

EUROPEAN UNION



Committee of the Regions

**On the role of the local and regional
authorities in the Europe 2020
National Reform Programmes:
Analysis of the 2014 National
Reform Programmes**

This report note was written by Asya Dimitrova and Markus Hametner (Institute for Managing Sustainability, Vienna University of Economics and Business) with contributions from Tanja Srebotnjak (Ecologic Institute).

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List of Acronyms

CoR	Committee of the Regions
EC	European Commission
EU	European Union
EU28	28 Member States of the EU as of 1 st July 2013
FI	Flagship initiative
LRAs	Local and Regional Authorities
MLG	Multilevel governance
MS	Member State(s)
NRPs	National Reform Programmes
R&D	Research and development
SMEs	Small and medium-sized enterprises

List of Country Codes

Austria	AT	Latvia	LV
Belgium	BE	Lithuania	LT
Bulgaria	BG	Luxembourg	LU
Croatia	HR	Malta	MT
Cyprus	CY	Netherlands	NL
Czech Republic	CZ	Poland	PL
Denmark	DK	Portugal	PT
Estonia	EE	Romania	RO
Finland	FI	Slovakia	SK
France	FR	Slovenia	SI
Germany	DE	Spain	ES
Greece	EL	Sweden	SE
Hungary	HU	United Kingdom	UK
Ireland	IE		
Italy	IT		

1 Introduction

1.1 Background

The Europe 2020 Strategy is the EU's plan for economic recovery and development after the Eurozone crisis. Launched in 2010, the strategy puts forward "smart, sustainable and inclusive growth" as a way of addressing the structural weaknesses of Europe's economy, improving its competitiveness and productivity and building a sustainable and inclusive economy. More specifically, the three mutually reinforcing priorities driving this development model are (i) knowledge and innovation, (ii) a greener and more resource efficient economy and (iii) high employment and social and territorial cohesion. To achieve these objectives the EU has adopted quantifiable headline targets on employment, research and development (R&D) and innovation, climate change and energy, education, and poverty and social exclusion. In addition, to mobilize action under each priority theme the EU has identified seven flagship initiatives- Innovation Union, Youth on the Move, A Digital Agenda for Europe, Resource Efficient Europe, An Industrial Policy for the Globalization Era, An Agenda for New Skills and Jobs, European Platform against Poverty.

As part of the annual cycle of EU-policy coordination, known as the European Semester, for the fourth time this year Member States were required to submit their National Reform Programmes (NRPs), showing the state of implementation of Europe 2020 with respect to national goals and targets.

While the Committee of the Regions (CoR) supports the Europe 2020 Strategy, it strongly advocates for a more territorial approach in the design and implementation of the strategy and for greater involvement of local and regional authorities (LRAs) in the process. The CoR believes that the success of the strategy will be undermined unless all tiers of government work in partnership, on the basis of a multi-level governance approach, as outlined in the Athens Declaration, presented at the 6th Summit of European Cities and Regions in March 2014¹. Under this approach all public authorities (the national as well as regional and local) need to work in a partnership and closely coordinate their policies in accordance with the subsidiary and proportionality principles. Therefore, the Committee of the Regions continues carrying out systematic and structured reviews of the National Reform Programmes, submitted annually by the Member States. The results of this monitoring activity will support the 5th Monitoring Report on Europe 2020 (to be published in October 2014) and a Blueprint with concrete proposals for a renewed Europe 2020 Strategy.

¹http://gr2014.eu/sites/default/files/ATHENS%20DECLARATION_FINAL.pdf

1.2 Objectives

This study will follow the three reviews of the NRPs that the CoR already conducted in 2011, 2012 and 2013, respectively. The main objective of the report is to evaluate the 2014 NRPs with respect to scope, types and roles of involvement of LRAs in the design and implementation of the NRPs. In particular, the study aims to:

- analyse if and to what extent LRAs were involved in the design of the NRP – in line with the analyses of the 2011, 2012 and 2013 NRPs;
- examine if and to what extent the NRP fulfil (1) the request made by the European Commission in 2010, that their NRPs "should indicate how the national authorities plan to involve/have involved local and regional authorities and relevant stakeholders in defining and implementing the NRPs and how the communicate/plan to communicate an Europe 2020 and on their own NRP, and what the results have been. They will also be invited to report on their experiences with collecting, sharing and implementing good practices"²; (2) The NRP-related requirements set out by the CoR in the Athens Declaration and based on the Mid-Term Assessment Report.

Specifically, the present study examines:

- if and to what extent local and regional authorities (and their representatives) were involved in the implementation of the NRPs and in which ways;
- whether the approach of multilevel governance is being adopted in the implementation of the Europe 2020 strategy
- what the current trends are, i.e., to what extent involvement of LRAs has progressed (or not) compared to the 2012 analysis of the NRPs in terms of partnerships, adoption of multilevel governance approaches;
- how Member States are using or are planning to use the Structural Funds to achieve the Europe 2020 targets and goals. Specifically,
 - if and how LRAs are involved in the ongoing preparation of Partnership Agreements on the implementation of the new Common Strategic Framework for Cohesion Policy 2014-2020.

To answer these questions, the 28 NRPs were evaluated regarding the same set of 10 core questions used in the 2011, 2012 and 2013 studies and the additional

² See: EC Secretariat General paper *Guidance on the content and format of the National Reform Programmes*, 14 January 2013.

questions used in the 2013 study (see the assessment template in section 1.3). In addition, three new questions and one sub-question were added to the assessment template:

Q2b: Does the NRP state whether LRAs have been involved in the setting of the targets mentioned in the document?

Q18: Does the NRP mention if any targeted measures have been undertaken for reducing the administrative burden in relation to financing and implementation of Europe 2020?

Q19: Does the NRP mention of measures prompting LRAs to make use of private sources of funding or/and innovative financing tools such as revolving funds, public-private partnerships, pension fund investments?

Q20: Does the NRP refer to any platforms at national level for benchmarking, sharing of experiences and peer learning between regions and cities?

These new questions are formulated in light of the findings of CoR's Mid-term Review Assessment Report on Europe 2020, which is based on extensive consultation of Europe's regional and local governments and the subsequent Athens Declaration with a seven-point plan for reform of Europe 2020 to ensure stronger role for LRAs, adopted by the CoR in March 2014.

1.3 Data and Methodology

The 2014 NRPs are the basis for this assessment³. Each NRP was reviewed using the same set of harmonised core and supplemental questions compiled in a *tabular information fiche* (see Table 1). The 28 NRPs were evaluated based on same set of 10 core questions used in the 2011, 2012 and 2013 studies to allow for a comparative approach between the situations in these periods. The assessment is based on mostly qualitative information, which is converted to point scores for the core questions and then summed up to obtain a total score.

Following the completion of the 28 information fiches, an aggregate assessment was produced reflecting the ways in which the LRAs have been/will be involved in the preparation and/or implementation of their respective NRPs and the quality of the report in terms of the amount of information provided.

³ The NRPs are available at: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

Aggregating qualitative information in a meaningful way to a single statistic is a challenging task and the quantitative scores for some of the questions were developed with the goal to balance specificity with breadth to not only capture all relevant information provided in the NRPs about the role of local and regional authorities, but also preserve enough flexibility to recognize the diversity in the formats and contents of the NRPs.

Since all questions were deemed approximately equally relevant, a total score for a country was obtained by summing the individual question scores. For comparison with the 2013, 2012 and 2011 results, only ten questions (Q1, Q2a, Q3, Q5a/b-Q8, and Q10-Q11) were considered in the total score, while the new supplemental questions in the 2014 review were used to gather more qualitative information about the 2014 NRPs. This permits both a cross-country comparison and a temporal progress review.

The overall analysis for each of the questions regarding the 2014 NRPs is complemented with some specific examples. The illustrative cases are not intended to represent the overall sample, but were selected based on considerations for (i) demonstrating diversity of approaches/situations and (ii) maintaining geographical balance. In case the answers to some questions were assessed with a grading (e.g. fully, substantially or to a limited extent) either only two or three examples of each category or only examples for the highest categories were presented, where these were considered as more interesting.

The Athens Declaration calls for the use of the Flagship Initiatives in the NRPs as a reference for policy planning, implementation, monitoring and evaluation. Therefore, the 28 country NRPs were also analysed with a view of the usefulness and uptake of the seven Flagship Initiatives. In order to gain an overview of the implementation of Europe 2020 policies vis-à-vis the flagship initiatives, the measures listed and described in the 28 NRPs were assessed under the flagship initiative(s) that they fit best under, regardless of whether the NRP made this link explicit or not. In some cases, a measure might serve multiple goals and could be allocated to more than one flagship initiative, because they address several Europe 2020 objectives simultaneously or in a coordinated manner.

Special examples of each Flagship Initiative are also be highlighted. These examples are not being intended as representative of the entire set of actions and initiatives described in the NRPs. Instead, the examples will be chosen to illustrate (i) how they align with the corresponding flagship initiative, (ii) the diversity of approaches/actions including showcasing actions that are deemed particularly interesting. Since some countries, especially the larger economies in

central Europe, have longer lists of initiative a final selection criterion will also be to maintain geographical representation and showcase actions from small to large countries.

While important work has been done on analysing the 28 NRPs, it is noted that some challenges exist. Two limitations of the study, which may have an effect on the universality and quality of the findings, need to be mentioned in this regard: (1) changes in reviewer's attitudes and cross-reviewer validity and (2) the possible lack of correspondence between the NRPs and reality.

Concerning the first point, some of the variation in the scores may be attributed to systemic reviewer bias. Therefore, small differences in scores between countries or over time should not be interpreted as significant. The analysis of the 2011, 2012, 2013 and 2014 NRPs involves judgment by the analysts. Although the majority of NRPs since 2011 has been evaluated by the same small number of reviewers, changes in reviewer attitude and cross-reviewer validity may have occurred with the associated effects on the results.

Concerning the second point, it has to be noted that the NRPs are only an imperfect indication of the actual involvement of LRAs in the Europe 2020 strategy. The assessment of the LRAs involvement in the design and implementation of the Europe 2020 strategy is solely based on the content of NRPs. However, the information included in the NRPs may not fully reflect the actual role and visibility given to LRAs in the Member States. Although the Secretariat General of the EU Commission explicitly calls on Member States to explain the involvement of LRAs in the development and implementation of their NRPs, failure to do so does not necessarily mean that LRAs have no role. And on the contrary, mentioning of the involvement of LRAs does not always indicate the quality and extent of this involvement. For example, the statement that LRAs have been consulted by the drafting of the NRP does not signify the extent to which their contributions have been taken into account. **Consequently, the objective of the analysis presented here is to assess how the NRPs report on the involvement of LRAs, not on how LRAs were actually involved in this process.**

In order to ensure the quality of the analyses, and to address above-mentioned limitations, an internal review mechanism as well as an external validation mechanism – as agreed with the Committee of the Regions – was set up. The internal review mechanism included careful recruitment and training of reviewers in the process of analysing the NRPs and an overall assessment and double-checking of results from a single reviewer. Concerning the external validation process, three stakeholder groups were contacted in order to validate the analyses of the reviewer's on the basis of the country fiches: (i) Coordinators

of National Delegations at the Committee of the Regions, (ii) the permanent representations of the Member States to the EU, and (iii) representatives from national associations of local/regional authorities. The list of these stakeholders was agreed with the CoR in the initial working programme. Where necessary, the country fiches and consequently this report were revised, taking into consideration the results from the validation process.

Table 1: 2014 information fiche used to assess the 2014 NRPs

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2014 Score	2013 Score	2012 Score	2011 Score
1. Does the NRP state who represented the viewpoints of local and regional authorities (LRAs)?		Yes (1 point) or No (0p) Additional information: <ul style="list-style-type: none"> Which actors represented the viewpoints of the regional, intermediary and local levels with respect to the drafting of the new 2012 NRP? 				
2. Does the NRP state how the LRAs contributed to the drafting of the NRP?		Yes (1 point) or No (0p) Additional information: <ul style="list-style-type: none"> In your country, how were the actors representing the regional/intermediary/local authorities involved in the drafting of the country's new 2012 NRP? 				
(2.b) Does the NRP state whether LRAs have been involved in the setting of the targets mentioned in the document?		Yes (1 point) or No (0p) Additional descriptive information if available				
3. Does the NRP state to what extent LRA input has been taken into account?		Not at all (0 points) To a limited extent (1 point) Substantially (2 points) Fully (3 points) Additional descriptive information if available				

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2014 Score	2013 Score	2012 Score	2011 Score
4. Written contribution from LRAs annexed to the NRP?		Yes, annexed to NRP (2 points) No, separate documents (1 point) No (0 points) Additional descriptive information if available				
5. Mention of Multilevel governance approaches , e.g. Territorial Pacts or others		<u>a. Territorial Pacts or other MLG tools</u> Yes (1 point) or No (0points) Additional descriptive information if available <u>b. Multilevel Governance approaches</u> Not at all (0 points) To a limited extent (1 point) Substantially (2 points) Fully (3 points)				
6. Relevant paragraphs or even separate sections on LRAs?		Yes (1 point) or No (0p) Additional descriptive information if available				
7. Mention of the role of local and regional authorities in implementing the NRP ?		Not at all (0 points) To a limited extent (1 point) Substantially (2 points) Fully (3 points) Additional descriptive information if available				

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2014 Score	2013 Score	2012 Score	2011 Score
8. Mention of the role of local and regional authorities in monitoring the NRP ?		Yes (1 point) or No (0p) Additional descriptive information if available				
9. Does the NRP report on how LRAs were involved in the implementation of the past guidance and commitments , including examples of good practices of the implementation of the Europe 2020 Strategy and the European Semester at local and regional levels.		Yes (1 point) No (0 points) Additional descriptive information if available (especially on examples of good practices)				
10. Clear description of financial aspects of the activities related to local and regional authorities?		Yes (1 point) or No (0 points) In addition: <ul style="list-style-type: none"> • Descriptive information on type and amount of financing 				
11. Administrative capacity of local and regional authorities?		Yes (1 point) or No (0 points) <ul style="list-style-type: none"> • Additional descriptive information if available 				
12. Any mention in the NRP of the role of LRAs in the two priority areas of job creation and fighting youth unemployment ?		Not at all To a limited extent Substantially Fully Additional descriptive information if available				
13. NRPs refer to any form of coordination or integration of policies , which might be an approach that falls just short of a MLG agreement?		Yes (1 point) or No (0 points) Additional descriptive information if available				

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2014 Score	2013 Score	2012 Score	2011 Score
14. Does the NRP state how LRAs are using the Structural Funds to achieve the Europe 2020 goals and targets?		Not at all To a limited extent Substantially Fully Additional descriptive information if available				
15. Does the NRP state if and to what extent LRAs are involved in the preparation of the Partnership Agreements on the implementation of the new Common Strategic Framework for Cohesion Policy 2014-2020 ?		Not at all To a limited extent Substantially Fully Additional descriptive information if available				
16. Does the NRP mention the application of the Code of Conduct (which the Commission proposes under the new Common Strategic Framework for the Structural Funds to ensure that all relevant stakeholders are involved in the preparation of the Partnership Agreements)?		Yes (1 point) or No (0 points) Additional descriptive information if available				
17. Any additional relevant issues that may be raised in the NRP?		Descriptive , if there is additional information not captured by the above questions to further judge the quality of the NRP but no point values.				
Additional questions(= new in 2014 study):						

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2014 Score	2013 Score	2012 Score	2011 Score
18. Does the NRP mention if any targeted measures have been undertaken for reducing the administrative burden in relation to financing and implementation of Europe 2020?		Yes (1 point) or No (0 points) Additional descriptive information if available				
19. Does the NRP mention of measures prompting LRAs to make use of private sources of funding or/and innovative financing tools such as revolving funds, public-private partnerships, pension fund investments?		Yes (1 point) or No (0 points) Additional descriptive information if available				
20. Does the NRP refer to any platforms at national level for benchmarking, sharing of experiences and peer learning between regions and cities?		Yes (1 point) or No (0 points) Additional descriptive information if available				
21. To what extent does the NRP follow the requirements of the Athens declaration?		Not at all (0 points) To a limited extent (1 point) Substantially (2 points) Fully (3 points) Additional descriptive information if available				

2 Results – analysis of 2014 country fiches

The results of the 2014 analysis concerning the involvement of local and regional authorities (LRAs) in the National Reform Programmes (NRPs) show a mixed picture. This is exemplified by the map shown in Figure 1 below that is based on the total scores for the ten core questions of the NRP analysis. According to this scoring, LRA’s involvement was reflected strongest in the NRPs of Belgium (14 points), followed by UK (12 points), Sweden (11 points) and, Austria and Denmark (10 points each), France, Italy and Spain (9 points each). The good performance of Belgium and the UK could be related to the federal structure of Belgium and the system of devolved administrations in the UK, which generally support the involvement of local and regional authorities in policy processes at the national level. Sweden, on the other hand, is known for its open and participatory democracy, including the cooperation with and participation of its municipalities and counties. On the other end of the scale, the involvement of LRAs in the NRPs seems to have been almost negligible in Greece (0.5 points), Estonia (1 point) and Cyprus (1.5 points). Possible explanations for low country scores could be small geographic and population size as well as lack of historical and political traditions in the area of multi-level governance.

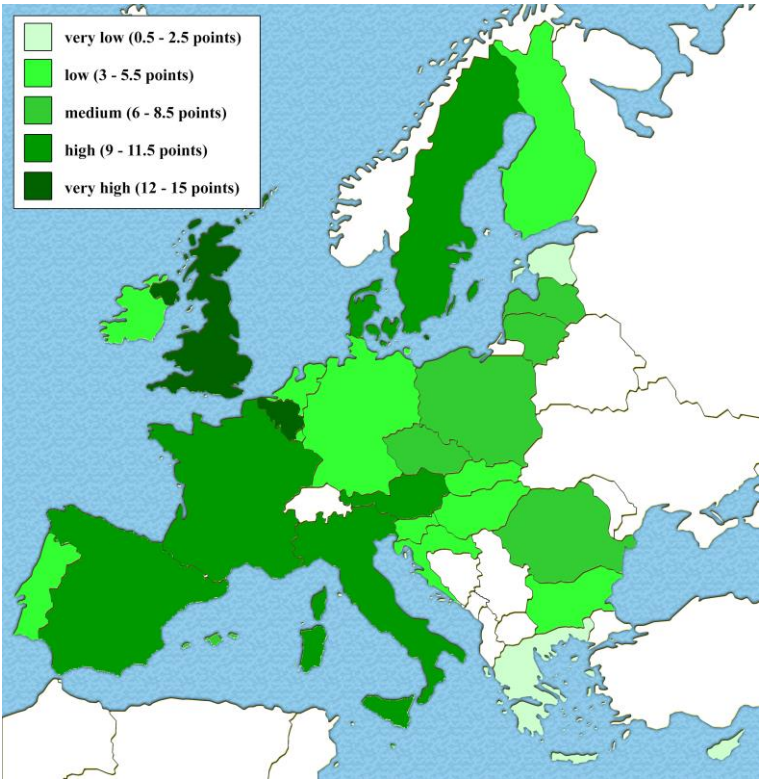


Figure 1: Map of the 2014 NRPs scores

Based on the categorisation used in the map above, it can be stated that the majority of Member States (16 countries, i.e. about 57%) show low or very low involvement of LRAs in their respective NRPs. Four countries (14%) show medium involvement; and high or very high involvement can be found in eight countries (about 29%).

The level of engagement of LRAs, as reflected in the NRPs, seems to vary across different topics. In most NRPs the role of LRAs is more visible when it comes to the implementation of the Europe 2020 strategy and to a lesser extent in the context of design and monitoring of the strategy and drafting of the NRPs. Issues related to the administrative capacities of LRAs and to the financial aspects of their activities seems to have gained importance over the past years.

An overview of the assessment of the questions shows that different issues have been reflected to a different extent in the 2014 NRPs. In the NRPs LRAs tend to be more present in the context of certain questions such as the implementation of the Europe 2020 strategy (Q6, Q7 and Q12). For other issues, such as those related to the drafting of the NRPs (Q1, Q2 and Q3) and to the design and monitoring of the strategy (Q2b, Q8), the involvement of LRA is described less prominently. This observation is a logical result of a more centralised governance system, where policies are drafted and adopted at the national level and subsequently sub-national policies need to be implemented at the local level. The strong involvement of LRAs in the implementation of policies also comes to show the important contribution that LRAs make towards achieving the objectives of the Europe 2020 strategy.

Strengthening administrative capacity, reduction of administrative burden and financial aspects relating to LRA actions have started to show greater visibility of LRAs over the past years. These developments could be attributed to the prolonged strains on national and sub-national budgets, which have necessitated more efficient spending from all levels of government.

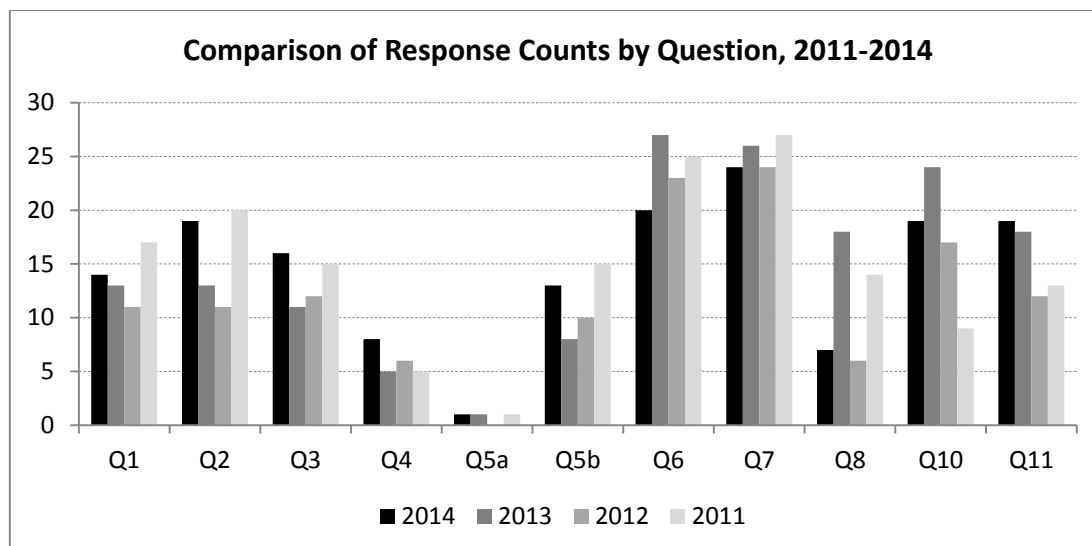


Figure 2: Percentage of NRPs that received at least a score of 1 for each of the 10 core questions in the 2011, 2012, 2013 and 2014 NRP analyses. Croatia is included in the 2013 rate.

The following subsections present the findings of the assessment in more details. They are generally summarised by question with the exception of questions 5a, 5b and the supplemental question 13, which are discussed jointly.

Selected concrete national examples showing the involvement of LRAs are given with the goal to demonstrate the diversity in how Member States explain in their NRPs the cooperation, distribution of responsibilities and financial resources between the central and local/regional levels of governments.

Comparisons with the results of the 2011, 2012 and 2013 NRP analyses are also included for each question. A dedicated section in the report follows to discuss in more details the development over time of the results.

2.1 Question specific analysis

2.1.1 Presentation of viewpoints of LRAs in the 2014 NRPs

Fourteen NRPs (50%) state that one or more LRAs or their representations were involved in the drafting process (AT, BE, CZ, DE, DK, ES, FR, IT, LT, LV, PL, SE, SK, UK). The remaining 14 NRPs make no explicit mention of LRAs in terms of who represented local and regional viewpoints.

Comparison with 2013: 13 NRPs (46%)

Comparison with 2012: 11 NRPs (41%)

Comparison with 2011: 17 NRPs (63%)

The actors representing the viewpoints of local and regional authorities, named in the NRPs range from public bodies and ministries to special regional associations, committees and unions. For instance, Italy's NRP refers to the 'Regions', administrative bodies territorially corresponding to the 21 administrative regions in the country, whereas according to the Germany NRP the 2014 document was developed under the leadership of the Federal Ministry for Economy and Energy, however with input and contributions from the *Länder*. In some national documents the relevant partners are referred to in a rather more unspecific way, such as "representative of local governments" in the Slovak NRP.

Contrary to that, in some other Member States LRAs have had a more direct representation. For example, in **Czech Republic** the NRP was developed in close collaboration with the *Association of Regions of the Czech Republic*, while the *Swedish Association of Local Authorities and Regions (SALAR)* provided input for the preparation of the **Swedish** NRP.

In the **UK** the Devolved Administrations of Scotland, Wales and Northern Ireland work very closely with the national government for the development of the NRPs.

In **Poland** the viewpoints of local and regional authorities was represented by a number of organizations, including the Union of the Provinces of the Republic of Poland, Union of Polish Districts, Union of Polish Metropolis, Union of Polish Cities, Union of Rural Communes of the Republic of Poland, Independent Self-governing Trade Union "Solidarność", All-Poland Alliance of Trade Unions.

The **Belgian** NRP was developed in close collaboration with the *Government of Flanders, Walloon Governments and the Wallonia-Brussels Federation, and the Brussels Capital Region*. Additional stakeholders, which have been referred to in the 2014 NRP are the *Association of Flemish Cities and Municipalities (VVSG)* and the *Association of the Flemish Provinces (VVP)*.

In **Denmark** a special *The Contact Committee for the Europe 2020 Strategy* has been set up in order to facilitate implementation of the Europe 2020 strategy and the European Semester in Denmark. Among a broad range of other interested organizations, local and regional authorities have a central role in this Committee, especially with respect to the national implementation of the growth and employment policy. Their representation in the Contact Committee comprises of approximately 30 partners.

2.1.2 *Forms of contribution by LRAs to the drafting of the 2014 NRPs*

Nineteen of the 28 submitted NRPs (68%) mention how the LRAs contributed to the drafting of the NRP (AT, BE, CZ, DE, DK, ES, FR, HR, IE, IT, LV, MT, NL, PL, PT, RO, SE, SK, UK). The remaining 9 NRPs do not make specific mention of LRAs with respect to the drafting process.

Comparison with 2013: 13 NRPs (46%)

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 20 NRPs (74%)

Different forms of contribution to the NRP drafting process are highlighted through examples in the following paragraphs.

Extensive participation and consultation

From the analysis of the 28 NRPs it seems that in the **UK** the engagement of LRAs in the process of developing the national document has been the strongest. According to the NRP the Devolved Administrations have "*contributed fully to the development of the UK National Reform Programme 2014*". In addition, the Scottish government has produced its own separate National Reform Programme in order to inform in more details the Commission on its distinct approach in supporting the delivery of the Europe 2020 ambitions. As part of the process of preparation of the 2014 NRP, stakeholder events were held both by the Scottish Government in Edinburgh and by the Welsh Government in Cardiff. The extensive dialogue and consultation of the LRAs in UK's 2014 NRP is in line with the Devolved Administrations' commitment to engage positively with the EU Institutions and represent regional interests.

It is explicitly stated that in the preparation of the **Austrian** NRP the federal government is making every effort to implement the Europe 2020 strategy "*with the close involvement of the provincial governments, regions and local governments*". In fact, provincial and local governments are referred to not only as contributors, but also as main drivers in the implementation of the country-specific recommendations.

Contributions of LRAs in **Belgium** have also received high consideration by the drafting of the national 2014 NRP. Each of the local and regional authorities, represented by the Government of Flanders, Walloon Governments and the

Wallonia-Brussels Federation, and the Brussels Capital Region, has drafted and included as an Appendix its own National Reform Programme.

Collaboration

In **Denmark** the contributions of the LRAs to the NRP were channelled through the Contact Committee. The Committee received a draft of the Danish NRP for a discussion at the end of February. The members of the Committee, which also include LRAs, were subsequently invited to submit their comments in writing. The National Report Programme has been finalised with due consideration of the comments sent by the Committee.

In **Germany** the Conference of the Minister of the *Länder* (*Fachministerkonferenz*) and the Joint Science Conference (*Gemeinsame Wissenschaftskonferenz*, GWK) provided a platform for LRAs to meet, prepare draft texts for the NRP under the guidance of the chairing Land Baden-Württemberg, comment on drafts and provide opinions. Not only were the contributions of the *Länder* reflected in the final NRP, but also input from a number of representatives from the economy and the social partners also fed into the drafting of the NRP.

Consultations

In the **Czech Republic** a number of "intensive formal and informal discussions" were organized with the participation of various stakeholders, including LRAs (Association of Regions of the Czech Republic, Union of Towns and Municipalities of the Czech Republic) in order to collect practical suggestions for partial modifications and amendments to the document. The aim of these consultations has been to ensure that the process of preparation of the 2014 NRP is as "transparent, open and inclusive" and that the final document is optimally consensual.

The **French** NRP does not mention direct contributions from LRAs but it points out that LRAs were given the opportunity to make a written statement in a consultation round afterwards and were invited to participate in an "exchange" event in Paris in February 2014.

The **Dutch** NRP was also drafted after an extensive consultation with local and regional representatives. Firstly, a kick-off meeting was held, which provided representatives from ministries, social partners and local authorities the opportunity to discuss the themes in the NRP before it was still drafted. Afterwards, the local authorities expressed their priorities with regards to the NRP and they were also consulted later in the process.

Portugal opted to formulate a multilevel strategy, articulated between the national and regional dimensions, and involved the five Regions and the two autonomous regions in a complex process for setting up priorities and identifying areas with potential for improvement.

In **Malta**, similarly to previous years, the Malta-EU Steering Action Committee (MUESAC) and the Malta Council for Economic and Social Development (MCESD), two forums which bring together many of the social partners in the Maltese islands, have been consulted by the government by the development of the NRP.

In **Slovakia** consultations with partners (incl. representatives of local government) were realized throughout the whole year in the form of conferences, seminars and presentations on actual topics. These forums provided all interested parties the opportunity to comment on the drafts. Council of solidarity and development function was also held as a platform for discussion, searching for solutions and agreements between government and other partners.

2.1.3 Involvement of the setting of targets

This sub-question is an additional one for this years' analysis and it does not contribute to the scoring but provides additional information regarding the contributions of LRAs to the NRP. Three of the 28 submitted NRPs (11%) mention the involvement of LRAs in the targets included in the document (BE, PT and UK). The remaining 25 NRPs do not make specific mention of LRAs with respect to target setting.

Only a very few Member States have stated in their NRPs that they have involved LRAs in the setting of the targets, mentioned in the document.

According to the NRP of **Belgium**, in the Flemish Reform Programme 2011 Flanders laid down its targets for the 5 main objectives of the Europe 2020 strategy.

Regarding the **UK's** NRP, it is not mentioned whether regions have been involved in the setting of the national Europe 2020 targets. However, the Devolved Administrations have adopted many targets of their own in line with the Europe 2020 objectives.

The **Portuguese** document received only half a point as it mentions the involvement of LRAs in target setting only in the case of the Strategy for Green Growth (*Estratégia e Coligação para o Crescimento Verde*).

It should be noted that the fact that most of the 2014 NRPs do not explicitly mention the involvement of LRAs in the setting of targets does not exclude the possibility that some Member States have still involved local partners in the process of target setting, but have not reflected that in the NRP.

2.1.4 Consideration of LRA input in drafting of 2014 NRPs

Sixteen NRPs (57%) state that LRAs were involved in the drafting process and their input was taken into consideration to varying extent (AT, BE, CZ, DE, DK, ES, FR, HR, IE, IT, LT, MT, PL, RO, SE, UK). The remaining 12 NRPs do not contain any statements regarding the extent to which LRA input was used in the preparation process.

Comparison with 2013: 11 NRPs (39%)

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 15 NRPs (56%)

Fully

Consideration of input was given full mentioning by the **UK** and **Polish** NRPs. In addition, the **Belgian** and **French** NRPs have included inputs from LRAs as a separate document in the annex.

Substantially

The NRPs of the **Czech Republic**, **Sweden**, **Denmark** and **Ireland** suggest that the input from LRAs in these countries has played a substantial role in the development of the national documents. After a consultation with different stakeholders, including LRAs, the **Czech** NRP has incorporated a number of practical suggestions for partial modifications and amendments to the document. As a result the developed NRP "*reflects a number of comments and suggestion put forward by the public*". In **Denmark** written comments submitted by the members of the Contact Committee for the European Union, including representation of LRAs, were taken up in the drafting of the NRP to the extent possible. In **Ireland** written submissions were received from a number of stakeholders and departments responsible for various elements have reflected the input of these organizations in the text to the extent possible.

To a Limited Extent

Based on the author's judgment the remaining five NRPs reflect only to a limited extent the consideration given to the viewpoints of LRAs. For example, the **German** NRP only states that the comments and contributions of the *Länder* are reflected in the NRP, but it does not provide any further details of how and to what extent their input has been taken up. In **Spain** input from Autonomous Communities has been taken up only partially, particularly in relation to Professional's services and Schools law. In Italy the "Regions" have sent their contributions on the basis of an agreed model and surveying instruments developed at central level. Consequently, the measures taken by all the Regions and Autonomous Provinces have been considered, including their later updates,

2.1.5 Treatment of written contribution from LRAs in the 2014 NRPs

This question does not contribute to the scoring but provides additional information regarding the availability of LRA contributions to the NRP. Eight NRPs (29%) include such written contributions from LRAs either in the form of an Annex (AT, BE, FR, IT, PL, RO, SE) or as separate documents (UK). The remaining 20 NRPs did not provide the written contributions in either form.

Comparison with 2013: 5 NRPs (18%)

Comparison with 2012: 6 NRPs (22%)

Comparison with 2011: 5 NRPs (19%)

The **Swedish** NRP contains a separate Appendix with the external contributions to Sweden's National Reform Programme. There are two sections particularly relevant to the involvement of LRAs: "*Contributions from SALAR (Swedish Association of Local Authorities and Regions) - as representative of regional and local levels*" and "*Contributions from the Local and Regional Levels*". Furthermore, the appendix to the NRP highlights the importance of multi-level governance and cohesion policy to the implementation of the Strategy and includes specific regional and local examples contributing to the fulfilment of Sweden's national targets.

According to the **Austrian** NRP four regions, namely Vorarlberg, Salzburg, Tirol and Niederösterreich, explicitly contributed to the formulation of measures for the Europe 2020 objectives. In addition, the NRP includes an Annex with the specific measures undertaken by different social partners, including LRAs, in order to address the country specific recommendations.

The **Italian** NRP includes a separate section dedicated to the "Regions" – *III. Regions* – with explanations of the responses to the country-specific recommendations and the actions for reaching the Europe 2020 targets at the regional level.

According to the **UK's** NRP "*the Devolved Administrations have contributed fully to the development of the UK National Reform Programme 2014*". Although other written contributions have not been included as part of the document, the Scottish Government has produced its own distinct National Reform programme and there is a direct reference in the UK NRP to this document.

2.1.6 Territorial Pacts, multilevel governance agreements, and similar coordination and integration of policies in the 2014 NRPs

This issue is addressed by two questions. Question 5 part a) asks if Territorial Pacts (as proposed by the CoR in 2010)⁴ are mentioned in the NRP and part b) considers other multilevel governance (MLG) agreements. Question 13 refers to any form of coordination or integration of policies without any formal MLG agreement. This question was introduced in the 2012 NRP assessment so the 2011 information is not available. The two questions and their three components are not mutually exclusive, meaning that NRP can mention any combination of these forms of governance.

Territorial Pacts

From the 28 NRPs only one (3.6%) – Luxembourg – refers to a multilevel governance approach, which could be considered close to the concept of a Territorial Pact.

Comparison with 2013: 1 NRP (3.6%)

Luxembourg has adopted a *Climate Pact*, which is a contract between municipalities and the State, implying commitments by both parties. Each municipality must commit to implementing a quality management system of its energy and climate policy, whereas the State provides a guarantee of financial support and technical assistance. However, none of the NRPs explicitly mentions the use of Territorial Pacts.

⁴ See <https://portal.cor.europa.eu/europe2020/MonitoringFlagships/Pages/TerritorialPacts.aspx> for more information.

Multi-level Governance

Thirteen NRPs (46%) mention MLGs referred to treaties, pacts, acts or signed agreements between the federal and regional level: AT, BE, DE, DK, ES, FI, HR, HU, IE, LV, NL, PT, SE.

Comparison with 2013: Eight NRPs (29%)

In **Belgium**, for example, Flanders ratified the Treaty on Stability, Coordination and Governance (TSCG) in 2012. One year later, the Federal Authorities, the Communities, the Regions and the Community Commissions signed a cooperation agreement regarding article 3, § 1, which was adopted in the Belgian Official Gazette. **Germany** has established such kinds of agreements in the area of education, career training. Examples to mention are the "Qualification Strategy", "National Strategy for Literary and Basic Education of Adults in Germany" and the "National Pact for Career Training and Talent Supply to better integrate migrants into the German labour market". In **Austria**, the cooperation between federal and provincial levels of governments is emphasized in the Austrian Federal Constitutional Act (B-VG). In **Denmark** the government has signed an agreement with the local authorities to carry out a systematic review on the rules in the major areas of welfare focusing on social services

Other forms of policy cooperation and integration

Twenty-two NRPs (79%) mention informal MLG-type agreements between the central government and local and/or regional authorities. They comprise AT, BE, BG, CY, CZ, DK, EE, EL, ES, FI, HU, IT, LT, LU, LV, MT, NL, PL, RO, SE, SK and the UK. Not all countries can be cited, but the following provide a subset that is both diverse in content as well as in geographical distribution.

Comparison with 2013: 21 NRPs (75%)

Comparison with 2012: 0 NRPs cited TPs, 10 NRPs cited MLGs (37%), 8 NRPs cited other forms of policy coordination and integration (30%)

Comparison with 2011: 1 NRP cited TP (3.7%), 15 NRPs cited MLGs (56%)

Most countries refer to establishments to improve the coordination and inclusion of LRAs, even if not always specified in much detail. The **Greek** National Strategy for Smart Specialization, cooperation has been developed with other Ministries from various sectors (Tourism, Health, Environment, ICT, etc.) as well as with regional authorities. This cooperation is planned to be systemized in

the future. This policy will permit a better exploitation of ESIF Funds as well as the available national funds with the aim to increase R&D investments, as well as a better coordination of different policies having an impact on the country's RDI system. Besides, innovation platforms have been established for major economic sectors in the cooperation with regional authorities in order to help them integrate RDI actions in their regional strategies and promote synergies between regional and national strategies.

In **Bulgaria**, the National Strategy for Reducing Poverty and Promoting Social Inclusion 2020 aims at the improvement of the efficiency of the social inclusion policy in the coming year. The Strategy was developed in 2012 with a wide range of stakeholders: representatives of the ministries, social partners, non-government organisations, academia and the National Association of Municipalities in the Republic of Bulgaria. Apart from this National Strategy, there are agreements with local governments for establishing centres for integrated services for children.

Lithuania plans to coordinate the preparation of municipal programmes for improving energy efficiency intended for the modernization of multi-apartment buildings, draw up investment plans for renovation of least energy efficient buildings selected by municipalities. Furthermore, in February 2014, the inter-institutional action plan for the Employment Enhancement Development Programme 2014-2020, providing for specifications and obligations of competent authorities in the implementation of this Programme was approved.

The **UK** has a regional partnership in the field of education in Wales since 2007. The main aim of the Regional Learning Partnership (RLP) is to ensure that publically funded learning providers and associated organisations work collaboratively, effectively and efficiently across the areas of education and regeneration to meet the needs of the regional economy in South West and Central Wales. The RLP is facilitating the development of a Regional Delivery Plan for Employment and Skills.

2.1.7 Mentioning of LRAs throughout the 2014 NRPs – relevant paragraphs and sections

Out of the 28 NRPs, 20 (71%) include direct references to LRAs (AT, BE, BG; CZ, DE, DK, ES, FI, HU, IE, IT, LT, LU, LV, PL, RO, SI, SE, SK and UK).

Comparison with 2013: 27 NRPs (96%)

Comparison with 2012: 23 NRPs (85%)

Comparison with 2011: 25 NRPs (93%)

Most of the NRPs contain a small section on Stakeholder and Institutional Involvement as suggested by the European Commission. These sections often describe the role and commitments of LRAs in certain issues such as financial transparency, community structuring, health system, education, energy efficiency, youth unemployment, spatial and economic planning. These issues are referred to measures to achieve the Europe 2020 Strategy's headline targets, additional reform measures, and the role of the Structural Funds. The breadth and detail of these references varies, however, quite substantially.

Among the NRPs with the most extensive coverage are **Austria, Finland, Hungary, Latvia, Poland** and the **UK**. **Austria**, for instance, devoted a 52 paged Annex to the involvement of LRAs in the measures for achieving the Europe 2020 targets. The Finish NRP, for instance, has a subchapter on local government administration and service structure reform whereas the Government is committed to reducing local authorities' duties and obligations in order to achieve a EUR 1 billion saving and to reconcile the municipalities' duties, obligations and their funding.

2.1.8 Role of LRAs in implementing the 2014 NRPs

Twenty-four (86%) of the NRPs mention LRAs as having an active role in implementing the activities described in their NRPs. Frequently, LRAs are seen as important or key actors, contributors or overseers of policies relevant to the Europe 2020 Strategy. Five NRPs (AT, BE, IT, LT and UK) are judged to fully describe how LRAs contribute to implementing the NRP measures. These and some NRPs with lower scores are described in detail in the table below. The NRPs that do not mention LRAs in this context are Croatia, Cyprus, Estonia and Greece.

Comparison with 2013: 26 NRPs (93%)

Comparison with 2012: 24 NRPs (89%)

Comparison with 2011: 27 NRPs (100%)

Table 2: Examples of how LRAs are involved in the implementation of the NRPs

Country	Examples of the role of LRAs in implementing the NRP
Austria	The role of implementation of LRAs is set within the Austrian Federal Constitutional Act (B-VG). The Austrian federal government is making effort to implement the Europe 2020 strategy with close involvement of the provincial governments, regions and local governments. The joint contribution can be found in Annex 2, table 2.
Belgium	<p>The Government of Flanders has taken a series of measures to increase the effective retirement age for government personnel. A competitiveness pact was concluded by the end of 2013 in which the federal authorities and the federal states joined forces to reinforce the competitiveness, focusing specifically in the areas of reduction of energy costs, support for R&D and innovation and etc. Principal policy measures with regard to the realization of the Europe 2020 objectives are included in the Annex 4 of the Flemish Region.</p> <p>In the Walloon Governments and the Wallonia-Brussels Federation emphasis is placed on the completion of the Marshall 2.green Plan, support to reflation, competitiveness and economy durability, including via R&D, innovation, and responsibility development. Variety of other measures under the objective of the Europe 2020 strategy are described in the Annex 5 of Wallonia and the Wallonia-Brussels Federation</p>
Bulgaria	LRAs have been involved in the implementation of the NRP in the following areas: social inclusion (decentralization of childcare), single information system for medical expertise, National Roma Integration Strategy, promotion of employment, improvement of the system of inspecting education, energy efficiency in the municipal and state educational infrastructure and etc.
Czech Republic	The LRAs have contributed to the implementation of the strategy through the following measures: implementation of young guarantee programme, implementing initiatives for the reduction of youth unemployment in the regions NUTS II Northwest, increasing the number of social workers in municipalities.
France	Profound reform of territorial entities and related public spending competences, promotion of youth employment through subsidized contracts and training for youth without professional qualifications, economic cooperation clusters and competitiveness clusters with participation of LRAs.

Country	Examples of the role of LRAs in implementing the NRP
Italy	Regions were developing and implementing many of the actions described within the NRP at local level, sometimes in cooperation with other national public bodies. These activities are related to: the implementation of the Spending Review (plan for cutting public administrative obsolete costs), the reinforcement of the Public Administration, the implementation of policies to support SMEs, interventions for job creation and social inclusion, the improvement of the fiscal system, and for territorial development. In addition, each Region will implement ad hoc measures for targeting EU 2020 objectives: employment R&D, greenhouse gas emissions, renewable energy sources, energy efficiency, increase of university education, fighting poverty.
Latvia	It is pointed out that the role of LRAs in implementation of vocational education in the regions of Latvia is increasing. LRAs are also involved in the implementation of a unified European program for adult education aiming at strengthening cooperation, coordination and information exchange between institutions involved in adult education. LRAs will be also responsible for increasing the energy performance of public buildings towards nearly zero energy level.
Sweden	County administrative boards are developing regional plans of action for climate change adaptation. The Government instructed actors with regional responsibility aim at strengthened regional competitiveness and sustainable growth. 8 regional action plans for each respective region have been set up. They are aimed to: stimulate skills development, increase transition to work among people far from the labour market and facilitate young people's establishment in working life.
UK	The Devolved Administrations have participated in the implementation of the strategy through measures aimed at increasing employability and fighting youth unemployment, combating poverty and providing childcare services, reducing social exclusion, promoting innovation and R&D. In addition, each administration has developed its own infrastructure plans. Local authorities have also been involved in the development of housing policies.

2.1.9 Role of LRAs in monitoring the 2014 NRPs

Seven NRPs (25%) mention LRAs in monitoring the NRP (BE, ES, HU, LT, RO, SE and UK), although less explicitly than they discuss their role in implementing the NRP measures. Therefore, three of them received a score of 0.5 for this question (HU, LT and RO).

Comparison with 2013: 18 NRPs (64%)

Comparison with 2012: 6 NRPs (22%)

Comparison with 2011: 14 NRPs (52%)

Discussions on how the LRAs can and/or will be involved in the monitoring and evaluation of activities and policies under the NRPs are either completely absent from the documents or only mentioned to a very limited extent. One explanation for this might be that monitoring is increasingly understood as being an integral part of programme design and implementation. Not only is an explicit reference to the term "monitoring" rare in the NRPs, but there is also a lack of information on LRA's involvement in activities that are aimed at following and evaluating the implementation of NRP actions. Although it cannot be concluded that this adequately reflects the situation on the ground, the lack of discussion on monitoring activities in the context of LRAs is a feature of most of the NRPs.

The **UK's** NRP refers to a number of programmes for monitoring progress towards the Government's priority areas, which have been set up by the Devolved Administrations. In Scotland, the NPF includes a wide range of economic, social and environmental indicators which cover the target areas identified in Europe 2020. Progress is monitored through *Scotland Performs*, the Scottish Government's online tool for reporting on progress. In Northern Ireland, "*the delivery framework makes provision for accountability for delivery to the Executive, to the Northern Ireland Assembly and to the public, and reports on progress against commitments in the Programme are made public on a regular basis*". In Wales, under the Programme for Government, the Welsh Government has set out a strategic plan of action that is designed to achieve priority objectives such as creating sustainable jobs, stimulating growth and reducing poverty. The plan also contains details of how the administration will measure progress.

In the context of social policy, in **Hungary** municipalities have been involved in the setting up of programmes aimed at monitoring the change of the situation of target groups due to social exclusion.

In **Lithuania** LRAs are trusted with more responsibility with regard to public health monitoring since the public health functions were transferred to municipalities in order to ensure public health monitoring.

In **Sweden** monitoring activities of LRAs are with a particular focus on gender equality. For instance, LRAs are responsible of monitoring the development of salaries and terms of employment and proposing active measure aimed at achieving greater equality in working life.

2.1.10 Role of LRAs in implementing past guidance and commitments, including examples of good practices in the 2014 NRPs

Of the 28 NRPs, only 9 (32%) include references to LRAs with respect to CSRs and forms of guidance from the EU. They are: BG, CY, DE, FI, IT, LT, LV, RO and SE. This question was added to the previous questionnaire, therefore comparisons can only be made with 2013 (61%).

In **Finland**, the NRP reports the results of a project launched in 2012 which during 2013 created a local government productivity scorecard, established a local government productivity databank, prepared local government productivity and effectiveness measurement guide intended for municipalities and arranged network meetings for municipalities engaged in productivity work.

One of the most detailed answers is found in the **Germany's** NRP, which includes a table, detailing the measures taken and under way to implement the past country-specific recommendations. The table also states if these measures involved actions at the level of the *Länder*.

In a chapter dedicated to "Regions", the **Italian** NRP includes a specific *subchapter III.1 Responses to the country specific recommendations*, where all the measures taken at regional level with regards to each country specific recommendation are described in detail.

Although the **Latvia's** NRP does not explicitly point to the implementation of past guidance and commitments, there are some examples mentioned such as the successful establishment of business incubators in different regions of Latvia, creating jobs for 1514 people.

2.1.11 Description of financial aspects of the activities related to LRAs in the 2014 NRPs

Nineteen NRPs (68%) provide information on the financial resources related to the activities of LRAs (AT, BE, BG, CY, CZ, DK, EE, EL, ES, FI, FR, HU, IT, LT, LU, NL, RO, SI and UK), although less explicitly than they discuss their role in implementing the NRP measures. Therefore, four of them received a score of 0.5 for this question (CY, CZ, EL and NL).

Comparison with 2013: 24 NRPs (86%)

Comparison with 2012: 17 NRPs (63%)

Comparison with 2011: 9 NRPs (33%)

In most cases, the information regarding the financial activities related to LRAs is presented in tables, Annexes or Appendixes. Information is also given in general terms, with few specifications on quantities or specific programmes. Most of the NRPs mention how Europeans Social Funds as well as Structural and Cohesion Funds are going to be used. Moreover, some NRPs highlight the importance of enhancing local and regional administration.

Some relevant examples are given in the table below.

Table 3: Examples of information provided in the NRP with respect to financial aspects of local and regional actions

Country	Examples of financial aspects relating to LRA activities under the NRP
Bulgaria	There is a description of the use of structural and cohesion funds for financing initiatives and projects. In relation to the OPRD programme, aimed to contribute in terms of integrated and sustainable urban development ensuring a better connectivity with Europe, it supports activities relating to the improvement of energy efficiency, as well as application of the Public Private Partnership approach.
Denmark	Legally binding expenditure ceilings have been placed on LRAs (with the implementation of the Budget Law) to control public expenditure. Emphasis has been put on the efficiency of spending in the public sector. In addition, expenditure ceilings for the central government, municipalities and regions have been implemented covering the period 2014-17. Furthermore, it manifested a need to promote the most efficient use of resources in the public sector

Country	Examples of financial aspects relating to LRA activities under the NRP
France	LRA are expected to use European funds where possible. They are supported from the national level in the form of - FUI - <i>fonds unique interministériel</i> (115M€) and loan concessions (100M€)
Slovenia	There is a change in the system of financing municipalities in such a way that the determination of adequate spending will no longer be based on the non-standardized spending of all municipalities in the previous four-year period through the standardized and limited share of expenditures for the functioning of a municipality. The change will encourage municipalities to interconnect (in particular regarding the currently dispersed finance for investments), and municipal budgets will be subject to systematic control by the Court of Audit. For disbursement of all Cohesion Policy structural funds (ERDF, ESF) and the Cohesion Fund (CF) Slovenia is preparing one Operational Programme as a contribution to fulfilment of the Union Strategy for smart, sustainable and inclusive growth.

Closely related to the issue of financial aspects of local and regional authorities is the question of budget coordination. The NRPs make reference to variety of existing methods for coordination of sectorial policies and budgets. For instance, in **Latvia** "coherent coordination of economy sectors for implementation of investment projects is ensured by the Coordination Council for Large and Strategically Important Investment Projects represented by sectoral ministries, national and local authorities, enterprises and NGOs". Horizontal and vertical coordination efforts are strongly present in European federal and semi-federal states. For instance, the **Austrian** Federal Constitutional Act (B-VG) for the cooperation between federal and provincial levels of governments, Austrian Stability Pact (ÖStP 2012) governs domestic budget coordination. The **Belgian** NRP states that "synergies between Wallonia and the Wallonia-Brussels Federation as well as the cooperation with the other federated entities have been increased based on reinforced coordination terms".

2.1.12 Administrative capacity of LRAs in the 2014 NRPs

Nineteen NRPs (68%) address the issue of strengthening or developing the administrative capacity of LRAs in the context of NRP measures (BE, BG, CY, CZ, DK, FI, EL, IE, IT, LT, LU, LV, MT, NL, PT, RO, SE, SK, UK).

Comparison with 2013: 18 NRPs (64%)

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 13 NRPs (48%)

Streamlining public administration at all levels, but in particular at local and regional level remains a main strategic goal for Member States. Many countries' NRPs make reference to improving the public sector services while addressing issues, such as administrative simplification, the introduction of eGovernance, measures for enhancing administrative capacity, deployment of integrated information system in public administration and promoting entrepreneurship. The extent to which NRPs address the capacity of LRAs varies in context and depth of detail varies. The NRPs of Bulgaria and Latvia, for instance, provide detailed measures to improve the public administration. A general focus of measures for enhancing the administrative capacities of LRAs mentioned in the 18 NRPs lies on issues, such as the widespread use of ICT, eGovernance and promoting entrepreneurship. A diverse subset of examples of such actions and plans are given below.

Bulgaria sets up various measures for enhancing administrative capacity and reducing red tape by launching initiatives for the introduction of e-governance and amendments in the public procurement area. In 2013, Bulgaria deployed an integrated information system in public administration and improvement of human resource management in public administration (Measure CSR5-A1). It is further planned to integrate the Administrative Register, information systems containing standardized names of administrative services and a system for self-assessment of administrative service provision. The objective of these measures is to provide public transparency, monitoring and control of activities of the public administration. Moreover, Bulgaria introduced a Plan for Optimizing Public Administration to modernize public administration by strengthening its expertise and regulating staffing and pay levels which should support the development a favourable business environment as well. Within that framework, also a System for Planning Human Resources in Public Administration was developed (Measure CSR5-A1).

The **Latvian** NRP report devotes one section to various activities planned at strengthening the capacity of LRAs for attracting investments and promoting entrepreneurship. Among others, further activities are mentioned: such as the preparation for improvement of the financial management system of local governments, increasing the accessibility and quality of services management system of local governments, increasing the accessibility and quality of services provided by LRAs by improving the public transport and infrastructure of

communal services; promoting entrepreneurship and innovations in regions and organizing capacity building trainings for LRAs. Moreover, the NRP mentions that financial support of 6.6 million EUR of which 100% by Structural funds was provided for hiring specialists at LRAs in order to raise the administrative capacity in the field of municipal development planning.

The **Netherlands** has introduced the Enterprise File and launched the Enterprise Square which is a portal bringing together all relevant government information, such as legislation and business subsidies. In addition, the government continues to pursue the reduction of the administrative burdens for companies by a funding of € 2.5 billion in 2017.

Portugal has set up a Reform for Public Administration (*reforma da Administração Pública*), aimed at decentralizing competences and aggregate municipalities in order to shift part of the decisional power from national to more local Public Bodies.

2.1.13 Role of LRAs in the two priority areas of job creation and fighting youth unemployment

Job creation and youth unemployment are tasks involving LRAs in 24 NRPs (86%), i.e. all NRPs except CY, HU, MT and SI.

Comparison with 2013:23 (82%)

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: --

This question was added to the 2012 analysis in light of the continued difficult economic situation in Europe and has been retained. Fighting unemployment, including youth unemployment, is also a main objective of the Europe 2020 Strategy. It is, therefore, not surprising that the majority of the 23 NRPs that address this issue in the context of the work done by LRAs also give it substantial weight.

Fully: BE, CZ, IT, LT and UK provide extensive references.

Substantial: AT, DK, DE, NL, PL, RO and ES provide substantial references.

To a limited extent: BG, EE, EL, FI, FR, HR, IE, LU, LV, PT, SE and SK provide limited references, but if the scope of job creation and youth unemployment is considered more broadly to include closely related measures

such as improving school outcomes and employment services to older adults, then the number and significance of measures cited in the NRPs increases further.

Examples for the highest category (mentioned to the full extent) are given below.

Policy measures for tackling youth unemployment and creating new jobs in the context of LRAs in the NRP of **Belgium** are covered under the sections *Recommendation № 6 on Job market, education and training policies*, *Employment in the Walloon Reform Programme* and *Labour market in the Flemish Reform Programme*. In addition, all actions under the Europe 2020 objectives, including employment actions, are delineated by LRAs (Flanders, Wallonia, and Brussels Capital Region) in Appendix 3. Furthermore, the Belgian NRP includes a dedicated chapter on the Belgian Youth Guarantee Implementation Plan (YGIP).

According to the **Czech** NRP, one of the priorities of the government in the area of rural development is the promotion of job creation in the country by supporting "*sectors with higher demands on the volume of human labour*". LRAs are involved in active employment policy for the elderly. Additional policy tools for fighting unemployment at the regional level are "*the regional individual projects (RIPs) within the authority of regional branches of the Labour Authority, which focus on combining several tools, particularly counselling combined with retraining and the support of creating a subsidised job (social purpose job), which take into account regional specifics.*" The EU Youth Employment Initiative is being implemented in the region NUTS 2 Northwest - the only one, which fulfilled the eligibility criteria of the Initiative, i.e. that in 2012 the youth unemployment rate was higher than 25% (namely 28.2%). Other measures aimed at addressing issues related to regional and local labour markets include modernization of employment services, extension and tailoring of guidance and counselling services, especially in regions and locations with above average unemployment and programmes for improving employability of older persons in in the Karlovy Vary, Central Bohemia and Olomouc Regions.

In **Italy** the "Raccomandazione n. 4" relates to the actions that will be implemented to hit UE 2020 targets on occupation, and will be applied directly by the regions on their own territory. Youth unemployment has been one of the main target of regional actions, through the "Iniziativa per l'Occupazione Giovanile" – YEI (Initiative for youth employment).

The **Lithuanian** NRP includes several initiatives for increasing employment, especially among the youth, implemented with the involvement of LRAs:

- During 2013, **131 local employment initiative projects** (11 funded from the state budget) were implemented in territories of high unemployment, 461 new jobs were created (of which 39 were funded from the state budget).
- 356 jobs were created during the implementation of the projects of local employment initiatives, 4,257 people engaged in individual activities under a business licence were granted subsidies in the implementation of self-employment programmes of the unemployed
- 11 youth **employment centres** (there is a total of 22 youth employment centres operating in the country), which help young people to get a better understanding of social and labour environment, solve their employment problems on their own, were opened under local Public Employment Service (Labour Exchanges) in 2013 (it is planned to establish youth employment centres in each municipality)
- The **Employment Enhancement Programme** was prepared in order to integrally solve problems related to job creation and increasing labour demand, match of skills of workforce with the labour market needs, maximum use of the potential of the current job resources and participation in the labour market by bringing together business, education and labour market sectors, including social partners and municipalities into the formation of employment policy.

In the **UK** the Devolved Administrations (Scotland, Wales and Northern Ireland) have undertaken a number of measures for increasing employability and fighting youth unemployment:

- Northern Ireland: Launching *Pathways to Success* to help young people who are not in education, employment or training (NEET). The strategy covers a package of measures such as a *Community Family Support Programme*, supporting disadvantaged families to help young people re-engage with education, training and employment, a *Collaboration and Innovation Fund*, enabling the community, voluntary and educational organizations to improve the employability of 6 000 disadvantaged unemployed young people, a *Pathway Allowance* for young people participating in European Social Fund Projects. The *Youth Employment Scheme* introduced in Northern Ireland in 2012 and offering a range of measures for addressing youth unemployment. The First Start programme providing employment for up to 26 weeks for young people aged 18-24 year old.

- Scotland: The *Curriculum for Excellence* is helping young people develop vital skills for life and work, while colleges are being reformed to ensure the skills people develop will help them find work and grow the economy. The *Opportunities for All* programme provides a guaranteed offer of a place in education or training for all 16-19 year olds not already in work, education or training. Almost 90 million pounds is being invested in helping Scotland's young people into work and supporting small business growth.
- Wales: The Jobs Growth Wales Programme provides unemployed young people aged 16-24 with job opportunities and valuable work experience for a 6 month period, with the intention that the job is sustainable after the 6 months. *The Traineeships Programme* (for 16-18 year olds) supports young people to gain sustained employment by helping them improve their skills, and looking at addressing barriers to learning – all of which may prevent a young person moving into employment or learning at a higher level.

2.1.14 Use of the Structural Funds by LRA to achieve the Europe 2020 goals and targets

Fifteen of the 28 countries (54%) cited how they are going to use the Structural Funds to achieve the goals and targets established by Europe 2020: AT, BE, BG, ES, FI, FR, HU, IE, IT, LT, LV, PL, RO, SE and UK. However, only three countries give full information: BE, IT and ES. Four of them give substantial information: AT, HU, RO and SE; the rest of the countries give information to a limit extend.

This question was added in the previous year, for that reason it can only be compared with 2013 (57%).

Full information

The **Belgian** NRP includes a separate sub-chapter on the use of structural funds ('Structure Funds and Investment Funds'), outlining the types of funds that the regions will qualify for in the next programming period: "Four Walloon provinces qualify as transition regions, while the Flemish and Brussels regions as well as the Walloon-Brabant region fall in the category of most developed regions. The three regions will participate in the same programmes for cross-border and transnational cooperation as is currently the case. The provinces of Liège and Hainaut as well as the Brussels Region also qualify for the initiative 'jobs for young people' (p.43). The individual Reform Programmes of Flanders, Wallonia and the Brussels Capital Region also refer directly to the use of structural funds at their administrative territories. In the Flemish Reform

Programme, for instance, it is highlighted that the region has "made optimal use of the resources of the *EU structural funds* (ERDF and ESF) in the *2007-2013 period* to live up to the Europe 2020 strategy. The absorption rate of the resources is nearly complete and many projects resulted in an effective added value for a competitive and sustainable economy and the promotion of employment." In Wallonia, in the new programming period Structural Funds are intended to be used for young people - they "will particularly aim the young people out of school with an immigrant background, and will include prevention, early involvement and compensation measures" (p.92). It is also mentioned that the improvement of the carbon balance will be a cross functional priority of the 2014-2020 programming of the *Structural Funds* in the region.

In the case of **Italy**, regions were involved in the process of definition and coordination of *Fondi Strutturali di Investimento Europeo SIE 2014-2020* (EU Structural Funds). Moreover, the share for each region of the SIE 2014-2020 is presented in separated documents called "Documenti Strategici Unitari" (Unified Strategic Documents).

Substantial Information

In **Sweden**, Structural Funds are going to be invested in initiatives in the area of energy efficiency, use of renewable energy and low-carbon technology through 8 regional programmes.

As examples of NRPs which deal to a limit extend with this topic, **Hungary** uses the Structural funds to finance for increasing energy efficiency. The development of day cares for children and the extension of their capacity were implemented on the budget of the Regional Development Operational Programmes. The horizontal foundation of inclusion policy at local level is established by local equal opportunity programmes. Since 1 July 2013 local governments can only receive grants subject to specific decision and tender from the subsystems of the budget, or EU funds, or other international programmes if they have an effective local equal opportunity programme.

To a limited extent

Lithuania is developing 4 EU Structural Fund project activities for strengthening methodological base (training programs, methodologies and other tools) for vocational guidance (career) services, training of career specialists, provision of services, arrangement of service monitoring as well as improvement of infrastructure were being implemented since 2012.

In **United Kingdom**, the RLP (Regional Learning Partnership) is currently facilitating the development of a Regional Delivery Plan for Employment and Skills which will inform the future application of European Structural Funds alongside domestic funding within the region to maximize learner benefits and positive progression outcomes.

2.1.15 LRA involvement in preparation of Partnership Agreements on the implementation of the new Common Strategic Framework for Cohesion Policy 2014-2020

The number of Member States that mentioned to include LRAs in the preparation of Partnership Agreements was 10 (36%): AT, BE, CZ, DE, ES, HU, IE, IT, RO and SE. This question was introduced in 2013 and it was then covered in 7 NRPs (25%).

In general terms, the NRPs do not give much information regarding this question. Based on the NRPs only the Czech Republic and Italy involved substantially LRAs in the preparation of the Partnership Agreements. The rest of the countries provided information to a limit extent. Some examples are:

The NRP of the **Czech Republic** elaborates that based on a Government Resolution the responsibility for the preparation of the Partnership Agreements falls to the Ministry for Regional Development. Preparatory works on the programming period 2014-2020 commenced in a broad partnership in 2010 and was conducted at key platforms. The members of the platforms consisted of regional partners (regions, towns, municipalities, local action groups, etc.), representatives of ministries, academic sector, the non-profit sector, social and economic partners.

The **Hungarian** NRP only mentioned the involvement of LRAs through the Territorial and Settlement Development Operational Programme, which aims at strengthening research, technological development and innovation.

In the case of **Ireland**, the Partnership Agreements have been prepared following a public consultation with a wide range of stakeholders. However, the NRP does not specify whether LRAs have been involved in the process. Nevertheless, it is stated the development of Ireland's Partnership Agreement and operational programmes has been informed by needs analyses, ex-ante evaluations, strategic environmental assessments and public consultations, involving a wide range of stakeholders as well as with Government Departments and State Agencies. It is fully consistent with Ireland's National Reform Programme.

2.1.16 Application of the Code of Conduct proposed by the EU Commission under the new Common Strategic Framework for the Structural Funds

This question was newly introduced in 2013. Only one NRP mentions the Code of Conduct directly (RO) and one makes an indirect reference (HR).

The **Romanian** NRP makes a direct reference to the application of the Code of Conduct: "Drafting the 2014 NRP considered primarily the methodology recommended to Member States SG COM in the attached letter Ares (2013) 3,248,869 - dated 15.10.2013. The NRP was designed based on the structure and content of the proposed methodology, which aims to ensure both continuity of reforms of the previous stage and taking new measures, which meet the requirements of the Partnership and the main reform measures agreed with European Commission and international financial institutions".

Even though the Code of Conduct is nowhere explicitly mentioned in the **Croatian** NRP, the draft of the Youth Guarantee Implementation Plan was awarded by the European Commission as a good example for social dialogue and involvement of all relevant stakeholders

Comparison with 2013: Only one - Germany.

Comparison with 2012: --

Comparison with 2011: --

2.1.17 Description of measures for reducing the administrative burden in relation to financing and implementation of Europe 2020

This is the first new, supplemental question added to the 2014 analysis. Twenty NRPs (71 %) (AT, BG, CZ, DK, EL, ES, FI, FR, HR, HU, IT, LT, LU, LV, MT, PL, RO, SE, SI and SK) explicitly mention targeted or at least planned measures for reducing the administrative burden. The NRPs refer to a variety of measures for reducing administrative burden such as: improvement in human resource management in public administration, modernisation and digitalisation of the administrative system, reducing the complexity of legal proceedings and increasing the efficiency of legal procedures, reducing the administrative burden in areas crucial for long-term economic growth (e.g. reducing bureaucratic obstacles and requirements for businesses, entrepreneurs and SMEs, R&D&I); improving quality of cooperation between different levels of the public

administration, developing an integrated information system in public administration, introducing an administrative reform of territorial entities; bundling of competences for accelerating procedures, improving management of EU funding. However, explicit descriptions of reduced administrative burden in relation to the financing and the implementation of Europe 2020 remain scarce. The following two examples present measures for the reduction of administrative burdens which are related to financing and implementation of Europe 2020.

The **Czech Republic** set up Measures for reducing the administrative burden of finances from EU funds in the programme period 2014-2020. The government has approved 53 measures for reducing the administrative burden for entrepreneurs, including Common Commencement Dates. Furthermore, additional measures are taken for reducing unnecessary administrative and financial burden of enterprises within environmental legislation as well as under the Eco-audit project in order to reduce administrative burden for R&D&I funding.

Latvia's NRP contains a separate section with undertaken and planned measures for reducing the administrative burden in relation to obtaining financing (acquisition of EU funds). Among others these include: clear division of responsibilities among competent authorities controlling acquisition of funds, reducing the number of such controlling institutions, focussing on achievements of the results. Some of the measures already undertaken in 2013 have also been indicated – for instance, a new framework for procurement procedures and their application to projects has been developed in order to strengthen the prevention of conflict of interests, ensuring publicity, and at the same time to minimize administrative burdens. In the planning period of the EU funds 2014 - 2020, the management and control system will be built on the basis of strands outlined in the EU Cohesion Policy Funds - the reduction of administrative burden for beneficiaries, a clear division of functions between the administrative supervisors of the EU Cohesion policy funds, etc. The main improvements, which are foreseen in the 2014-2020 EU funding period are related to reducing the number of institutions involved in administration of the EU Cohesion policy funds, improving co-operation between the authorities in order to avoid duplication of functions, introducing effective monitoring and control systems, including broader application of e-management system, reducing administrative burden for beneficiaries, ensuring more effective involvement of partners and NGOs in planning and acquisition of the EU funds.

Spain has set up a simplified and shortened process for obtaining and renewing environmental authorization and for conducting environmental impact

assessment. The NRP also mentioned that compliance obligations regarding environmental responsibility have been facilitated.

2.1.18 Use of private sources of funding or innovative financing tools by LRA

This question is one of the additional questions in the study of 2014. For this reason, there are not any previous data to compare the results. Of the 28 NRPs, 10 (36%) include measures aimed at encouraging a broader engagement of LRAs with alternative financing tools. They are BE, BG, CZ, EE, FR, IT, LV, RO, SK and UK, although in Czech's and Estonia's NRP it is not fully specified.

In **Belgium**, a new financing arrangement has been created for the period 2015-2020 in order to support, with the Flemish Climate Fund, projects or measures according to their greenhouse gas emission reduction potential and cost-efficiency. In Wallonia, new measures and initiatives include the upgrade of standards concerning the energy performance of new buildings, the extension in 2014 of the interest-free loans scheme for the financing of energy efficiency works in housing, a call for projects on the construction and renovation of non-residential model buildings, financing arrangements for the renovation of high energy-consuming public buildings (PIVERT 2) and additional subsidies for the renovation of school, municipal and voluntary sector buildings (special UREBA 2013).

Through LIP, **Bulgarian** and foreign investors can receive government support in the form of express administrative services, financial support for the development of the necessary infrastructure and for personnel training, the opportunity to acquire real property owned by the state or a municipality under more favourable conditions, and a package of incentive measures for priority investment projects.

In **Italy** innovative tools have recently been introduced in order to encourage public-private partnerships. Innovative tools adopted in legislation include project bonds, concessional leases and new tax rules favouring large concessions for infrastructure projects worth more than €200 million to be built without the contribution of government funds.

In the **United Kingdom**, The Scottish Government has pioneered new forms of investment and partnership. Additional investment for affordable housing through innovative financing approaches using guarantees, loans, grant recycling, new sources of private funding and new forms of partnership between the public, private and non-profit sectors is substantial and growing. At the same

time, in Northern Ireland have been developed a Collaboration and Innovation Fund focused on the needs of disadvantaged families to enable young people to reengage with education, employment or training.

2.1.19 References to initiatives for benchmarking, sharing of experiences and peer learning between regions and cities

This is the last question added in the questionnaire of 2014. It looks at whether countries have developed any platforms for benchmarking and exchange of experiences and good practices, facilitating learning between regions or cities through. Eight NRPs (29%) mention some initiative dealing with this topic: DK, EE, EL, ES, LU, LV, SE and UK.

There are differences within countries in the initiatives they have developed.

Denmark provides a very good example in this direction. Indeed, sharing of experience and mutual learning is set out as part of the plan for modernization of the public sector up to 2020. The government will focus on increasing the existing knowledge of effects, results, and best practices. Furthermore, the government and Local Government Denmark have in 2013 agreed to implement benchmark analyses in selected areas and on specific issues.

An exchange of good practices occurred in a regional perspective, as part of the European EU2020 Going Local project, to which **Luxembourg** is a partner. As a founding member, Lux innovation organises the inter-regional 1, 2, 3 Go event, which brings together participants with innovative ideas for starting companies and provides personalised support in developing their business plans. In 2013, sixty projects were submitted, with 28% of these approved. European Territorial Cooperation programmes for 2014-2020 are already in development.

In **Greece**, innovation platforms have been established for major economic sectors with the aim to identify priorities within each sector. The GSRT cooperates also with the regional authorities in order to help them integrate RDI actions in their regional strategies and to promote synergies between regional and national strategies.

2.1.20 Other findings

In addition to the information compiled for the assessment questions, there is a qualitative impression that NRPs since 2011 have become more concrete and detailed in their description of macro-economic and social developments. Many NRPs include specific programs and actions taken at different levels of government. Therefore, the promotion of the better linkage of actions across

sectors, governance levels and regions is becoming more important. However, it could be useful to survey Member States on how NRPs link LRAs to the implementation measures of the Europe 2020 goals, promote the better linkage of actions across governmental sectors and harness opportunities for increasing their effectiveness.

It is also noted, that the NRPs mention LRAs often within measures relating to employment issues, social inclusion, R&D, infrastructure, supporting business environment, education, energy efficiency and transport. It could be useful to survey to what extent more autonomy for LCAs effects in more efficient governance for the achievement of the 2020 targets.

Often, NRPs provide detailed tabulations of programmes and actions or inform about the response to the country-specific recommendation. Thus, the overall effort that some countries are putting into the NRP development appears to be increasing.

2.2 Development over time

The analysis of the 2013 NRPs used the same set of core questions as the 2011, 2012 and 2013 analyses. In addition, all the supplementary questions included in the 2013 analysis were also evaluated, namely addressing the country-specific recommendations given by the EU Commission (Q9), the use of Structural Funds by LRAs (Q14), the participation of LRAs in the development of the new Partnership Agreements for Cohesion Policy (Q15) and the application of the proposed Code of Conduct (Q16). The 2014 NRPs analysis has been extended to include three more questions and one sub-question, which have gained importance in light of the findings of CoR's Mid-term Review Assessment Report on Europe 2020 and the subsequent Athens Declaration.

The quantitative scores analysis of the 2014 NRPs showed that while LRAs have gained more visibility in some Member States, in others the degree of cooperation and coordination between the national and sub-national levels of government seem to have been on the decrease. A number of countries, with Belgium, Austria and Romania being the leaders, showed considerable progress compared to 2013 scores while others such as Spain and Greece showed a regression. The countries, which have recorded progress since 2013 are Austria, Belgium, Denmark, Estonia, Finland, France, Hungary, Ireland, Portugal and the two new Member States Romania and Bulgaria. Three Member States have maintained the same scoring as last year, namely Czech Republic, Luxembourg and Netherlands. Overall, eleven countries improved their scores compared to 2013, seventeen compared to 2012 and ten compared to 2011. Three countries,

namely Belgium, Denmark and Finland, showed a consistent improvement in their scores since 2011.

However, quantitative analysis in the form of score comparisons over time and across countries might conceive the full picture of the role of LRAs in the design and implementation of the NRPs. That is why due consideration should also be given to some qualitative characteristics of the NRPs. For instance, although many of the Member States have experienced regression in overall scores, some key questions seem to have been addressed in greater detail and in a larger set of NRPs as compared to last years – this is the case with the regard to information provided on the representatives LRAs, their contributions to the NRPs, the extent to which their input was considered as well as on the questions of administrative capacities and multilevel governance approaches. Therefore, one might conclude that LRAs have gained more visibility in the NRPs with regard to some of the key issues related to the drafting and implementation of the documents. Less consideration in the 2014 NRPs is given to the financial aspects related to LRAs. This might be a consequence of the strained public budgets and fiscal consolidation efforts, which have led to the reduction of regional budgets as well as more centralised management of overall national funds in many Member States.

Concerning the structure of the NRPs, positive development observed in most NRPs is the inclusion of a special section of the document dedicated to institutional issues and stakeholder involvement. The trend towards submitting more materials in the form of annexes to the NRP, which was observed last year, is still present in the 2014 NRPs. With this regard, concrete actions undertaken by LRAs for the monitoring and implementation of the Europe 2020 strategy have received more visibility. Furthermore, the annexes to the NRPs have become more and more detailed and descriptive, covering among others different actions and initiatives related to the Europe 2020 Strategy and undertaken by LRAs. In addition, an increased number of countries have submitted additional contribution from LRAs annexed to the NRP (29% compared to 18% in 2013). It could be concluded that the overall regression in scores is occurring against the backdrop of improved structure of the NRPs, which makes information related to LRAs involvement easier to find. However, it is not clear whether this trend corresponds to increased engagement or contribution on the side of LRAs as it might also be an attempt to increase the visibility of stakeholder cooperation in response to the EC drafting Guidelines for the NRPs. The guidance note on the content and format of the NRPs issued by the Commission in 2013 explicitly asks Member States to dedicate a specific section, 2 pages long, detailing how stakeholders were involved in the drafting of the NRP, including national Parliaments, social partners, civil society, regional and local authorities. The text of the guidelines note clearly states:

"Involvement and participation of all actors is essential to ensure ownership and facilitate external progress on the implementation of country-specific recommendations, objectives and targets. This section should thus explain the institutional process for the approval of the NRP as well as the involvement of the national institutional actors (national parliament, regional/local authorities, social partners / civil society)."⁵ Therefore, it cannot be excluded that consultations with different regional stakeholders for the drafting of the NRPs have also taken place before, but this has begun to be recorded more consistently in the documents just after the publication of the Commission's guidance note.

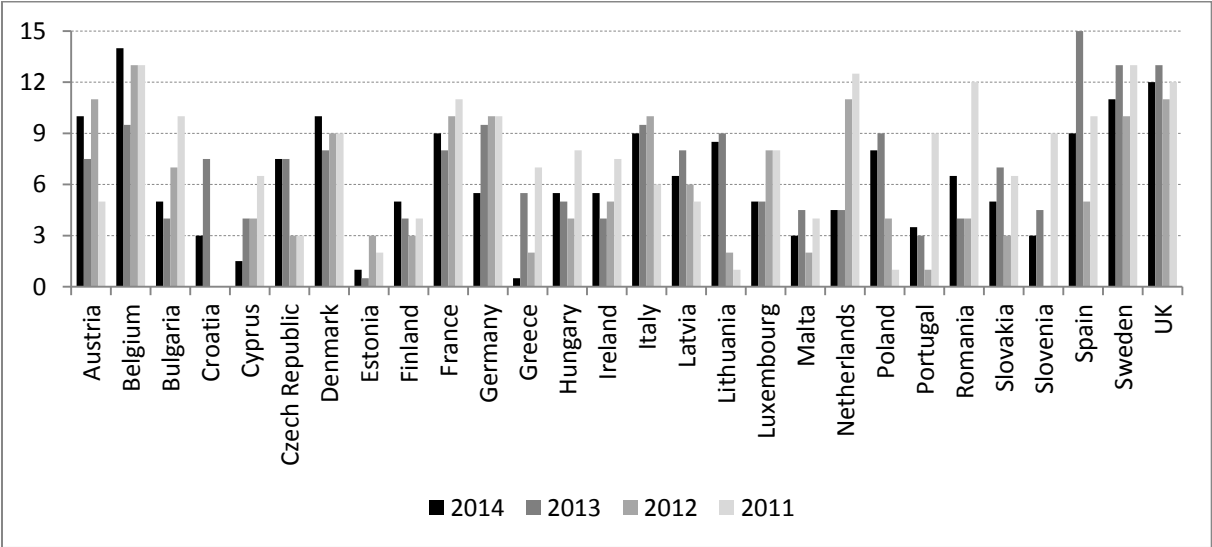


Figure 3: Comparison of 2014 NRP analysis with 2013, 2012 and 2011 NRP analysis by country.

⁵ European Commission. Guidance on the content and format of the national reform programmes. Ares (2013)3248869 - 15/10/2013.

3 The 2014 NRPs and the seven Europe 2020 Flagship Initiatives

The Europe 2020 Strategy encompasses seven Flagship Initiatives (FIs) to boost growth, create jobs and ensure greater societal cohesion and sustainability. These initiatives are also reflected in the NRPs, albeit to varying degrees and not in all cases with an explicit reference to the flagship initiatives. The review of the NRPs has shown that Member States are implementing a diversity of measures, often in collaboration with local and regional authorities, aimed at boosting economic growth, job creation, building a better appropriately educated workforce, fighting poverty and social exclusion in its many forms, and promoting entrepreneurship, innovation and SME development. The scope and funding level of the measures taken reflects both the Member States' ambitions with respect to their national targets and how they have set their priorities regarding the issues addressed by the Europe 2020 Strategy and its flagship initiatives.

For example, there are some countries, like Finland and Bulgaria having set ambitious targets and measures in the areas of R&D spending, GHG emissions reduction and poverty alleviation. However, their NRPs do not mention the term "flagship initiative" once. On the other hand, the Austrian NRP integrated targets, associated measures and actions related to the several Flagship Initiatives specifically in the first Annex. The Estonian NRP, for instance, outlines the priorities of government policies without providing detail on actual actions, nor how the different levels of governments are working together to implement them.

Overall, 18 Member States (64%) make an explicit reference to one or more of the flagship initiatives. The flagship initiatives with most extensive coverage across Member States in 2014 were in the area of smart and sustainable growth: the FI Digital agenda for Europe (54%), followed by Innovation Union and Resource efficient Europe (both 36%). Relatively less prominent in the 2014 NRPs have been the rest of the flagship initiatives: An agenda for new skills and jobs (25%), Youth on the move and An industrial policy for the globalization era (18%), and European platform against poverty (14%) (see Table 4). The flagship initiatives have been addressed most explicitly in the NRPs of Lithuania, Poland and Malta, which all have a separate chapter on their implementation. Annexes to the Bulgarian, Austrian and Czech NRPs report on a list of measures related to the implementation of the initiatives.

Table 4: Enumeration of NRPs' references to the seven flagship initiatives

Flagship Initiative	NRPs with reference to the FI (country)
Smart Growth: Digital agenda for Europe	AT, BE, BG, CZ, DE, ES, HR, IT, LT, LV, MT, PL, PT, RO, SE
Smart Growth: Innovation Union	BG, CY, CZ, LT, LV, MT, NL, PT, SE, SK
Smart Growth: Youth on the move	CZ, DE, LT, MT, SI
Sustainable Growth: Resource efficient Europe	AT, BE, BG, CZ, LT, LV, MT, NL, PL, UK
Sustainable Growth: An industrial policy for the globalisation era	BE, CZ, LT, MT, PL
Inclusive Growth: A agenda for new skills and jobs	CZ, DE, LT, MT, PL, SI, SE
Inclusive Growth: European Platform against poverty	CZ, LT, MT, PL

In many of the countries, where **the flagship initiatives** are mentioned, they **have been used as a lever for the development and implementation of different national or regional strategies, action plans and agendas**, thus streamlining the Europe 2020 and the flagships priorities.

To outline some of the examples that can be found in the NRPs:

- in Austria a "National Resource Efficiency Action Plan" was developed to foster the goals of the Resource Efficiency Flagship;
- in Belgium a national "A digital agenda for Belgium" was drawn up with the purpose of reaching the goals of 'Digital Agenda for Europe';
- in Bulgaria a "National Programme for Digital Bulgaria 2015" was adopted, setting a mid-term and long-term strategic goals for development of infrastructure;
- in reference to the flagship initiatives Digital Agenda for Europe, Innovation Union and Youth on the Move, the Czech Republic is preparing a "Strategic framework for development of eGovernment 2014+", "Research and innovation strategy for intelligent specialisation of the Czech Republic" and a Youth Guarantee Programme, respectively;
- in Malta the National ICT Strategy 2014-2020, Digital Malta, was launched, which outlines three strategic themes - Digital Citizen, Digital Business and Digital Government; under the Industrial Policy Flagship Malta Enterprise was introduced as the key industrial strategy driver;

- in Latvia, Guidelines for Development of Information Society for 2014–2020 were approved, defining the priorities of the ICT area for the programming period 2014–2020, based on the objectives set in the flagship initiative Digital Agenda for Europe;
- in 2013 the Digital Agenda for Spain was adopted as the framework strategy for the development of the digital economy and society for the period 2013-2015;
- Portugal has adopted a "A Digital Agenda for Portugal", aligning its areas of intervention with the Digital Agenda for Europe;
- in Italy, in line with the Europe 2020 Flagship Initiative "A digital Agenda for Europe", a "Cabina of Regia" (Leading Cabinet) was set up, in order to define urgent measures for the up-taking of the Digital Agenda and set up the Italian Digital Agenda (con dl 83/2012) and monitor and coordinate digitalization plans in line with the European ones;
- partly in the context of the flagship initiative 'A Resource Efficient Europe' the Netherlands has introduced a wide range of measures to promote resource efficiency;
- the Federal Government of Germany will decide on a comprehensive Digital Agenda 2014 - 2017, and implement it together with economic and social partners, and other stakeholders from civil society and academia;
- in Scotland (UK), the Resource Efficient Scotland programme provides support to businesses, third sector and public sector organisations to reduce overheads through improved energy, material resource and water efficiency;
- in Sweden, the county of Örebro was the first in the country to start work on a digital agenda at regional level in order to reach the goals of Europe 2020's FI "A Digital Agenda for Europe"; in the same region work is in progress for the development of regional innovative strategy, following the lead from the national innovation strategy, which, as emphasized in the document, is clearly linked to Europe 2020 and the flagship initiative "Innovation Union".

Most of the activities related to the FI either have the status of action plans/concepts/intentions or their preparation and implementation is currently underway. In contrast, monitoring and evaluation processes in the context of the FI are rarely discussed. However, there are some exceptions: Evaluation of program development under the Broadband Strategy 2020 + in Austria is being planned. Furthermore, in some NRPs the measures referring to the FI are listed in a table in the Annex with a detailed description of their expected impact (qualitative and/or quantitative), implementations deadline, scheduled stages and current status (Bulgaria, Czech Republic). All these examples point to **the wide**

use of the FI in the National Reform Programmes as a reference for policy planning and implementation, and to a lesser extent for policy monitoring and evaluation.

Generally, the FIs are rarely mentioned in the context of LRAs, implying that these policy programmes are still not sufficiently employed as a tool for improving the internal coordination between different EU, national and regional policies. However, there are some exceptions, where the flagship initiatives seem to have played an important role in enhancing policy coordination between different tiers of government. A point in case is the National Resource Efficiency Action Plan in Austria, whose implementation, evaluation and improvement is coordinated by the Federal Ministry of the Environment and supervised by a group where all relevant stakeholders (Ministries, provinces and municipalities, social partners and business representatives) are represented.

To gain an overview of the implementation of Europe 2020 policies vis-à-vis the flagship initiatives, the measures listed and described in the 28 NRPs were assessed under the flagship initiatives that they fit best under, regardless of whether the NRP made this link explicit or not. In some cases, a measure serves multiple goals and could be allocated to more than one flagship initiative, because they address several Europe 2020 objectives simultaneously or in a coordinated manner. For these two reasons, the counts presented in Table 5 should be seen as best judgments.

Overall, nearly all NRPs contain measures that fall within the scope of at least some of the seven flagship initiatives (see Table 5).

Table 5: Enumeration of NRPs’ references to actions falling under the seven flagship initiatives

Flagship Initiative	NRPs that contain actions referring to the FI or can be counted as relevant (country)
Smart Growth: Digital agenda for Europe	AT, BE, BG, CY, CZ, DE, DK, EL, ES, FI, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK, UK
Smart Growth: Innovation Union	AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, UK

Flagship Initiative	NRPs that contain actions referring to the FI or can be counted as relevant (country)
Smart Growth: Youth on the move	AT, BE, BG, CY, CZ, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, SE, SI, SK, UK
Sustainable Growth: Resource efficient Europe	AT, BE, BG, CZ, DE, DK, EE, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, UK
Sustainable Growth: An industrial policy for the globalisation era	AT, BE, BG, CY, CZ, DK, ES, FI, FR, EL, HR, HU, IE, IT, LV, LT, LU, MT, PL, RO, SE, SI, SK, UK
Inclusive Growth: A agenda for new skills and jobs	AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK, UK
Inclusive Growth: European Platform against poverty	AT, BE, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, UK

The following paragraphs highlight selected examples of actions for each flagship initiatives. These examples are not intended to be representative of the entire set of actions and initiatives described in the NRPs. Instead, the examples were chosen to illustrate (i) how they align with the corresponding flagship initiative, (ii) the diversity of approaches/actions including showcasing actions that are deemed particularly interesting. Since some countries, especially the larger economies in central Europe, have longer lists of initiatives, a final selection criterion was also to maintain geographical representation and showcase actions from small to large countries.

3.1 Smart Growth

Smart growth in the Europe 2020 strategy aims at improving the EU's performance in three areas:

- In education by fostering, updating and matching the skills of workers and young people entering the job market with those required by a technology and knowledge oriented society.
- In research and innovation by generating new markets and areas for job growth.
- By transitioning further to a digital society through the use of new information and communication technologies that harness economic and social potential.

Accordingly, the EU has designated three flagship initiatives: the Digital Agenda for Europe, the Innovation Union and the Youth on the Move Initiative. Each initiative is tied to measureable and qualitative targets and a specified timeline by which to achieve it

3.1.1 Digital Agenda for Europe

The Digital Agenda for Europe (DAE) aims to help Europe's citizens and businesses to get the most out of digital technologies. Launched in May 2010, the DAE contains 101 actions, grouped around seven priority areas: a vibrant, digital single market, interoperability and standards, trust and security, fast and ultrafast internet access, research and innovation, enhancing digital literacy, skills and inclusion and IT-enabled benefits for the EU society

Examples of corresponding actions in NRPs:

Bulgaria:

- **Introduction of e-justice:** The introduction of e-justice is based on the Concept Paper of E-Justice adopted at the end of 2012. Related work has begun to set up a centralised e-justice portal (Measure CSR5-B2), which shall ensure efficiency and transparency of the judicial system by providing real-time centralised and authorised access to the content of electronic case files, publication of e-communications and e-summons, fee payment, provision of e-services and access to standardised websites of the courts of law.
- **National Programme for Digital Bulgaria:** This National Strategy for the Development of Broadband Access in the Republic of Bulgaria by 2020 was adopted in 2012. Yet, the National Operational Plan for the implementation of strategic goals concerning the development of broadband access in Bulgaria has been updated. These documents set the mid-term and long-term strategic goals for development of infrastructure enabling access to the Single Market and for accelerated development of ultra-fast next-generation electronic communication networks.

Moreover, they will serve as a basis for the development of information society in Bulgaria. They envisage measures for the deployment of broadband access to remote and sparsely populated areas (Measure AM2-3) and meeting the needs of the public for modern broadband-based electronic services in the framework of e-government.

Germany:

- **Digital Agenda 2014-2017:** Germany wants to implement this Digital Agenda with the cooperation of economy, social partners, civil society and science. The focus of the agenda is on efficient broadband networks. Within this framework, the Strategy of Information and Communications Technology is also further developed. The main objective is to elaborate on digital infrastructures, to enhance and foster digital future technologies and to support the digitalisation of the classical industry.

3.1.2 Innovation Union

The Innovation Union plan contains over thirty actions points aimed at accomplishing three things:

- *Make Europe into a world-class science performer;*
- *Remove obstacles to innovation – such as expensive patenting, market fragmentation, slow speed in standard-setting and skills shortages – which currently prevent ideas getting quickly to market; and*
- *Revolutionise the way public and private sectors work together, notably through Innovation Partnerships between the European institutions, national and regional authorities and business.*

Examples of corresponding actions in NRPs:

Belgium:

Belgium has set up several actions on regional levels which are related to the Flagship Initiative Innovation Union especially in the area of R&D.

Wallonia, for instance, pursues the implementation of the Research Strategy 2011-2015 through mainly the decree of fundamental research funds (104 million/year), the creation of an institute for sustainable development (5 million/year), the financing of the institute for life science (6 million/year), the modification of the RDA decree and the introduction of new mobility mechanisms and investment in infrastructures. Moreover, several calls for

SMEs, social innovation projects were launched. In the framework of the Creative Wallonia Plan, multiple actions of creativity, learning sensitisation and support to innovative activities of SMEs were set up.

The Brussels Capital Region supported in 2013 projects for 33 million EUR in the priority areas of ICT, life sciences and sustainable development for the implementation of its Research, Development and Innovation Strategy. It is expected that the R&D budget will reach approximately 64 million EUR in 2014.

3.1.3 Youth on the Move

This initiative aims to better develop and harness the potential of Europe's youth through improved educational systems by building the necessary skills and experiences needed for success in the 21st century's entrepreneurial and technological society. The initiative includes programmes that helps students and trainees study abroad and equips young people with relevant skills for the job market. In turn, the programme also enhances the performance and international attractiveness of Europe's universities while improving all levels of education and training.

Examples of corresponding actions in NRPs:

In **Greece**, tackling youth unemployment is at the epicentre of employment policies:

- The Youth Employment Action Plan is a programme under the title "Action Plan with targeted interventions for the enforcement of the employment and the entrepreneurship of the youth within the National Strategic Reference Framework". The key thematic areas are job creation for young people, reinforcement of vocational education and training of apprenticeship schemes, establishment of school-to-work-programmes, reinforcement of career guidance, strengthening youth entrepreneurship.
- The National Youth Guarantee Implementation Plan (YGIP) plans on the one hand early intervention and activation for the support of young people who are neither in employment nor in education or training (NEET). On the other hand, labour market integration for measures in terms of access to education, training or employment.

Lithuania set up a great variety for the support of youth in educational and labour issues. Two of them are mentioned below:

- The implementation of the measure Support for the First Job, funded from the European social fund, launched on 1 August 2012, was continued in 2013. In order to encourage employers to hire young people, a part of salary of 16-29 year old persons, who have not yet been employed under an employment agreement, employed full-time for the first time, is reimbursed. An employer is compensated 23.3 % of the calculated salary amount for a period no longer than 12 months. By 31 December 2013, LTL 10 million was paid out to 9,062 employed young persons, 1,714 companies received support for that.
- Intensive Assistance Programme for Unemployed Young School Drop-outs was approved by the Order of the Minister of Social Security and Labour of 17 April 2013. Under this programme, the project Trust in Yourself was started in the end of 2013. In order to encourage the inclusion of socially disadvantaged young people into the labour market and/or educational system, the expansion of the scope of services of youth employment centres is planned by adding services of the organization of social rehabilitation and preparation for employment in the labour market for young people registered and not registered with Labour Exchanges. The target group of the project is 16-25 year olds, who do not work, do not study and are not engaged in the active labour market policy measures; 2 thousand young people are planned to be included in the project, the project value is LTL 4 million.

3.2 Sustainable Growth

3.2.1 *Resource Efficient Europe*

A resource efficient Europe can only be achieved if economic growth is decoupled from resource and energy use. The resource efficient Europe flagship initiative, therefore, aims to reduce CO2 emissions, promote greater energy security and reduce the resource intensity of consumption.

Examples of corresponding actions in NRPs:

Austria:

- National Resource Efficiency Action Plan (REAP): Implementation of measures in order to foster the REAP goals were set and have started. The implementation of the REAP is assessed by the periodical monitoring (quantitative and qualitative indicators). For the year 2014, a progress report is planned.

- Action Plan Sustainable Procurement: was adopted by the Council of Ministers in 2010. It pursues the long term goal that the public sector buys more and more sustainable products and services. Given the major purchasing power of the public sector, the Action Plan contributes to the development of a green and sustainable economy.
- Master Plan Green Jobs: The objective is to create additional 30 000 green jobs within the next four years and additional 100 000 green jobs until 2020. It defines 6 key areas of action in the environmental goods and service sector: fostering the export of environmental goods and services, focusing on environmental technologies, strengthening sustainable tourism in Austria, increasing the material use of biomass, thermal retrofitting and optimizing energy systems of buildings, fostering public transport, and increasing the share of renewable energy.

Netherlands:

The Netherlands have set up several measures including more efficient production chain management for phosphate, paper and textiles, such as sustainable procurement policies and incentives for businesses to increase recycling rates. In September 2013, the Social and Economic Council of the Netherlands, 40 public and private-sector parties, including employer associations, environmental groups, energy companies and the government signed the Energy Agreement for Sustainable Growth (hereafter the Energy Agreement). In addition, the government released a multiannual framework on resource efficiency and greenhouse gas emissions not covered under the Energy Agreement Act.

3.2.2 An Industrial Policy for the Globalization Era

A competitive EU economy that is able to drive and respond to globalisation requires a business sector that is entrepreneurial, competitive and sustainable. This flagship initiative, therefore, aims to support entrepreneurship and includes the entire (international) value chain and is characterised by a relative and absolute decoupling of greenhouse gas emissions. Policies in this context need to be devised by working closely with business, trade unions, academics, NGOs and consumer organisations.

Examples of corresponding actions in NRPs:

Malta:

Measures are taken in regard to enhancing competitiveness and encouraging investment including measures for provision of new job opportunities in both

conventional and alternative forms of energy as well as new infrastructural investment for Enemalt. Measures are also being introduced to support small and medium enterprises in generating employment and in sustaining the competitive profile, increasing efficiency and effectiveness of the judicial system to enhance overall competitiveness of the economy and enhance the business environment.

Ireland:

- **Microenterprise Loan Fund Scheme:** The Microenterprise Loan Fund Scheme facility was introduced in October 2012 to provide loans of up to €25,000 to micro-enterprises in a difficult economic environment, where they have been refused bank credit. It has now developed a presence in the Irish financial market. As of 4 April 2014, Microfinance Ireland (MFI), who manages the Fund on behalf of the State, has approved 192 applications to the value of €3.021m supporting 440 jobs. Under the Action Plan for Jobs 2014 a review of the Fund will commence in Q2 2014.
- **The SME Credit Guarantee Scheme:** The SME Credit Guarantee Scheme was launched in October 2012 to facilitate the provision of additional bank lending to eligible SMEs by providing a 75% State Guarantee to banks against losses on qualifying loans. Its objective is to encourage additional lending to SMEs, not to substitute for conventional lending that will otherwise have taken place. As of 11 April 2014 the CGS has 77 live facilities valuing €9.957 million, with a further 5 facilities valued at €450,000 repaid. The live facilities have resulted in 338 jobs created and 276 jobs maintained, with no information available on 5 live facilities. The 5 repaid facilities have resulted in an increase of 33 jobs and the maintenance of 10 jobs. The Scheme has now been reviewed and the necessary legislative amendments will be made by the Oireachtas in 2014 to enhance the take-up and impact of the Scheme.
- **Communication of State SME Supports:** In order to improve levels of awareness of state supports in Budget 2014 the Minister for Finance announced a cross-Governmental campaign to ensure that Irish businesses are aware of the supports for which they are potentially eligible – be it start-up funds, supporting loans or other non-financial supports such as mentoring, assistance pertaining to international fairs and skills training.

3.3 Inclusive Growth

3.3.1 *An Agenda for New Skills and Jobs*

This flagship initiative aims to help people acquire new skills, adapt to a changing labour market and make successful career shifts. Collectively it seeks to modernise the labour market to raise employment levels, reduce unemployment, increase labour productivity and ensure the sustainability of social models.

Examples of corresponding actions in NRPs:

Finland:

The Structural Policy Programme includes a package of measures to improve the functioning of the labour market. They deal with developing employment office services and changing the terms of unemployment security. The Employment and Economic Development Centres are obliged to significantly increase the making of job offers to be unemployed. The Unemployment Security Act will be amended so that an offered job must be accepted even outside the commuting area if the one-way time is no longer than one and a half hours. The occupational skills of workers will be promoted through a new operating model which came into force in 2014. This model makes it possible for unemployed to receive a tax deduction or other financial incentives for an employee's training. Furthermore, the government plans to improve the labour market position of long-term unemployed.

3.3.2 *European Platform against Poverty and Social Exclusion*

Europe 2020 identifies poverty and social exclusion as a key challenge towards making the EU a smart, sustainable and inclusive community. While poverty and social exclusion is mainly the responsibility of national governments, the flagship initiative against poverty recognises the fundamental rights of people experiencing poverty and social exclusion and enable them to live in dignity and take an active part in society through the mobilisation of support for integration, job placements and access to social benefits. In addition, regional development can help reduce regional disparities and promote economic, social and territorial cohesion as well as a more fair distribution of the benefits of growth across all of Europe's regions.

Examples of corresponding actions in NRPs:

Estonia:

The Estonia 2020 Strategy has set to decrease the at-risk-of-poverty rate primarily through increasing employment and increasing the general education level. Special attention is given to children's poverty and improvement of subsistence for lower income families with children by targeted social policy measures.

Slovenia:

Measures under section "Targets for combating poverty and social exclusion" in the NRP include amendments to the Law on the enforcement of public funds and the Law on Social Assistance. The amendments made to improve the social situation of the most vulnerable groups - single-parent and large families - in terms of increased weighting to calculate the amount of social assistance. At the same the Scholarship Act was also amended in relation to amendments of the Law on the enforcement of public funds according to the new regulation of certain additives to scholarships and restores partial scholarship for juvenile students, which will significantly improve the social situation of students under the age of 18 years who were included in the scholarship scheme. Furthermore, that law provides new scholarships for scarce occupations. Slovenia in April 2013 adopted the Resolution on the National Social Assistance Programme for the period 2013-2020, which represents a fundamental document for the development of the social protection system in that period.

4 Conclusions

In March 2014, during the 6th Summit of European Cities and Regions, the CoR adopted the Athens Declaration, which presents CoR's recommendations for reviewing Europe's strategy for growth and jobs from a local and regional perspective. The seven-point plan for reform of Europe 2020, as outlined in the Athens Declaration, calls for: giving Europe 2020 a more territorial dimension, increasing partnership between all levels of government in the preparation and implementation of the NRPs, making better use of the Flagship Initiatives for enhanced policy coordination, enhancing multi-level governance, aligning the European Semester with a long-term investment focus for Europe 2020, mobilising funding for long-term investment and strengthening administrative capacity.

Analysis of the NRPs shows that recommendations of the CoR for a review of the Europe 2020 strategy, as outlined in the Athens Declaration, raise very relevant and important issues, which have been addressed to a different extent by the Member States. The following main conclusions could be drawn based on the overall analysis of the 28 NRPs. Consideration is also given to the seven-points for reform presented in the Athens Declaration with regard to the NRPs.

Conclusion 1: Although the Europe 2020 Strategy does not contain a strictly regional dimension, analysis of the 2014 NRPs demonstrates intense activity for implementation of the Europe 2020 priorities on the ground. However, the place-based approach in target setting and monitoring is still insufficiently reflected in the NRPs.

The role of LRAs seems to be more visible in the context of the implementation of the Europe 2020 strategy (Q6, Q7 and Q12) as compared to their participation in the setting of targets (Q2 (b)) and in monitoring the NRP (Q8). Only three (11%) Member States mention the involvement of LRAs in setting the targets included in the document, which implies that the process of target setting is still rather centralised. Furthermore, it appears that LRAs have a much smaller role to play in monitoring the NRPs than in implementing them - 25% mention LRAs in monitoring the NRP, whereas 86% discuss their role in implementing the NRP measures. On the one hand, it becomes clear that LRAs hold many levers for achieving the strategy's priorities and they are very active in this area. On the other hand, the NRPs suggest that the design of the Europe 2020 strategy continues to follow a more top-down approach in terms of target setting and monitoring. According to the CoR, this discrepancy between the competences of LRAs and their actual power in influencing regional policy could be overcome by allowing regions to set territorially differentiated Europe 2020 targets,

building on their own starting points and potentials. This will ensure that there is more involvement and sense of responsibility on the ground and will help tap into the wealth of regional knowledge and skills. There is still the question of how this approach could practically be implemented given the large diversity of competences, level of development and division of power across European regions. The Athens Declaration puts forward the establishment of at least a limited number of quantitative regional targets for all regions and the adoption of a qualitative approach of a positive ‘path to change’, where more appropriate, as a possible way to better integrate the territorial approach into the policy design. The NRP analysis has also shown that development or further enhancement of the monitoring system for Europe 2020 at regional level should also be seen as a matter of priority if the territorial dimension of the strategy is to be further reinforced.

Conclusion 2: Although the involvement of LRAs in the implementations of the NRPs remains more present in the document, the NRPs show a visible progress in including LRAs as partners in the process of design of the NRPs. Based on the NRPs, LRAs seem to have more opportunities to express their viewpoints, submit written or other contributions and influence the drafting process of the NRPs. The NRPs also provide growing evidence for the existence of partnerships in the preparation and implementation of the NRPs, both formalised and unformalised, in line with the principles of multi-level governance

The role of LRAs in implementing the NRP could be assessed based on Q6, Q7 and Q12. These questions have consistently scored higher than others over the last few years, showing the important role that LRAs have in implementing the Europe 2020 strategy. The role of LRAs in designing of the National Reform Programmes is closely related to questions referring to the engagement of LRAs in the drafting of the NRP (Q 1, Q2a, Q3 and Q4) and the question on the use of multi-level governance approaches (Q5). Fourteen NRPs (50%) have stated that one or more LRAs or their representations were involved in the drafting process of the NRPs. Nineteen of the 28 submitted NRPs (68%) mention how the LRAs contributed to the drafting of the NRP. Sixteen NRPs (57%) state that LRAs were involved in the drafting process and their input was taken into consideration to varying extent. Eight NRPs (29%) include such written contributions from LRAs either in the form of an Annex or as separate documents. Thirteen NRPs (46%) mention MLGs referred to treaties, pacts, acts or signed agreements between the federal and regional level. Reference to territorial pacts in the NRPs is still lacking - from the 28 NRPs only one – Luxembourg – refers to a multilevel governance approach, which could be considered close to the concept of a Territorial Pact. Still, twenty-two NRPs (79%) mention informal MLG-type agreements between the central government and local and/or regional authorities.

Furthermore, the NRP analysis shows a clear evidence of the involvement of LRAs in different actions and policy plans, even though not formalised, included in the National Reform Programmes. It follows that the Committee of the Regions' intent to see LRAs involved as partners in the preparation and implementation of the NRPs, as reflected in the Athens Declaration, seems to be already satisfied in many of the Member States. Even though the setting of formal negotiated arrangements, such as Territorial Pacts, is adopted only to a limited extent, the NRPs mention a diverse set of informal negotiations and arrangements between different levels of government in the context of the Europe 2020 strategy. To increase the visibility of the involvement of LRAs and ensure close partnership between different levels of governance in the preparation of the NRPs, there is further scope for the Commission to continuously monitor its guidelines on the participation of LRAs in the drafting of the NRPs. The increase in the number of Member States submitting a written contribution to the NRPs is a positive step towards enhancing the multi-level governance approach of the strategy. As advocated by the CoR in the Athens Declaration, inviting other regions to submit an input on their own contribution to the NRPs will ensure that the territorial dimension in the design and implementation of the strategy across the EU is respected. In practice, there are different possibilities for streamlining input received by LRAs - for instance, through the inclusion of "Regional Reform Programmes" or "Regional Job Plans" and "Regional Specialisation Plans", complementing the national ones.

Conclusion 3: The 2014 NRPs include a variety of examples of multi-level governance approaches or coordination and integration policies, which fall short of a multi-level government agreement, particularly in relation to the planning and implementation of Europe 2020. Although non-formal agreements are prevailing over more formal approaches, the NRPs show a growing tendency of involving LRAs as partners. To further tap from the potential of European cities and regions, there is a scope for strengthening the bottom up approach in the design of Europe 2020.

Examples of multi-level governance approaches and policies which fall close to them have become more visible in the NRPs over the last years. 46 % of the NRPs mention MLGs referring to treaties, pacts, acts or signed agreements between the federal and regional level (Q6), whereas 79% of them make a reference to coordination and integration policies, which fall short of MLGs (Q13). These multi-level governance arrangements are predominantly related to the planning and implementation phases of the Europe 2020 Strategy rather than target setting, monitoring and evaluation processes. Only one of the NRPs refers to a multilevel governance approach between municipalities and the State, which could be considered close to the concept of a Territorial Pact.

Based on the overall analysis of the NRPs, it could be concluded that there is progress in demonstrating the role, participation and contributions of LRAs in the development of the NRP, but this is not observed uniformly across all countries. Although for the large majority of Member States the processes related to target setting, monitoring and evaluation of Europe 2020 priorities continue to be rather centralised, multi-level governance arrangements and other forms of cooperation between national and sub-national governments, formal as well as non-formal, are gaining importance in accordance with the CoR's recommendations in the Athens Declaration. Furthermore, following the EC drafting Guidelines for the NRPs and the January 2013 request by the EC Secretariat General that the Member States shall report explicitly on how LRAs were involved in the preparation of the NRP and the implementation of past guidance and commitments, majority of the 2014 NRPs are very well structured, often including a separate section with information on the involvement of other stakeholders, including LRAs. With regard to benchmarking and sharing of experiences, only eight NRPs (29%) make a reference to platforms for peer learning and sharing of experiences. Multilateral thematic exchanges and peer reviews between cities and regions is an important tool for improving territorial cooperation, enabling learning from each other and solving the common challenges facing European territories. Therefore, fostering horizontal dialogue and strengthening mutual learning is also strongly supported and highlighted as a policy priority by CoR in the Athens Declaration.

Conclusion 4: Most of the NRPs have a very strong focus on fiscal consolidation and cost saving policies, which hides the risk of losing sight of long-term investment priorities. It is hoped that this effect will be counteracted by the new Common Strategic Framework for Cohesion Policy, which allows aligning the European Semester with a long-term investment focus of Europe 2020 through the Partnership Agreements

Most of the NRPs have a very strong focus on fiscal consolidation and cost saving policies, including reduction and tighter control over municipalities' budgets (for instance, in Denmark, Finland, Slovenia, Lithuania). Some of these are a direct response to the country specific recommendations. Strict consolidation policies and high budget cuts hide the risk of not only hurting the low-income population by reducing incomes and welfare benefits, but also hampering long-term investment growth. Therefore, these policies are in stark contrast to the CoR's recommendation of supporting financing for long-term growth, especially for those sectors, which are crucial for the long-term Europe 2020 goals. However, the new Common Strategic Framework for Cohesion Policy 2014-2020, which is based on eleven policy objectives closely linked to

the Europe 2020 agenda⁶, could be seen as a very good development in terms keeping focus on long-term investment priorities. Most of the NRPs have a direct reference to the Partnership Agreements and 36% mention the involvement of LRAs in the preparation of the Partnership Agreements (Q15).

Conclusion 5: The NRPs show that the flagship initiatives have been used as a source of inspiration for policy planning and action across majority of Member States. However, only a few cases of monitoring or evaluation activities in the context of the flagship initiatives have been reflected in the NRPs. Examples of involvement of LRAs and policy coordination in respect to the initiatives are also barely reflected in the NRPs.

Overall, 18 Member States (64%) make an explicit reference to one or more of the flagship initiatives. Furthermore, almost every NRP includes actions that fall in the scope of the FIs, even if they are not referred to directly, which shows that these policy programmes have been widely used as an inspiration for the design and implementation of relevant national or regional strategies, action plans and agendas (see section three). Most of the activities related to the FIs are either still at the stage of action plans/concepts/intentions or their preparation and implementation is currently underway. Generally, there is limited information regarding the monitoring and evaluation of the planned measures and they are rarely mentioned in the context of LRAs. Only in a few cases the NRPs show that the FI have played a central role in improving policy coordination among different tiers of government. Therefore, to see the flagship initiatives acting as an engine for the implementation of the priorities of "smart, sustainable and inclusive growth", the Athens Declaration calls for a regular reporting on progress on the FI. Furthermore, since the FI are meant to work in concert with the Member States' policy measures and contribute to the achievements of the five headline targets, it is essential for all the relevant stakeholders to be involved in all stages of the preparation and implementation of their activities. Using the programme focus areas of the Europe 2020 FI in order to improve coordination and synergy between different policy areas will also help make better use of all instruments available at the EU level.

⁶ The eleven thematic objectives specified in the draft CSF regulation are: (1) Strengthening research, technological development and innovation; (2) Enhancing access to, and use and quality of, information and communication technologies; (3) Enhancing the competitiveness of SMEs, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF); (4) Supporting the shift towards a low-carbon economy in all sectors; (5) Promoting climate change adaptation and risk prevention and management; (6) Protecting the environment and promoting resource efficiency; (7) Promoting sustainable transport and removing bottlenecks in key network infrastructures; (8) Promoting employment and supporting labour mobility; (9) Promoting social inclusion and combating poverty; (10) Investing in education, skills and lifelong learning; (11) Enhancing institutional capacity and ensuring an efficient public administration.

Conclusion 6: Most Member States are taking measures to ensure better quality spending by improving administrative capacity and reducing administrative burden, while a few are trying to mobilise private funding and tap into new innovative financing tools.

Prolonged fiscal consolidation efforts and tight budgets have prompted many LRAs to look for other ways of mobilising funding for long-term investment. In most NRPs there seems to be a general focus on efficiency and ensuring "better spending".

71% of the NRPs explicitly mention targeted or at least planned measures for reducing the administrative burden (Q18). However, explicit descriptions in relation to the financing and the implementation of Europe 2020 remain scarce. In the NRPs reduction of administrative burden is discussed in the context of improving management of human resources in public administration, financing, legal and procurement procedures, reducing bureaucratic obstacles for entrepreneurs and businesses and etc.

Another option for increasing the efficiency of public spending, apart from reducing the administrative burden, which has been emphasized by the CoR in the Athens Declaration, is improving horizontal and vertical coordination of public budgets. Horizontal and vertical budget coordination could prevent the possible conflicting issues that might occur when the policy agendas and priorities pursued by local and regional governments are distinctly different. The NRPs make reference to variety of existing methods for coordination of sectoral policies and budgets. Furthermore, it is expected that the new Common Strategic Framework for Cohesion Policy 2014-2020 will improve vertical coordination of public budgets by concentrating national and regional authorities' activities on a limited number of common strategic objectives.

Tapping into innovative financial instruments can also increase resources for investment in a time of fiscal consolidation and strict budget constraints. Although less prominently reflected as compared to budget synchronization and improvement of administrative capacities, the issue of innovative financing tools is present in a number of the 2014 NRPs. In particular, 36 % of the NRPs include measures aimed at encouraging a broader engagement of LRAs with alternative financing tools (Q19). Some of these tools include guarantees, loans, grants, new sources of private funding and new forms of partnership between the public and private sectors, new legislation for the allocation of funds and etc.

Overall, the analysis of the NRPs showed a general tendency towards "better spending" rather than "more funding". At the background of severe budgetary cuts and fiscal consolidation efforts, measures for reducing the administrative

burden and synchronising public expenditure can prove as cost-efficient ways of boosting spending. This observation is broadly in line with the recommendations made in the Athens declaration.

Conclusion 7: Low capacities at local and regional level for the effective implementation of Europe 2020 are being addressed in many Member States. The NRPs show considerable efforts for strengthening the administrative capacity and efficiency of European regions. Apart from innovativeness in administration, innovativeness in finance is also gaining importance in some regions. However, opportunities for peer learning and exchange of experiences between regions and cities still seem to be insufficiently deployed.

The importance of strengthening public administration, as reflected in the NRPs, has grown considerably over the past years, possibly as a result of the increased constraints on public budgets and higher requirements for efficient spending and services delivery. 68 % of the 2014 NRPs address the issue of strengthening or developing the administrative capacity of LRAs in the context of NRP measures (Q11). Many countries' NRPs make reference to improving the public sector services while addressing issues such as administrative simplification, the introduction of eGovernance, measures for enhancing administrative capacity, deployment of integrated information system in public administration and promoting entrepreneurship. The issue of reduction of administrative burden, with or without direct reference to the financing and implementation of Europe 2020, has also been well reflected in the NRPs. Twenty NRPs (71 %) explicitly mention targeted or at least planned measures for reducing the administrative burden (Q18). Of the 28 NRPs, 9 (36 %) include measures aimed at encouraging a broader engagement of LRAs with innovative financing tools.

The design and implementation of successful regional development strategies and plans and the effective investment of European funds crucially depends on the level of administrative capacities on the ground. In this context, the growing importance of capacity building, innovation and simplifications with relation to public administration in the NRPs is consistent with the CoR's recommendation in the Athens Declaration for strengthening administrative capacity and addressing efficiency and innovativeness in the National Reform Programmes.

Next to strengthening of administrative capacities, the CoR emphasises the need for encouraging benchmarking, exchange of experiences and peer learning between regions and cities. Territorial cooperation through mutual learning and exchange of experiences could contribute to jointly addressing pan-regional challenges and solving common problems. However, effective benchmarking and peer learning also depends crucially on the administrative capacities at local and regional level. In fact, building of administrative capacities and mutual

learning are two mutually reinforcing forces – on the one hand, regions with better administrative capacities could learn more effectively from each other and adapt the lessons learnt from other regions to their own local context; and on the other hand, through benchmarking and peer exchanges regions can learn valuable lessons and receive inspiration on how to strengthen and innovate their administrative system, adopt new practices and boost the personal skills of employees in public administration. In contrast to strengthening of administrative capacity, the issue of benchmarking and sharing of experiences remains much less salient in the NRPs. Only 29% of the 2014 NRPs mention initiatives for benchmarking, sharing of experiences and peer learning between regions and cities (Q20). It follows that further efforts would be needed on the side of the EU and Member States, possibly by mobilising some existing EU instruments (such as the European Territorial Co-operation programmes and the European Grouping of Territorial Co-operation as suggested in the Athens Declaration), to support and encourage benchmarking and peer learning. One could expect that such a process would also further contribute to the efficiency, innovativeness and enhancement of capacities of public administration.