions** remain and some **areas for improvement** can be outlined. Among them: geographic coverage, the question of additionality, and awareness issues are crucial.

Geographic coverage and balance is one of the critical questions. EFSI was never intended to be subject to geographic quotas, as projects are to be judged on their own merits alone. Nevertheless coverage until now appears rather unbalanced. Chart 3.5 below shows the distribution of the 73 approved EFSI projects in the infrastructure and innovation window as of mid-June 2016, with all multi-country projects included in the "Several Member States" category, and not in each individual country's tally.

⁴² Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments. OJ L 169, 1.7.2015, p. 1–38 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2015:169:SOM:EN:HTML>

⁴³ EC, Communication: *Europe investing again: Taking stock of the Investment Plan for Europe and next steps*. Ref: COM(2016)359 final. Available online [here](http://ec.europa.eu/priorities/sites/beta-political/files/1_en_act_part1_v11.pdf); http://ec.europa.eu/priorities/sites/beta-political/files/1_en_act_part1_v11.pdf

Chart 3.5 - Country Distribution of EFSI projects
(Infrastructure and innovation projects approved as of 16/06/2016)

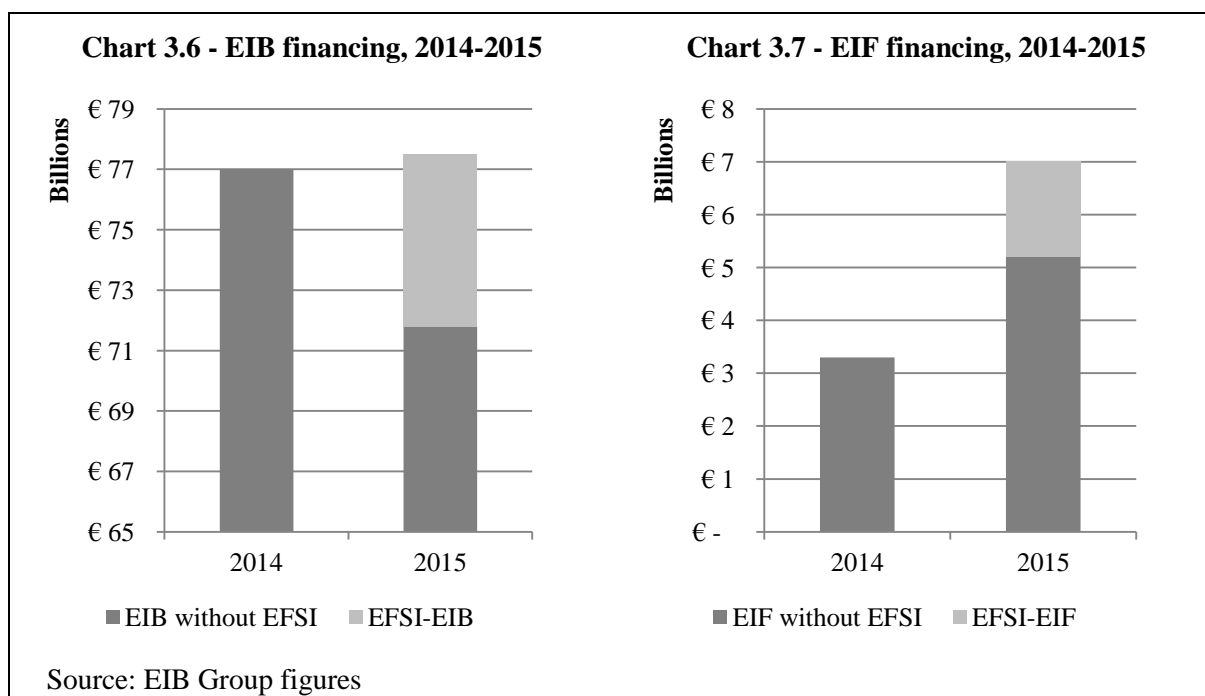


It shows that a handful of Member States, primarily France, Italy and the United Kingdom, have been the biggest beneficiaries of EFSI infrastructure and innovation funding. On the other hand, some of the countries that have so far benefited the least (including those not shown in the chart for lack of projects) are also those with the biggest investment gaps. This is the case for Cyprus and Greece for instance, despite the fact they are among the countries with the lowest levels of investment in the EU and thus, arguably, the biggest needs. Some of the elements that have been put forward in order to explain this uneven distribution include a relative lack of appropriate intermediaries (promotional banks and institutions, mainly) or of the required expertise.

Additionality is a crucial question as well. The Investment Plan's objective is to foster additional investment, which would not have happened, or not to that extent, without it. This element is complex to measure precisely, but the EC states that EFSI-backed investment is additional principally from the risk perspective, because it is supporting additional risky investments (so called "Special Activities") by the EIB, addressing market failures and suboptimal investment situations.

However, some of the early figures available do not appear to support this view. Full reporting from the EIB is only available for 2015, during which the EFSI was just beginning and only operating for a few months, but a comparison with 2014, in which EFSI did not exist, can nevertheless be made for both the infrastructure and businesses elements of EFSI, on the basis of figures from the EIB Group's

yearly results press conferences.⁴⁴ Looking first at the infrastructure and innovation element of EFSI, via the EIB itself, it appears that from 2014 to 2015 overall financing volume grew by only EUR 0.5bn while EFSI financing amounted to EUR 5.7bn in 2015. Thus EIB financing volume seems to have decreased if one excludes EFSI (Chart 3.6). The latter would thus appear to have been largely substitutive, not additional, to the EIB's normal activities. Turning to EFSI support for businesses via the European Investment Fund (EIF): total financing volume almost doubled from 2014 to 2015, with approximately half of the increase corresponding to EFSI, thus clearly representing new activity (Chart 3.7).



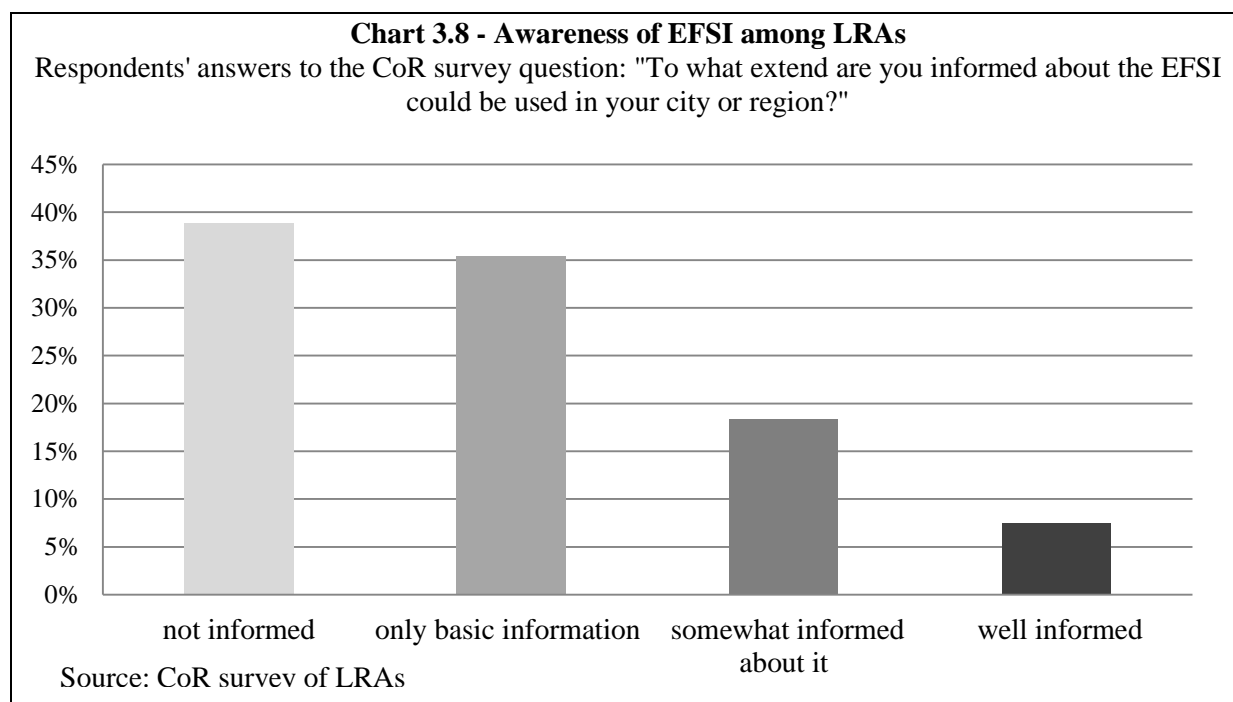
Using a different methodology, some commentators have also expressed reservations about the true additionality of EFSI. For example, the think tank Bruegel found a **high degree of similarity between EFSI-backed projects and the other financing activities of the EIB**.⁴⁵ According to the authors, this would tend to support the idea that many EFSI-backed projects may in any case have been financed by the EIB without EFSI. Importantly, there is relatively little information publicly available on individual EFSI projects, which means that gaining a detailed understanding of projects, including from the additionality perspective, is rather difficult. There have been calls for the EC and EIB to make more information and data publicly available in this regard.

A relative **lack of awareness** of EFSI is also often highlighted as another issue which could potentially hamper its success. The CoR confirmed this awareness issue in a recent survey of local

⁴⁴ Figures from the EIB Group's yearly results press conferences. Available online here: 2015 presentation: http://www.eib.org/attachments/general/events/apc_2015_presentation_en.pdf (for 2014 results), and 2016 presentation : http://www.eib.org/attachments/general/events/apc_2016_presentation_en.pdf (for 2015 results).

⁴⁵ Bruegel, *Assessing the Juncker Plan after one year*, Blog post by: Grégory Claeys and Alvaro Leandro. 17/05/2016. Available online here: <http://bruegel.org/2016/05/assessing-the-juncker-plan-after-one-year/>

and regional authorities,⁴⁶ which found that only 7% of respondents said that they were well informed about how the EFSI could be used in their region/city.



Even among respondents outside the "not informed" category, understanding was often limited. One respondent's views appeared to symbolise a significant trend by selecting that they had "basic information" but adding in an open question that they *"don't manage to see the practical link [between EFSI and] the needs and challenges in our region"*.

The lack of awareness among LRAs is problematic since cities and regions are not only important project promoters, but also often act as catalysts bringing together different actors for the realisation of a given project, and are therefore important relays for EFSI to extend its reach. In the survey, only approximately 10% of all respondents said that the public administration in their city or region had promoted the use of the EFSI by public and private investors, or was likely to do so in the future.

Box 3.7 - LRA awareness of investment initiatives beyond EFSI

*The CoR survey of local and regional authorities also gathered information concerning other elements of the Investment Plan beside EFSI itself. Specifically, respondents were asked to rate their awareness of: the **European Investment Project Portal** (EIPP: a public website run by the EC which gathers investment projects to increase their visibility and financing opportunities) and the **European Investment Advisory Hub** (EIAH: advisory and technical assistance services and tailored*

⁴⁶ CoR Survey of local and regional authorities on obstacles to investment at the local and regional level, available at: <http://cor.europa.eu/en/events/Documents/ECON/results-survey-obstacles.pdf>

advice offered to private and public project promoters). The results were the following:

- Over half (52%) of respondents were "not informed" about the EIPP.*
- Only 2% stated that they were "well informed" about it.*

- Two thirds (67%) were "not informed" about the EIAH.*
- Only 2% stated that they were "well informed" about it.*

The results thus clearly highlight that lack of awareness extends beyond EFSI to several other EU-level initiatives related to investment, with EFSI actually being the better known element of the Investment Plan.

An additional element foreseen by the EFSI regulation are **investment platforms**, which are a range of co-investment arrangements bringing together different actors, designed to catalyse investments in a portfolio of projects with a sectoral/thematic or geographic focus. Investment platforms are a means to aggregate investment projects, reduce transaction and information costs and provide for more efficient risk allocation between various investors. However, 73% of respondents to the CoR survey stated that they were "not informed" about the possibility of setting up investment platforms to fund investments in their city or region with support from EFSI. The remaining respondents who were somewhat (23%) or well informed (3%) on the topic, were asked which challenges to setting up platforms they identified, and the most commonly selected answer (31% of respondents) was linked to a lack of LRA administrative capacity.

Overall, the Investment Plan and EFSI appear to be worthwhile initiatives with a potential to play a role in addressing the investment gap, nevertheless it seems unlikely that they would be sufficient to bridge it. This was acknowledged by Commission President Juncker who insisted that this was "no silver bullet",⁴⁷ and appears even more clearly in the light of the significant challenges and areas for improvement that have been highlighted in the above paragraphs.

⁴⁷ 2 June 2016 speech at the closing plenary session of the European Business Summit, Available online at: http://europa.eu/rapid/press-release_SPEECH-16-2043_en.htm

4. THE EU REGIONS AND THE EUROPE 2020 TARGETS: WHERE ARE WE?

4.1 EU regions and the Europe 2020 targets: where are we in 2016?

The Europe 2020 targets remain relevant in the light of the ongoing work on the "Next steps for a sustainable European future", a non-legislative document, which is listed in the 2016 work programme of the European Commission.⁴⁸

The "post 2020" vision requires solid statistical base, measuring effects of the Europe 2020 so far, building on these areas that have generated positive outcomes and reflecting on these less successful ones, which were however also heavily conditioned by the economic crisis.

This chapter presents the latest data about progress made on the Europe 2020 headline targets, where possible focusing on the regional level. The most up-to-date information is available only on employment and education related targets. In the most popular sources, other Europe 2020 indicators are analyzed based on data collected two or more years ago and therefore they are not presented in detail in this chapter. For these indicators only the national level figures are used, illustrating the overall performance.

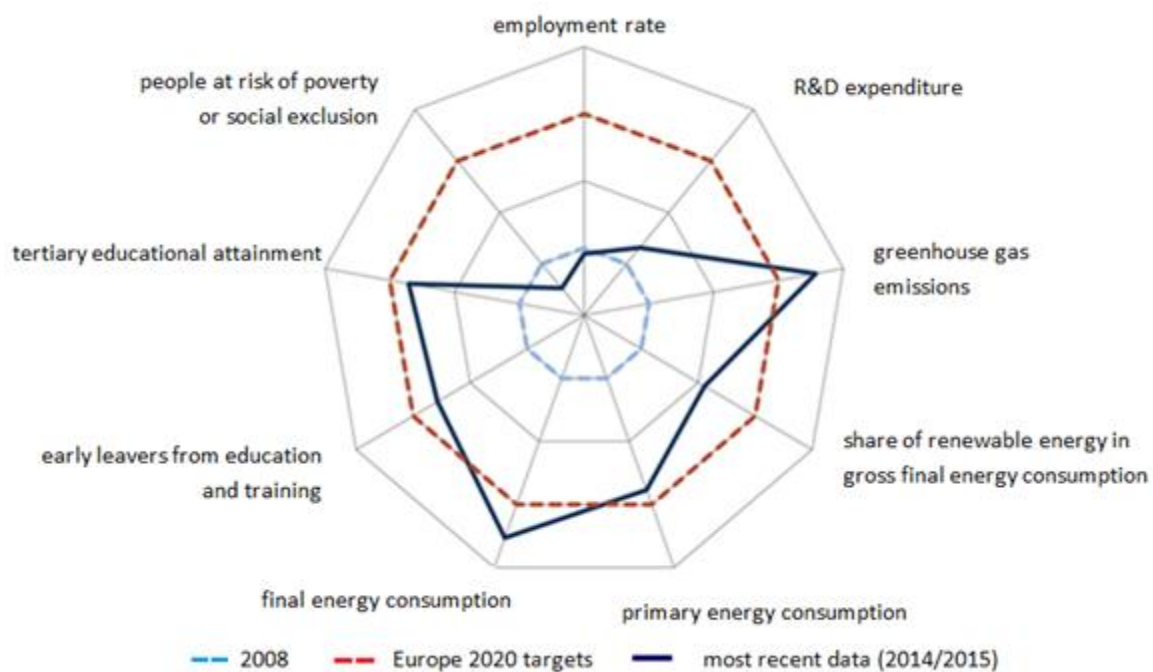
The progress made on the Europe 2020 Strategy, taking into account EU cumulative targets, is illustrated by the graph below (Figure 4.1), which shows that there has been much progress on two indicators, the final energy consumption and greenhouses emissions. For these two, the 2020 targets have been achieved and even surpassed.⁴⁹

Figures, enabling a comparison with the indicators level over last years, are presented in the table below (Figure 4.2), which also shows the problem with the up-to-date data availability for most headline indicators.

⁴⁸ The European Commission, Work Programme 2016, available online: https://ec.europa.eu/priorities/work-programme-2016_en ; For an overview of the official review process prior to the publication of the Next steps for a sustainable European future, please see the 6th Monitoring Report on Europe 2020 and the European Semester, section 2.2., available online: <https://portal.cor.europa.eu/europe2020/pub/>

⁴⁹ The general picture is similar to the one presented in the European Commission's communication document "Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth" [March 2014, COM (2014) 130 final], in which it was stated: "The EU is on course to meet or come close to its targets on education, climate change and energy but not on employment, research and development and poverty reduction."

Figure 4.1 - Europe 2020 headline indicators: target values and progress since 2008



Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

Table 4.1- Europe 2020 headline indicators, EU-28, 2008 and 2011–2015

	Headline indicator	2008	2013	2014	2015	2020 target
Employment	Employment rate, total (% of the population aged 20-64)	70.3	68.4	69.2	70.1	75
R&D	Gross domestic expenditure on R&D (% of GDP)	1.85	2.03	2.03	:	3
Climate change & energy	Greenhouse gas emissions (index 1990=100)	90.29	80.24	77.05	:	80
	Share of renewable energy in gross final energy consumption (%)	11	15	16	:	20
	Final energy consumption (Million tons of oil equivalent)	1,180.00	1,106.20	1,061.20	:	1,086
Education	Early leavers from education & training, total (% of population aged 18-24)	14.7	11.9	11.2	11	<10.0
	Tertiary educational attainment, total (% of population aged 30-34)	31.1	37.1	37.9	38.7	≥40.0
Poverty or social exclusion **	People at risk of poverty or social exclusion (Cumulative difference from 2008 in thousands)	:	5361	4642	:	-20000

: no data available

* Total emissions, including international aviation, but excluding emissions from land use, land use change and forestry.

** People at risk of poverty or social exclusion are in at least one of the following three conditions: at-risk-of-poverty after social transfers (income poverty)

Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

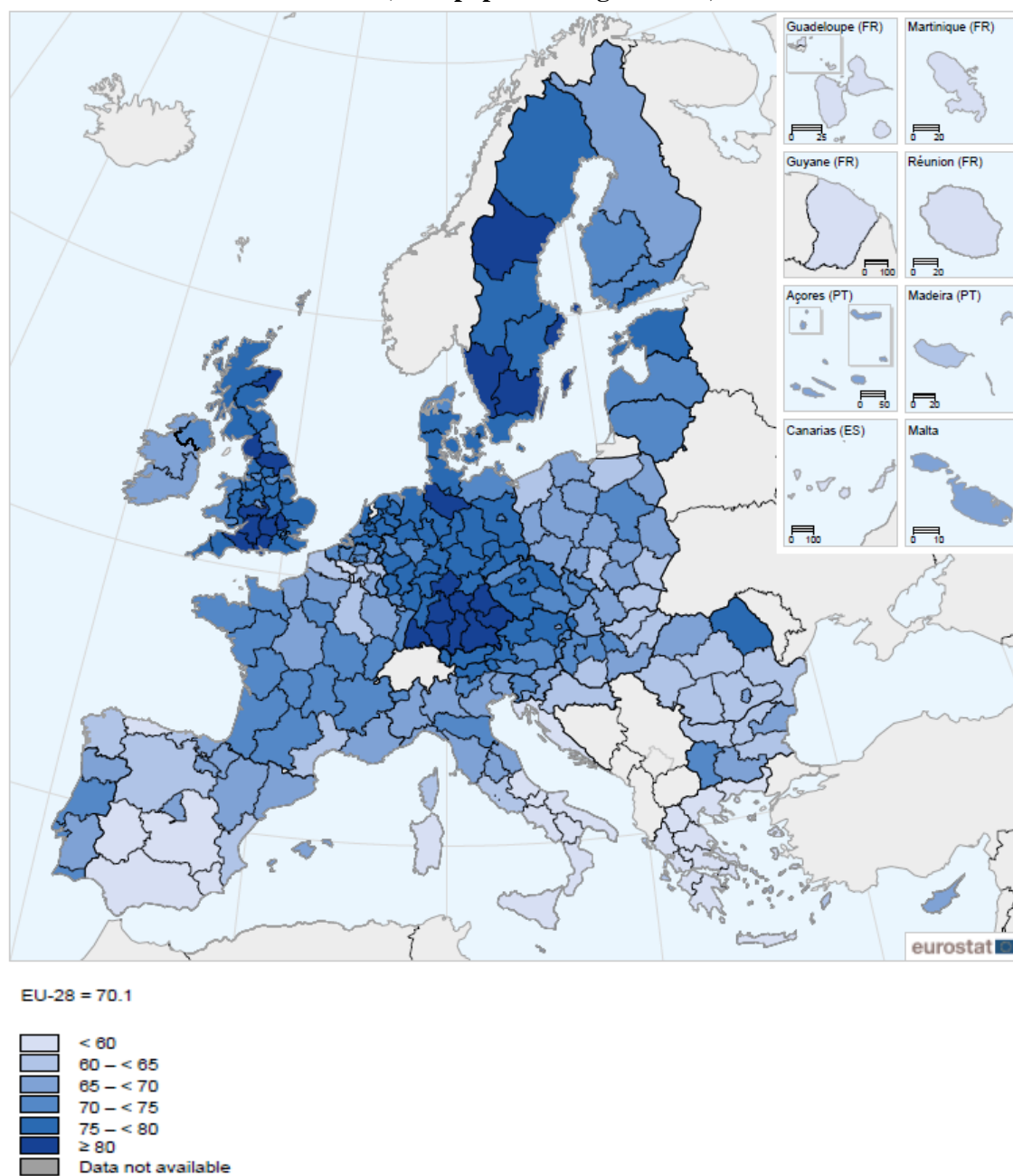
4.1.1 The employment target

Regarding employment figures, the Eurostat data shows that there is a sign of recovery from the crisis and by 2015 the employment rate had almost returned to 2008 levels, which was 70.1%. The most positive development is that four Member States, Germany, Sweden, Estonia and Lithuania, met in 2015 their national employment targets. On the other hand, there is a problem of the north-south divide on a country level and also large disparities at regional level.

There is a significant gap between the highest employment rate countries (Sweden, Denmark and the Netherlands, 80% in each country) in 2015) and the one where employment figures are the lowest among all EU Member States (Greece, 55% employment in 2015). Similar differences can also be observed within national borders and the disparities between regions are often growing.

The map below (Figure 4.2) shows the employment rates at regional level (NUTS 2). The lowest rates were observed around the Mediterranean, in particular in southern Italy, Spain and in Greece, as well as in the French overseas regions. The lowest figures, less than 44% employment, were in Italian regions of Campania, Calabria and Sicilia, while the national employment rate was much higher: 60, 5% in Italy 2015. The highest employment figures were in northern countries. Finish region Aland had 87% employment in 2015 (national rate in Finland – 78%) and the employment rate in Stockholm was 82% (national rate in Sweden: 80%).

Figure 4.2 - Employment rate age-group 20 to 64, by NUTS 2 regions, 2015
(% of population aged 20–64)

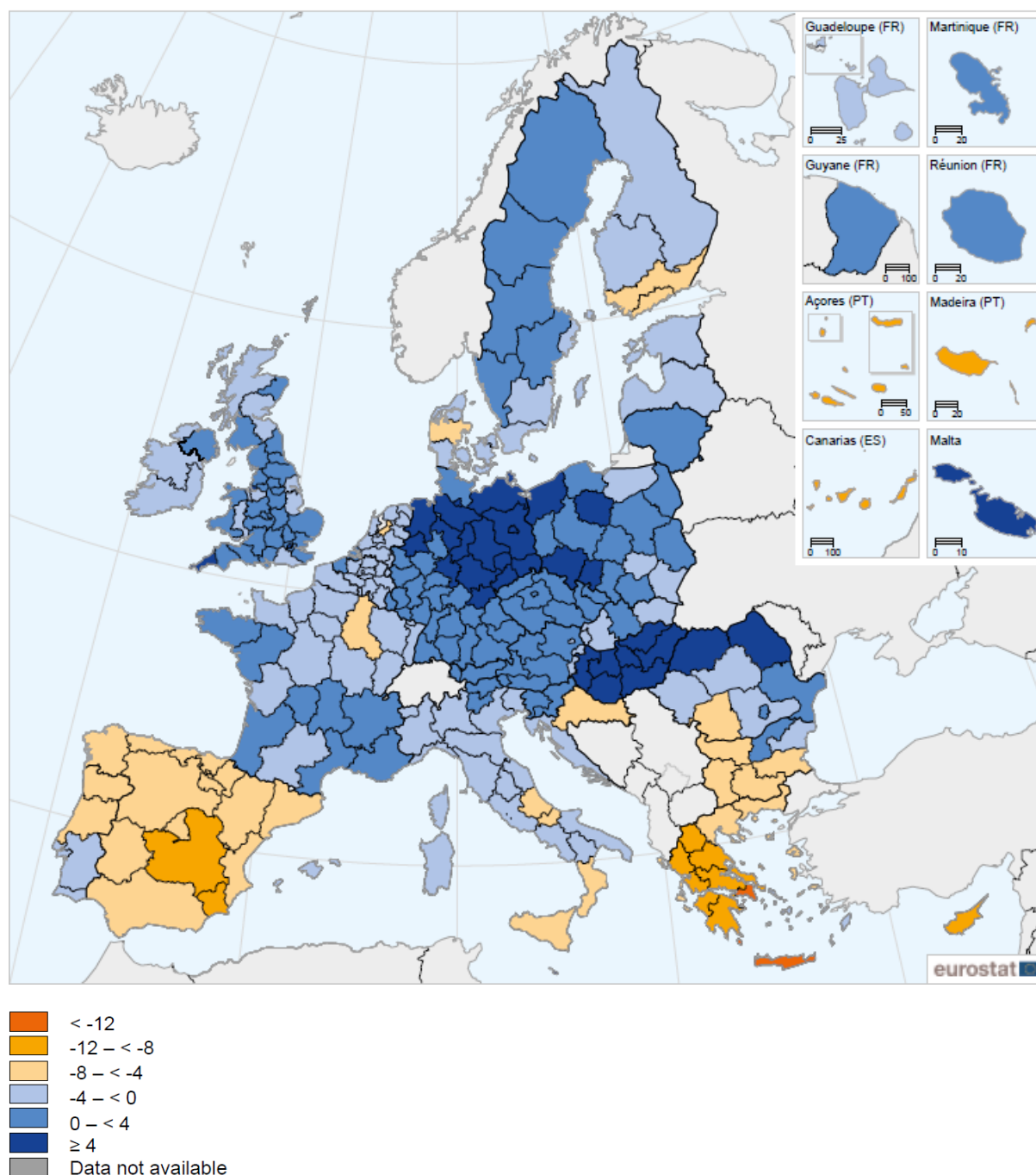


Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

The current employment rates can be understood better when one looks at the trends over last years, which are well illustrated by a map below (Figure 4.3). It shows the percentage change in employment rate age-group 20 to 64, by NUTS 2 regions, between 2008 and 2015. The general picture is not very positive because almost half (47 %) of the 268 NUTS 2 regions for which there is

data available, have experienced a fall in their employment rates. Those hit the hardest, were regions in Spain and Greece. As observed by the Eurostat, the employment figures increase in 130 regions from 2008 to 2015, in two regions from 2010 and 2015 and in six regions from 2012 to 2015.

Figure 4.3 - Change in employment rate age-group 20 to 64, by NUTS 2 regions, 2008–2015
(percentage points difference between 2014 and 2008, population aged 20 to 64)



Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

4.1.2 The education targets

The Europe 2020 early school leavers indicator is measured by the Eurostat on the basis the share of the population aged 18 to 24 with at most lower secondary education and who were not involved in further education or training during the four weeks preceding the survey.

The positive outcome of policies and programmes over last years is that the share of early school leaves has dropped to 11% in 2015, from 17% in 2002. Already in 17 Member States this figure is below the overall EU target of 10 %. The share of early school leavers in 2015 was only 6% in Croatia, Cyprus, Lithuania, Poland and Slovenia. However, it was still rather high (19% or higher) in Spain, Malta and Romania. Despite the higher figures in these countries, the general trend there has been positive. For example, in Portugal the share was reduced from 34.9 % in 2008 to 13.7 % in 2015, in Spain from 31.7 % to 20% and in Malta from 27.2 % to 19.8 %.

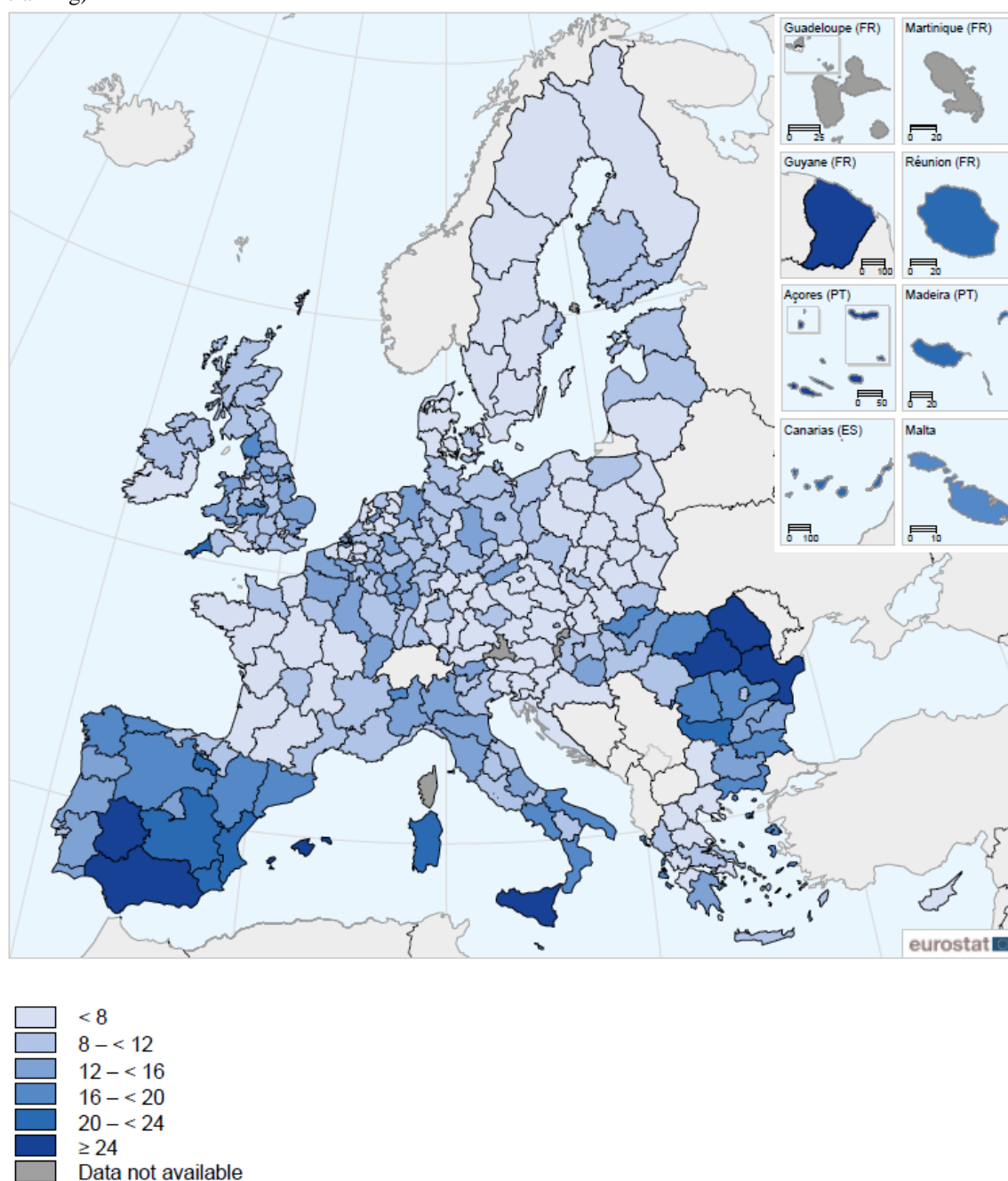
It is however also the same group of countries where regional differences are the most visible. As calculated by the Eurostat, in 2015 there were 20 NUTS 2 regions with early school leavers share above 20% and as much as 10 of these regions were in one country, in Spain.

The disparities among regions were the highest in Czech Republic and in France. For example in France, Picardie had early leaving rates six times higher than Bretagne, the best performing region in France. More examples can be found below, illustrated by a map (Figure 4.4) which shows the share of early school leavers at regional level in all Member States.

In regard to the second educational target of the Europe 2020 Strategy, which is achieving 40% share the population aged 30 to 34 with completed tertiary education by 2020, it has been achieved in 13 Member States: Austria, Cyprus, Denmark, Estonia, Finland, Germany, Greece, Hungary, Latvia, Lithuania, the Netherlands, Slovenia and Sweden. Additionally, the target has almost been achieved in three other countries, in Italy, Poland and Romania, which in 2015 were less than two percentage points away from their national targets. The regional differences for the tertiary education attainment indicator are close to the general national levels and differences between countries. Many regions have this indicator above the EU average (e.g. in Belgium, Finland, France, the Netherlands, Poland, Sweden and the United Kingdom). As for the regional dimension in the countries with the worst result in respect to this indicator, most regions in the Czech Republic, Italy, Hungary, Romania and Slovakia had a small proportion of tertiary graduates. The biggest disparities can be observed in the Czech Republic and Romania, where the worst performing regions had a rate that was three times lower than in the best performing regions.

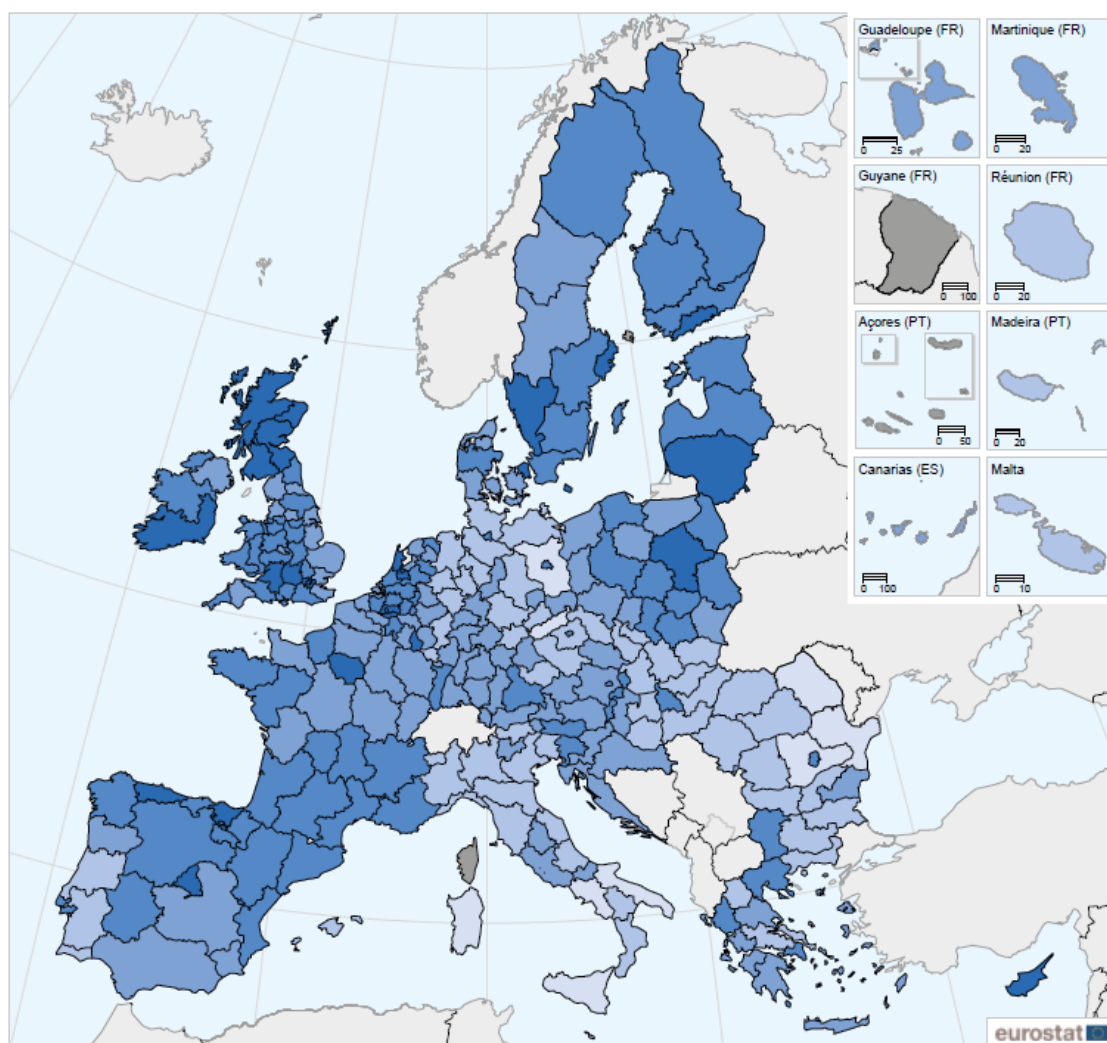
Figure 4.4 - Early leavers from education and training, by NUTS 2 regions, 2015

(% of the population aged 18–24 with at most lower secondary education and not in further education or training)

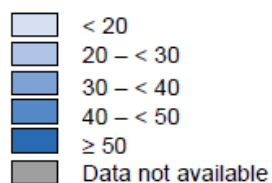


Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

Figure 4.6 - Tertiary educational attainment, by NUTS 2 regions, 2015
 (% of the population aged 30–34 with completed tertiary education)



EU-28 = 38.7



Source: Eurostat, "Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy" 2016 edition, available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

4.2 Regional GDP disparities widen in the EU

A good overview of the progress made on the Europe 2020 Strategy, which is Europe's strategy for growth and jobs, is a snapshot of the current level and trends in regard to the GDP per capita at regional level and their comparison to the EU average.

The map below (Figure 4.7) shows the change in the GDP in purchasing power standards (PPS) at NUTS 2 level, as a percentage of the EU28 average value for 2008 and 2013. Regions rank from a drop of 8 percentage points to an increase of 8 or more percentage points.

Although there was a significant increase of the GDP level in some of the Member States (e.g. almost all the regions in Poland), the distance to the EU average is still large, as shown in the map with the 2013 GDP level per inhabitant, in purchasing power standard (Figure 4.8).

The disparities are also very visible and growing at regional level. The table below (Table 4.2) shows a few concrete examples of the growing regional disparities in some of the selected Member States. It has to be noted that overall, the largest decrease at regional level was recorded in one single country. Ten regions with the biggest regional GDP in PPS drop between 2003 and 2014 were all Greek regions.

Table 4.2 - Worst and best performing NUTS 2 regions in each EU28 Member State, according to the % change between 2003 and 2014 in GDP/capita in PPS, compared to the EU28 average

Country	Best and worst performing NUTS 2 regions in each MS according to % change in GDP in PPS per inhabitant as % of the EU28 average	Regional GDP in PPS per inhabitant in % of the EU28 average		% change 2003 - 2014 in GDP in PPS per capita compared to EU28 average
		2003	2014	
Austria	Wien	174	158	-9
	Salzburg	141	152	8
Belgium	Rég. Bruxelles / Brussels Gewest	243	207	-15
	Prov. Brabant Wallon	122	130	7
Bulgaria	Severozapaden	27	30	11
	Yugozapaden	48	75	56
Cyprus*	Kypros	94	82	-13
Czech Republic	Severozápad	64	63	-2
	Moravskoslezsko	59	70	19
Germany	Darmstadt	172	163	-5
	Braunschweig	112	136	21
Denmark	Sjælland	90	85	-6
	Hovedstaden	147	157	7

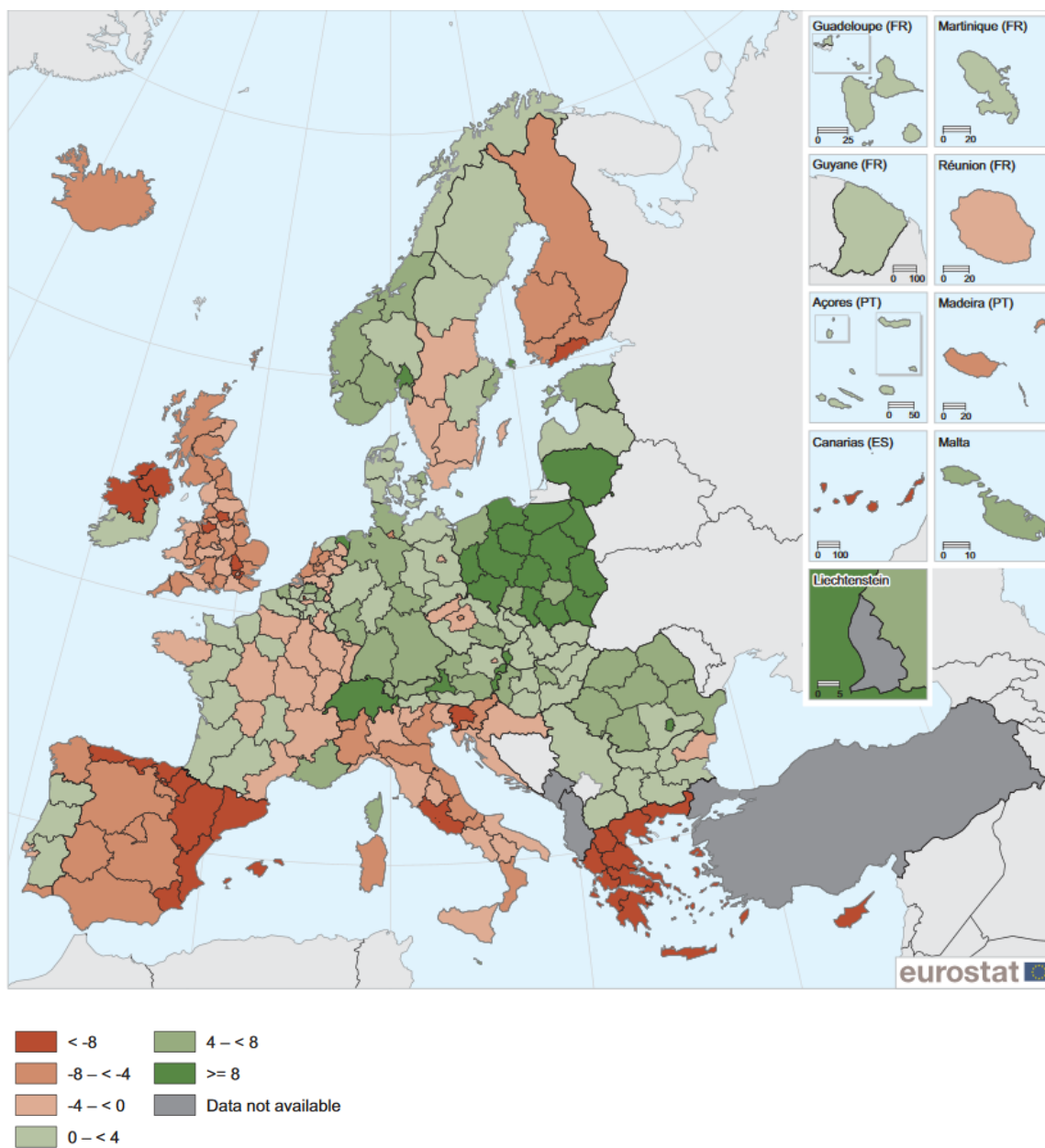
Estonia*	Eesti	52	76	46
Greece	Stereia Ellada	94	61	-35
	Attiki	120	99	-18
Spain	Ciudad Autónoma de Melilla (ES)	86	68	-21
	Galicia	80	80	0
Finland	Etelä-Suomi	105	97	-8
	Pohjois- ja Itä-Suomi	92	91	-1
France	Franche-Comté	97	77	-21
	Sud-Est	27	50	85
Croatia**	Jadranska Hrvatska	55	57	4
	Kontinentalna Hrvatska	56	60	7
Hungary	Dél-Dunántúl	44	45	2
	Dél-Alföld	43	47	9
Ireland**	Southern and Eastern	158	150	-5
	Border, Midland and Western	99	88	-11
Italy	Umbria	108	87	-19
	Provincia Autonoma di Bolzano/Bozen	148	144	-3
Lithuania*	Lietuva	49	75	53
Luxemburg*	Luxembourg	240	266	11
Latvia*	Latvija	45	64	42
Malta*	Malta	82	86	5
The Netherlands	Utrecht	163	154	-6
	Groningen	149	163	9
Poland	Swietokrzyskie	38	49	29
	Dolnoslaskie	49	76	55
Portugal	Algarve	83	78	-6
	Norte	62	65	5
Romania	Sud-Vest Oltenia	26	41	58
	Bucuresti - Ilfov	64	129	102
Sweden	Norra Mellansverige	107	99	-7
	Övre Norrland	111	114	3
Slovenia**	Zahodna Slovenija	101	98	-3
	Vzhodna Slovenija	68	68	0
Slovakia	Východné Slovensko	41	53	29
	Bratislavský kraj	123	186	51
The United Kingdom	West Midlands	109	86	-21
	North Eastern Scotland	142	164	15

* only one NUTS2 region = whole country territory: Estonia, Cyprus, Latvia, Lithuania, Luxemburg, Malta

** only two NUTS 2 regions in country territory: Croatia, Ireland, Slovenia

Source: Eurostat: <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tgs00006>

Figure 4.7 - Change in GDP per inhabitant, in purchasing power standards (PPS), by NUTS 2 in 2008-2013 (% points difference between 2013 and 2008 in relation to the EU28 average)*

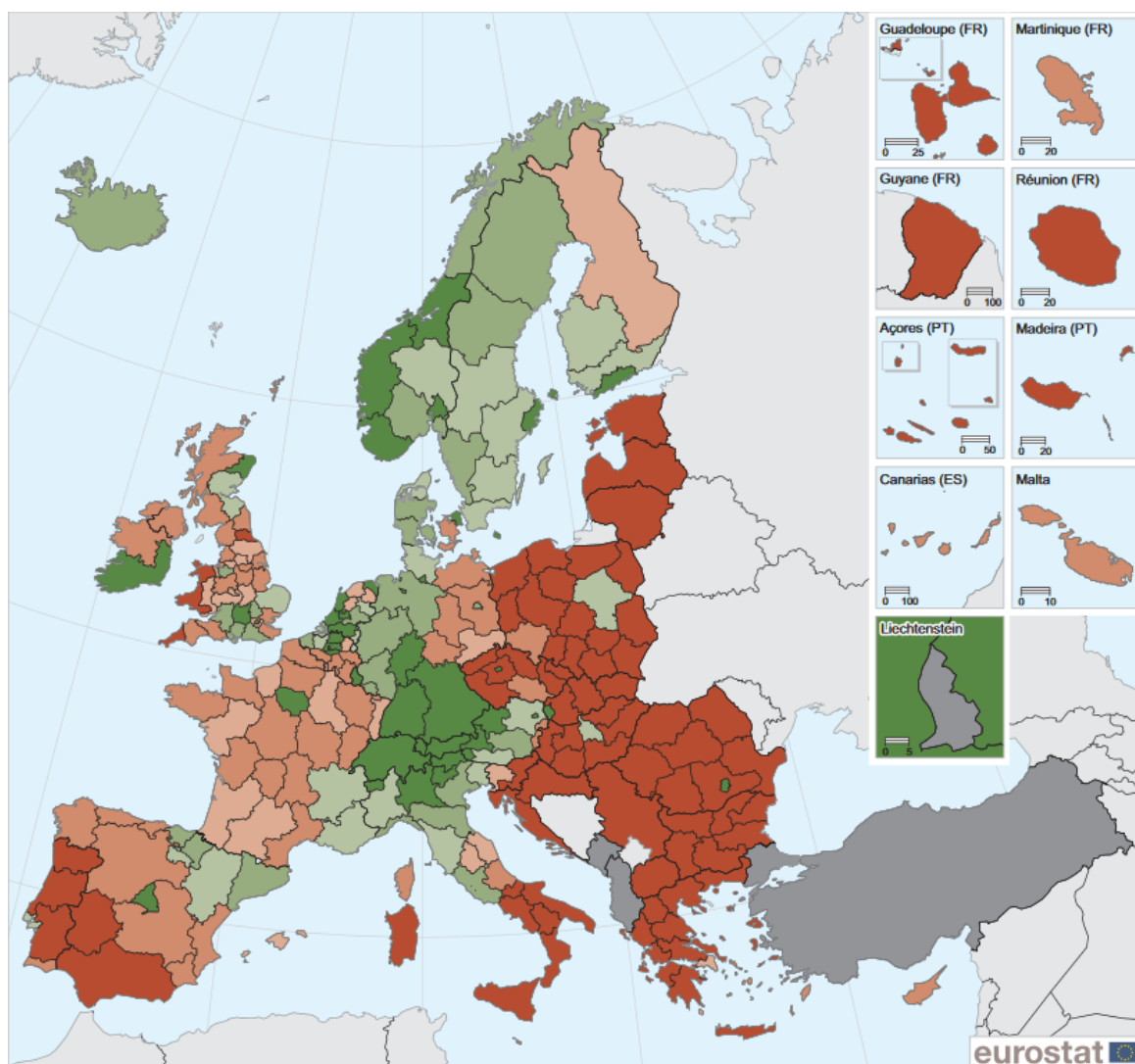


*Belgium: 2009–13, Germany and the Netherlands: 2010–13. Italy: 2011–13; Germany: data available at the NUTS1 level

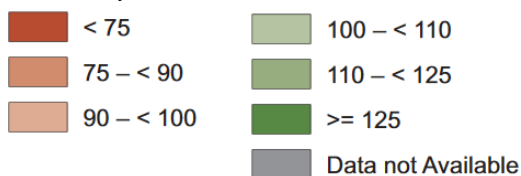
Source: Eurostat regional yearbook 2015, available: <http://ec.europa.eu/eurostat/publications/regional-yearbook>

Figure 4.8 - GDP per inhabitant, in purchasing power standard (PPS)

Gross domestic product (GDP) per inhabitant, in purchasing power standard (PPS), by NUTS level 2 region, 2013 (% of the EU28 average, EU28 = 100)



**Germany: data available at the NUTS1 level*



Source: Eurostat regional yearbook 2015, available: <http://ec.europa.eu/eurostat/publications/regional-yearbook>

"Smarter, greener, more inclusive? - Indicators to support the Europe 2020 strategy"

"Smarter, greener, more inclusive? - Indicators to support the Europe 2020 strategy" is a flagship publication of Eurostat (European Union's Statistical Office) and was first released in 2013 with the aim of providing statistical support for the implementation of the Europe 2020 strategy. The 2016 edition (published 19 July 2016) provides analyses based on the most recent statistics in the five thematic areas of employment, R&D and innovation, climate change and energy, education, and poverty and social exclusion. The focus of the publication is on showing progress of the EU and its Member States towards the goals and targets defined in the Europe 2020 strategy. Where possible, Eurostat presents regional data and maps. It also includes additional contextual information, which helps in understanding observed trends and specific developments.

Full report is available online: <http://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-EZ-16-001>

4.3 Data availability

Recent publications about the Europe 2020 Strategy and the level of its implementation show that there is a persistent lack of up-to-date regional and sometimes even national data on the headline indicators. The CoR has been advocating for a better monitoring of all indicators at both national and especially regional level, where the most significant differences occur. This call was one of the main points in the CoR "Blueprint for a Revised Europe 2020 Strategy".⁵⁰ The CoR recommended the European Commission to create a timeline to deliver the regional statistics needed to design, implement, monitor and evaluate the renewed Europe 2020 strategy by setting territorially differentiated targets. More suggestions on how to improve the data collection process and target setting were made by the CoR more recently in the Opinion "Indicators for territorial development – GDP and beyond" (COTER-VI/009, 10 February 2016)⁵¹, rapporteur: Catiuscia Marini (PES/IT). The current state of monitoring shows that this call has not been answered yet.

The lack of data and more systematic monitoring is particularly visible in regard to the seven flagship initiatives of the Europe 2020 Strategy. Information on only one of them – the resource efficient Europe flagship initiative – has recently been updated.⁵² Furthermore, some of the regular publications, e.g. Europe 2020 competitiveness report, have not been issued in 2015 or 2016, contrary to regular annual publications in the past. Furthermore, the Europe 2020 Regional Index has not been

⁵⁰ The CoR Blueprint for a revised Europe 2020 Strategy is available online: <https://portal.cor.europa.eu/europe2020/SiteCollectionDocuments/2459-brochure-BlueprintEU2020.pdf>

⁵¹ CoR Opinion "Indicators for territorial development – GDP and beyond" is available here: http://www.toad.cor.europa.eu/ViewDoc.aspx?doc=obsolete%5cEN%5cCOR-2015-04287-00-00-PA-TRA_EN.docx&docid=3114578

⁵² For an overview of the most recent data on Europe 2020 seven flagship initiatives, please visit: <http://ec.europa.eu/eurostat/web/europe-2020-indicators/flagship-initiatives-of-europe2020>

updated since its first edition in 2014.⁵³ On the other hand, in cases where the data is available, there is more focus on the regional aspect and the disparities within national borders.⁵⁴

4.4 Statistical monitoring beyond Europe 2020

Within the context of the Europe 2020 strategy and its main headline targets, there is an advanced process of developing a wider data gathering and monitoring system related to the 2030 Agenda for Sustainable Development.

The Agenda for Sustainable Development was formally adopted by world leaders at the United Nations Sustainable Development Summit in September 2015.

The European Commission showed a commitment to the main points of the 2030 Agenda already in its 2013 communication "A decent life for all: ending poverty and giving the world a sustainable future" [COM(2013) 92 final].

Furthermore, the UN documents are referred to as one of the pillars for the "Next steps for a sustainable European future", a non-legislative document of the European Commission to be published in the second half of 2016.⁵⁵ This document, as announced in the European Commission's 2016 work Programme, will take into account the Europe 2020 review and the internal and external implementation of the United Nations Sustainable Development Goals.⁵⁶

The development of an indicator framework for monitoring progress towards the 2030 Agenda has been guided by the United Nations Statistical Commission (UNSC) and it is expected that it will include regional, national and thematic monitoring.

Some of the indicators in this framework are very close to those of Europe 2020, but the framework itself will be much wider. A simple comparison of the timeline, number of targets and indicators for the Europe 2020 Strategy and the 2030 Agenda, as well as similarities with the EU Sustainable Development Strategy, are presented in Table 4.3 below.

⁵³ European Commission, The Europe 2020 Index: The progress Of EU Countries, Regions and Cities to the 2020 targets: <http://publications.jrc.ec.europa.eu/repository/handle/JRC90238>

⁵⁴ See for example: European Parliamentary Research Service, "Snapshot of the EU regions with a view to selected Europe 2020 targets", available online: [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2016\)581951](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2016)581951)

⁵⁵ Next steps for a sustainable European future, document was not available before the publication of the Monitoring Report.

⁵⁶ The European Commission, Work Programme 2016, available online: https://ec.europa.eu/priorities/work-programme-2016_en ;

Table 4.3 – EU and UN strategies for sustainable development: synoptic table

	EU Sustainable Development Strategy	Europe 2020 Strategy	UN 2030 Agenda for Sustainable Development
Timeline	Adopted in 2001, renewed in 2006 and 2009	Adopted in 2010 with a vision up to and in 2020	Adopted in 2015, with a vision up to 2030
Targets	Objectives and targets in 10 thematic areas	5 headline targets	169 targets related to 17 Sustainable Development Goals
Indicators	More than 130 indicators, including 10 headline indicators	9 headline indicators	225 proposed indicators at global level, adopted by UNSC in March 2016 (indicators set expected to be adopted by UN General Assembly in September 2016*)
Responsible statistical body	Eurostat, European Commission	Eurostat, European Commission	United Nations Statistical Commission (UNSC)

**The outcome of the UN General Assembly in light of the indicators was not yet known when the report was being drafted.*

Source: European Commission, Beyond GDP Newsletter, March 2016, available online:

http://ec.europa.eu/environment/beyond_gdp/newsletters/March2016/newsletter.html

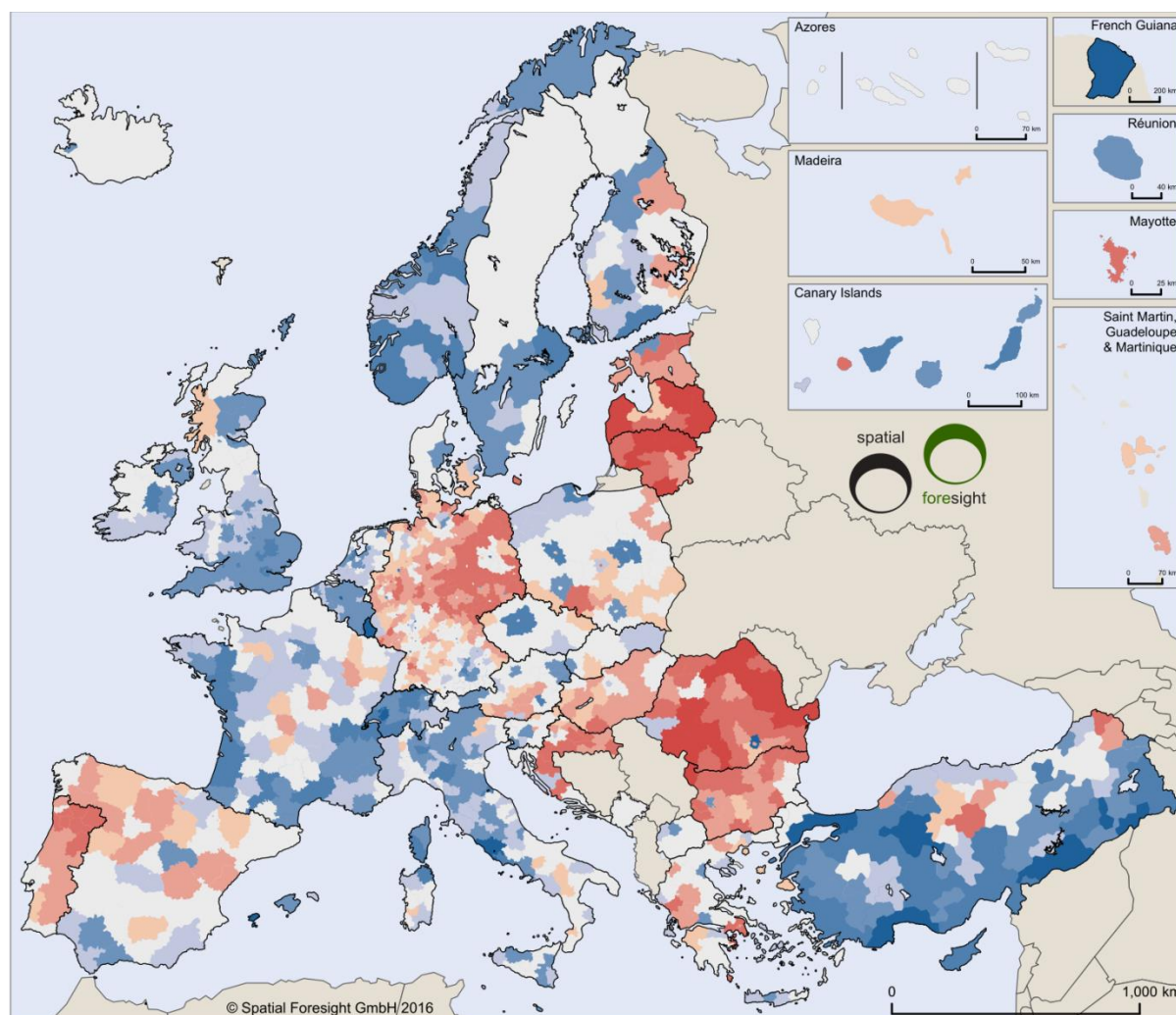
4.5 Demographic trends at regional level

The GDP figures presented in the previous section of this report are also reflected in the demographic trend, which can be another way of looking at the progress made on the Europe 2020 strategy. A study contracted by the CoR titled "The impact of demographic change on European regions"⁵⁷ shows that the economic downturn has accentuated polarising demographic trends both at the European and national level. At the NUTS2 and NUTS3 levels, between 2000 and 2014, there was a demographic decline across large parts of Eastern Europe, especially in the Baltic States, in Bulgaria and Romania, eastern German Länder, as well as in Slovakia and Croatia. In these countries, also growth can be observed, however such figures can be attributed mainly to capital cities and metropolitan areas. In regard to Western Europe, there was much less demographic decline, except for: southern Italy, eastern part of the Iberian Peninsula, inner parts of France and northern Scandinavia. The demographic trends can be summarised as east-west polarisation and population

⁵⁷ Spatial Foresight, ÖIR and t33 study contracted by the CoR "The impact of demographic change on European regions"; available online: http://cor.europa.eu/en/documentation/studies/Documents/Impact_demographic_change_european_regions.pdf

loss or stagnation running from eastern Finland and the Baltic States, through Germany and France to Portugal. The economic recession and lower growth rates tend to accentuate the challenge of population shrinkage at the regional level, which has implications on the regional potential in reaching the EU 2020 targets, among others, by being an important factor affecting public investments, among others due to the costs of pension schemes in some regions.

Figure 4.9 - Annual average population change from 2009 to 2014 (in %)

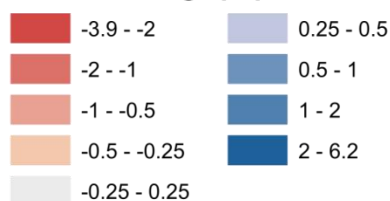


Administrative boundaries: Spatial Foresight and University of Geneva based on material from Eurostat GISCO, the GADM database and the EEA.

Data: Eurostat (demo_r_pjangrp3).

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Annual average population change from 2009 to 2014 in %



Data for DEA2D, DED2C, DED2D, DED2E, DED2F, DED42, DED43, DED44, DED52 and DED53 from 2007 - 2009. Missing data for parts of DED2, DED4, DED5 and DEE0 was substituted with data from the next higher NUTS level.

Source: Spatial Foresight, CoR contracted study "The impact of demographic change on European regions"; available online: http://cor.europa.eu/en/documentation/studies/Documents/Impact_demographic_change_european_regions.pdf

5. APPENDICES

5.1 List of abbreviations and country codes

AGS	Annual Growth Survey	BE	Belgium
ALDE	Group of the Alliance of Liberals and Democrats for Europe	BG	Bulgaria
CAP	Common Agricultural Policy	CZ	Czech Republic
CdR	Comité des Régions	DK	Denmark
CSR	Country-Specific Recommendation	DE	Germany
COM	Communication	EE	Estonia
CoM	Covenant of Mayors	IE	Ireland
CoR	Committee of the Regions	EL	Greece
EA	European Alliance Group	ES	Spain
EC	European Commission	FR	France
EER	European Entrepreneurial Region	IT	Italy
EGTC	European Grouping of Territorial Cooperation	CY	Cyprus
EMU	European Monetary Union	LV	Latvia
EP	European Parliament	LT	Lithuania
EPP	European People's Party	LU	Luxembourg
ESIF	European Structural and Investment Funds	HU	Hungary
EU	European Union	MT	Malta
GDP	Gross Domestic Product	AT	Austria
IP	Integrity Pact	NL	Netherlands
MLG	Multi-Level Governance	PL	Poland
MP	Monitoring Platform	PT	Portugal
NRP	National Reform Programme	RO	Romania
OECD	Organisation for Economic Co-operation and Development	SL	Slovenia
OP	Operational Programme	SK	Slovakia
LRA	Local and Regional Authority	FI	Finland
PA	Partnership Agreement	SE	Sweden
PES	Party of European Socialists	UK	United Kingdom
R&D	Research and Development		
SME	Small and Medium-Sized Enterprises		
TFEU	Treaty on the Functioning of the European Union		

5.2 EU 2020-related CoR opinions and Resolutions (Oct 2015 – Jul 2016)

CoR Opinions, Resolutions and Declarations related to Europe 2020 and the European Semester ("cross priority")

The local and regional dimension of the Trade in Services Agreement (TiSA)

CDR 2700/2015 – Mr MARKOV, Helmuth (DE/PES)

[cor-2015-02700-00-00-ac-tra-en.docx](#) –ECON-VI /3

Tax Transparency Package

CDR 2697/2015 – Mr IMANE, Hicham (BE/PES)

[cor-2015-02697-00-02-ac-tra-en.docx](#) –ECON-VI /4

Communication from the Commission to the European Parliament and the Council – A fair and efficient corporate tax system in the European Union: 5 key areas for action

CDR 3865/2015 – Mr VANRAES, Jean-Luc (BE/ALDE)

[cor-2015-03865-00-00-ac-tra-en.docx](#) –ECON-VI /6

Follow-up to the Five Presidents' report: Completing Europe's Economic and Monetary Union

CDR 5112/2015 – Mr. LINDQUIST, Paul (SE/EPP)

[cor-2015-05112-00-00-ac-tra-en.docx](#) –ECON-VI /8

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Trade for All - Towards a more responsible trade and investment policy

CDR 6626/2015– Cllr. RICHMOND, Neale (IE/EPP)

[cor-2015-06626-00-01-ac-tra-en.docx](#) –ECON-VI /9

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Upgrading the Single Market: more opportunities for people and business

CDR 6628/2015– Mr. PASTACCI, Alessandro (IT/PES)

[cor-2015-06628-00-01-ac-tra-en.docx](#) –ECON-VI /10

Structural Reform Support Programme for the period 2017 to 2020

CDR 1214/2016– Mrs. ZRIHEN, Olga (BE/PES)

[cor-2016-01214-00-00-ac-tra-en.docx](#) –ECON-VI /11

Review of the Audiovisual Media Services Directive

CDR 1690/2015 – Mr. ISTASSE, Jean-François (BE/PES)

[cor-2015-01690-00-01-ac-tra-en.docx](#) –SEDEC-VI /3

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Towards a modern, more European copyright framework

CDR 39/2016– Mr. ABRAMAVIČIUS, Arnoldas (LT/EPP)

[cor-2016-00039-00-01-ac-tra-en.docx](#) –SEDEC-VI /9

Financial instruments in support of territorial development

CDR 1772/2015 – Mr. STRUZIŁ, Adam (PL/EPP)

[cor-2015-01772-00-00-ac-tra-en.docx](#)

—COTER-VI /5

Draft General Budget of the European Union for the financial year 2016 - General Introduction - General statement of revenue - General statement of revenue and expenditure by section

CDR 3219/2015– Mr. SILBERG, Uno (EE/EA)

[cor-2015-03219-00-00-ac-tra-en.docx](#)

—COTER-VI /6

Strengthening cross-border cooperation: the need for a better regulatory framework?

CDR 4286/2015 – Mr. DOBROSLAVIĆ, Nikola (HR/EPP)

[cor-2015-04286-00-00-ac-tra-en.docx](#)

—COTER-VI /7

Territorial Vision 2050, what future?

CDR 4285/2015 – Mr. VLASÁK, Oldřich (CZ/ECR)

[cor-2015-04285-00-00-ac-tra-en.docx](#)

—COTER-VI /8

Mid-term revision of the Multiannual Financial Framework (MFF)

CDR 9/2016 – Mr. VAN DEN BRANDE, Luc (BE/EPP)

[cor-2016-00009-00-00-ac-tra-en.docx](#)

—COTER-VI /14

The European Citizens' Initiative (ECI)

CDR 2606/2015 – Mr. VAN DEN BRANDE, Luc (BE/EPP)

[cor-2015-02606-00-01-ac-tra-en.docx](#)

—CIVEX-VI /5

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Better regulation for better results - An EU agenda

CDR 4129/2015 – Mr. SPYRIDON, Spyros (GR/EPP)

[cor-2015-04129-00-01-ac-tra-en.docx](#)

—CIVEX-VI /7

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - EU Enlargement Strategy

CDR 5896/2015 – Ms. MAGYAR, Anna (HU/EPP)

[cor-2015-05896-00-00-ac-tra-en.docx](#)

—CIVEX-VI /8

Protection of refugees in their areas of origin: a new perspective 2016

CDR 6328/2015 – Mr. JANSSEN, Hans (NL/EPP)

[cor-2015-06328-00-00-ac-tra-en.docx](#)

—CIVEX-VI /9

Combating Radicalisation and Violent Extremism: Prevention mechanisms at local and regional level

CDR 6329/2015 – Mr. SOMERS, Bartolomeus Bart (BE/ALDE)

[cor-2015-06329-00-02-ac-tra-en.docx](#)

—CIVEX-VI /10

Resolution on the European Commission's 2016 Work Programme

CDR 5929/2015

[cor-2015-05929-00-01-res-tra-en.docx](#)

—RESOL-VI /7

Resolution on the priorities for the 2017 Work Programme of the European Commission

CDR 2848/2016

[cor-2016-02848-00-00-res-tra-en.docx](#) –RESOL-VI /10

Resolution on the Draft Annual EU budget for 2017

CDR 2321/2016

[cor-2016-02321-00-00-res-tra-en.docx](#) –RESOL-VI /11

Smart growth

Local and regional dimension of the Sharing Economy

CDR 2698/2015 – Ms. BRIGHENTI, Benedetta (IT/PES)

[cor-2015-02698-00-00-ac-tra-en.docx](#) –ECON-VI /5

Communication from the Commission to the European Parliament and the Council – Working together for jobs and growth: the role of National Promotional Banks (NPBs) in supporting the Investment Plan for Europe

CDR 5066/2015 – Mr BANASZAK, Adam (PL/ECR)

[cor-2015-05066-00-00-ac-tra-en.docx](#) –ECON-VI /7

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - Steel: Preserving sustainable jobs and growth in Europe

CDR 1726/2016 –Ms. RIES, Isolde (DE/PES)

[cor-2016-01726-00-01-amc-tra-en.docx](#) –ECON-VI /15

Innovation and modernisation of the rural economy

CDR 2799/2015 – LÄNTS, Randel (EE/PES)

[cor-2015-02799-00-00-ac-tra-en.docx](#) –NAT-VI /4

Communication for the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A Digital Single Market Strategy for Europe)

CDR 2646/2015 – Ms. KUHN-THEIS, Helma (DE/EPP)

[cor-2015-02646-00-00-ac-tra-en.docx](#) –SEDEC-VI /5

Concrete steps for implementing the EU Urban Agenda

CDR 5511/2015 – Ms. DUNGER-LÖPER, Hella (DE/PES)

[cor-2015-05511-00-01-ac-tra-en.docx](#) –COTER /10

Sustainable growth

The future of European aquaculture

CDR 2712/2015 – Mr. GAMALLO ALLER, Jesús (ES/EPP)

[cor-2015-02712-00-01-ac-tra-en.docx](#) –NAT-VI /2

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Reviewing the decision-making process on genetically modified organisms (GMOs)

CDR 3636/2015 – Mr. WEINMEISTER, Mark (DE/EPP)

[cor-2015-03636-00-00-ac-tra-en.docx](#) –NAT-VI /3

Age-friendly tourism

CDR 3637/2015 – Ms. JETTEN, Annemiek (NL/PES)

[cor-2015-03637-00-00-ac-tra-en.docx](#) –NAT-VI /5

The simplification of the Common Agricultural Policy (CAP)

CDR 2798/2015 – Cllr BUCHANAN, Anthony Gerard (GB/EA)

[cor-2015-02798-00-00-ac-tra-en.docx](#) –NAT-VI /6

Proposal for a Regulation of the European Parliament and of the Council concerning the establishment of a Community Union framework for the collection, management and use of data in the fisheries sector and support for scientific advice regarding the Common Fisheries Policy

CDR 5241/2015 – Mr. GEBLEWICZ, Olgierd (PL/EPP)

[cor-2015-05241-00-01-ac-tra-en.docx](#) –NAT-VI /7

Food Waste

CDR 6646/2015 – Mr. MARTIKAINEN, Ossi (FI/ALDE)

[cor-2015-06646-00-01-ac-tra-en.docx](#) –NAT-VI /8

The state of play of the EU response to the demographic challenge – Experiences and demands from Europe's cities and regions

CDR 40/2016 – Mr. HERRERA CAMPO, Juan Vicente (ES/EPP)

[cor-2016-00040-00-00-ac-tra-en.docx](#) –SEDEC-VI /8

Indicators for territorial development – GDP and beyond

CDR 4287/2015 – Ms. MARINI, Catiuscia (IT/PES)

[cor-2015-04287-00-00-ac-tra-en.docx](#) –COTER-VI /9

Towards a global climate agreement in Paris

CDR 1535/2015 – Ms. JAEGER, Annabelle (FR/PES)

[cor-2015-01535-00-02-ac-tra-en.docx](#) –ENVE-VI /2

Energy Union package - Communication from the Commission to the European Parliament and the Council - Achieving the 10% electricity interconnection target - Making Europe's electricity grid fit for 2020

CDR 1536/2015 – Mr. MANGIN, Pascal (FR/EPP)

[cor-2015-01536-00-01-ac-tra-en.docx](#) –ENVE-VI /3

Developing the potential of Ocean Energy

CDR 1693/2015 – Mr. THOMAS, Rhodri Glyn (UK/EA)

[cor-2015-01693-00-01-ac-tra-en.docx](#) –ENVE-VI /4

Contribution to the fitness check on the EU Birds and Habitats Directives

CDR 2624/2015 – Mr. BIWER, Roby (LU/PES)

[cor-2015-02624-00-01-ac-tra-en.docx](#) –ENVE-VI /5

The future of the Covenant of Mayors

CDR 2592/2015 –Mr. TÚTTÖ, Kata (HU/PES)

[cor-2015-01535-00-02-ac-tra-en.docx](#) –ENVE-VI /2

Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments

CDR 5368/2015 – Mr. DUS, Marco (IT/PES)

[cor-2015-05368-00-01-ac-tra-en.docx](#) –ENVE-VI /7

EU environment law: improving reporting and compliance

CDR CDR 2592/2015 – Mr. JAADLA, Andres (EE/ALDE)

[cor-2015-05660-00-00-ac-tra-en.docx](#) –ENVE-VI /8

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Delivering a New Deal for Energy Consumers

CDR 5369/2015 – Mr. LEBRUN, Michel (BE/EPP)

[cor-2015-05369-00-01-ac-tra-en.docx](#) –ENVE-VI /9

Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste

CDR 585/2016 – Mr. GAMBACORTA, Domenico (IT/EPP)

[cor-2016-00585-00-01-ac-tra-en.docx](#) –ENVE-VI /10

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A European Agenda on Migration

CDR 2607/2015 –Mr. DECOSTER, François (FR/ALDE)

[cor-2015-02607-00-00-ac-tra-en.docx](#) –CIVEX-VI /6

Inclusive growth

Standards of Remuneration in Employment in the EU (A living wage)

CDR 1689/2015 – Mr. ANTONIW, Mick (UK/PES)

[cor-2015-01689-00-00-ac-tra-en.docx](#) –SEDEC-VI /2

The Role of the Social Economy in restoring economic growth and combating unemployment

CDR 1691/2015 – Mr. GOMES, Luis (PT/EPP)

[cor-2015-01691-00-00-ac-tra-en.docx](#) –SEDEC-VI /4

Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market

CDR 4871/2015 – Mr. ROSSI, Enrico (IT/PES)

[cor-2015-04871-00-01-ac-tra-en.docx](#) –SEDEC-VI /6

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Draft 2015 Joint Report of the Council and the Commission on the implementation of the renewed framework for European cooperation in the youth field (2010-2018)

CDR 4872/2015 – Mr. BORBOLY, Csaba (RO/EPP)

[cor-2015-04872-00-01-ac-tra-en.docx](#) –SEDEC-VI /7

5.3 Members of the Europe 2020 Monitoring Platform – September 2016

Belgium

La Région de Bruxelles-Capitale / Het Brussels Hoofdstedelijk Gewest (Brussels Capital Region)
Vlaanderen (Flanders)
Région wallonne (Walloon Region)
Deutschsprachigen Gemeinschaft Belgiens (German-speaking Community in Belgium)

Bulgaria

Стара Загора (Municipality of Stara Zagora)

Czech Republic

Liberecký kraj (Liberec Region)
Olomoucký kraj (Olomouc Region)
Moravskoslezský kraj (Moravian-Silesian Region)
Zlín (City of Zlin)

Denmark

Ballerup (Ballerup Municipality)
Midtjylland (Central Denmark)
Næstved (Næstved Municipality)
Sjælland (Zealand)
Syddanmark (South Denmark)

Germany

Arnsberg
München (City of Munich)
Staatskanzlei des Landes Brandenburg (State of Brandenburg)

Estonia

Pärnu linn (Town of Pärnu)
Tallinn
Tartu Maavalitsus (Tartu Municipality)

Ireland

Border Midland and Western Region
Dublin Region

Greece

Αναπτυξιακή Ηρακλείου Α.Ε. (Development Agency of Heraklion)
Γραφείο Περιφερειάρχη Αττικής (Region of Attica)
Δήμος Αλεξανδρούπολης (Municipality of Alexandroupoli)
Δήμος Ασπρόπυργος (Municipality of Aspropyrgos)
Δήμος Αφάντου (Municipality of Afandou)
Δήμος Καβάλας (Municipality of Kavala)
Δήμος Λαμιέων (Municipality of Lamia)
Δήμος Μυκόνου (Municipality of Mykonos)
Δήμος Θεσσαλονίκης (Municipality of Thessaloniki)
Δήμου Τήλου (Municipality of Tilos)
Νομαρχιακή Αυτοδιοίκηση Επιμελητήριο Δράμας (Drama Chamber of Commerce and Industry)
Η Κρήτη (Region of Crete)
Περιφέρεια Νοτίου Αιγαίου (South Aegean Region)

Spain

Andalucía (Autonomous Community of Andalusia)
Principado de Asturias (Principality of Asturias)
Barcelona (Province of Barcelona)
Castilla y León (Community of Castille and León)
Catalunya (Autonomous Community of Catalonia)
Comunidad autónoma de la Región de Murcia (Autonomous Community of the Region of Murcia)
Guipúzcoa (Guipuzcoa Province)
La Palma del Condado (City)
Madrid (City)
Madrid (Region)
Navarra (Navarre Region)
Puerto Lumberras (City)
Segovia (City)
Valencia (Region)

France

Aquitaine (Region)
Basse-Normandie (Lower Normandy Region)
Bretagne (Brittany Region)
Département de la Savoie (Savoie Department)
Dunkerque (Dunkirk)
Île-de-France (Region)
Lorraine (Region)
Limousin (Region)
Nord-Pas de Calais (Region)
Provence-Alpes-Côte d'Azur (PACA Region)
Rhône-Alpes (Region)

Croatia

Istarska županija (Region of Istria)
Općina Maruševac (Maruševac Municipality)

Italy

Comune di Bolzano (Municipality of Bolzano)
Comune di Borgata Campo Tures (Campo Tures / Sand in Taufers Borough)
Comune di Capodrise (Municipality of Capodrise)
Comune di Cremona (Municipality of Cremona)
Comune di Firenze (Municipality of Florence)
Comune di Milano (Municipality of Milan)
Comune di Morro d'Alba (Municipality of Morro d'Alba)
Comune di Lecce (Municipality of Lecce)
Comune di Pordenone (Municipality of Pordenone)
Comune di Roma Capitale (Rome Capital City)
Comune di Recale (Municipality of Recale)
Comune di Rossano (Municipality of Rossano)
Comune di Sora (Municipality of Sora)
Comune di Taleggio (Municipality of Taleggio)
Comune di Urbino (Municipality of Urbino)
Langhe Monferrato Roero
Provincia di Arezzo (Arezzo Province)
Provincia di Pisa (Province of Pisa)
Provincia di Roma (Province of Rome)

Provincia di Torino (Province of Turin)
Regione Abruzzo (Abruzzo Region)
Regione Basilicata (Basilicata Region)
Regione Emilia-Romagna (Emilia-Romagna Region)
Regione Lazio (Latium Region)
Regione Liguria (Liguria Region)
Regione Lombardia (Lombardy Region)
Regione Piemonte (Piedmont Region)
Regione Puglia (Apulia Region)
Regione Marche (Le Marche Region)
Regione Sicilia (Sicily Region)
Regione Toscana (Tuscany Region)
Regione Umbria (Umbria Region)

Cyprus 

Ένωση Δήμων Κύπρου
 (Union of Cyprus Municipalities)

Latvia 

Rīgas reģions (Riga City & Region)

Lithuania 


Vilniaus miesto savivaldibė
 (Vilnius City Municipality)

Luxembourg 

Esch-Uelzecht (Esch-sur-Alzette)

Hungary 

Észak-alföldi régió (Northern Great Plain Region)
Nyugat-dunántúli Régió (West-Pannon Region)

Malta 

Nadur (City)

Netherlands 

Association of Dutch Municipalities – VNG
 (Vereniging van Nederlandse Gemeenten - VNG)
Delft (Delft City)
Den Haag (The Hague City)
Enschede (City of Enschede)
Eindhoven (Eindhoven City)

Gemeente 't Hof van Twente (Municipality of 't Hof van Twente)
Lingewaard (Municipality of Lingewaard)
Noord Nederland (Northern Netherlands Provinces)
Provincie Gelderland (Province of Gelderland)
Provincie Overijssel (Province of Overijssel)

Austria 

Oberösterreich (Upper Austria)
Mörbisch am See
Steiermark (Styria)
Wien (City of Vienna)

Poland 

Łódź (City of Lodz)
Ostrołęka (City of Ostroleka)
Województwo Dolnośląskie (Lower Silesian Voivodeship)
Województwo Kujawsko-Pomorskie (Kuyavian-Pomeranian Voivodeship)
Województwo Łódzkie (Lodz Voivodeship)
Województwo Małopolskie (Małopolska Voivodeship)
Województwo Mazowieckie (Masovian Voivodeship)
Województwo Opolskie (Opole Voivodeship)
Województwo Pomorskie (Pomeranian Voivodeship)
Województwo Śląskie (Silesian Voivodeship)
Województwo Świętokrzyskie (Świętokrzyskie Voivodeship)
Województwo Warmińsko-Mazurskie (Warmian-Masurian Voivodeship)
Województwo Wielkopolskie (Greater Poland Voivodeship)
Województwo Zachodniopomorskie (West-Pomeranian Voivodeship)

Portugal 

Associação de Desenvolvimento da Alta Estremadura (ADAE)
Câmara Municipal da Covilhã (Covilhã Municipality)
Câmara Municipal da Ferreira do Alentejo (Ferreira do Alentejo Municipality)
Câmara Municipal de Lisboa (Lisbon Municipality)
Câmara Municipal de Tavira (Tavira Municipality)
Comunidade Intermunicipal do Oeste (OesteCIM) (West Intermunicipal Community)
Comunidade Intermunicipal do Pinhal Litoral (CIMPL)
Região Autónoma da Madeira (Madeira Autonomous Region)

Romania 

Baia Mare (Municipality of Baia Mare)
Braşov (Municipality of Brasov)
Cluj-Napoca (Municipality of Cluj-Napoca)
Oraşul Cugir (Town of Cugir)
Timişoara (Municipality of Timisoara)

Slovenia 

Skupnost občin Slovenije (Association of Municipalities and Towns of Slovenia)

Slovakia 

Bratislavský samosprávny kraj (Bratislava Self-Governing Region)
Košický kraj (Košice Region)
Prešovský kraj (Prešov Region)
Trenčiansky kraj (Trenčín Region)
Trnavský samosprávny kraj (Trnava Self-Governing Region)
Žilinský kraj (Zilina Region)

Finland 

Helsinki Region
Itä-Suomi (East-Finland)
Oulun Kaupunki (City of Oulu)
Pohjois-Suomi (North Finland)

Sweden

Göteborg stad (City of Gothenburg)

Jämtland

Malmö stad (City of Malmö)

Mellersta Norrland (Mid-Sweden)

Östsm (East Sweden)

Solna stad (City of Solna)

Sörmland

Sveriges Kommuner och Landsting (SKL) (Swedish Association of Local Authorities and Regions (SALAR))

Upplands-Bro kommun (Upplands-Bro Municipality)

Västra Götalandsregionen (Region Västra Götaland)

United Kingdom

Belfast City

Cornwall

East of England

Lancashire

Leicestershire

Nottingham

Preston City Council

Scarborough Borough Council

South East England

Warwickshire

West Midlands

Yorkshire & Humber



Eixo Atlântico do noreste peninsular (euroregion)

EGTC Duero-Douro

EGTC Pyrenees-Mediterranean

More information about the Europe 2020
Monitoring Platform of the Committee of the Regions

www.cor.europa.eu/europe2020



OCTOBER 2016

EUROPEAN UNION



Committee of the Regions

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