

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

Main findings of the study

September 2017

Overview of the study

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Objectives of the study

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

Case studies

- ▶ Each case study covers:
 - The current involvement of LRAs in the European Semester process.
 - The role of the LRAs in the implementation of the Country-specific Recommendations and towards achieving the Europe 2020 targets.
 - Expectations regarding the introduction of a Code of Conduct on the involvement of LRAs, based on a comparison between the current state of play with the key elements of the proposed Code of Conduct.

Lessons from current practices (I)

- ▶ There are various consultative arrangements at country level regarding the European Semester but there is a lack of specific arrangements to ensure the full involvement of LRAs.
- ▶ Some of the existing practices come fairly close to what is proposed in the Code of Conduct.
- ▶ Where the LRAs play a full partner role the advantages of their involvement range from a better analysis and formulation of policy measures to ownership/commitment to reforms and targets.
- ▶ Where the process is 'for information' and the LRAs are restricted to a role of 'implementer' we see tension and inefficiencies leading to underperformance during implementation.

Lessons from current practices (II)

- ▶ Adequate administrative capacity, including political level engagement, and a good alignment of competencies and financial resources are important factors for LRAs to be able to play a full partner role.
- ▶ Administrative capacity and competencies/financial resources alignment, together with a country's constitutional architecture and actual division of powers, are key parameters affecting the relevance and transferability of good practices.

Conclusions

- ▶ The European Semester is becoming embedded in the national processes concerning economic policy, structural reforms and the attainment of Europe 2020 objectives.
- ▶ The LRAs play a relevant role, falling short from being involved as full partners in a visible way.
- ▶ The implementation of the CoC's will offer a common baseline and will raise the involvement of LRAs throughout the EU to full partner level. This is an ambitious step forward that will help maximise the LRA contribution.
- ▶ There is plenty of relevant practical experience of relevance to the implementation of the CoC.

Recommendations

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