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 2013 National Reform Programmes

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This report does not seek to reproduce in detail the content of the 2013 National Reform Programmes submitted by the Member States and Croatia to the EU Commission but rather to identify and synthesise the main points in relation to the role of local and regional authorities in their drafting, implementation and evaluation. The information it contains is purely for illustrative purposes. The report is not binding on the Committee of the Regions' administration and does not prejudice the final content of the relevant Committee's opinion. It does not represent the official views of the Committee of the Regions.

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List of Acronyms

CoR	Committee of the Regions
EC	European Commission
EU	European Union
LA	Local authorities
LRA	Local and Regional Authorities
MLG	Multilevel governance
MS	Member State / Member States
NPR	National Progress Report / National Progress Reports
NRP	National Reform Programme
PPMI	Public Policy and Management Institute
RA	Regional authority / Regional authorities
R&D	Research and development
SCP	Stability and Convergence Programme
SME	Small and medium-sized enterprises

List of Country Abbreviations

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

1 Introduction

1.1 Background

The Europe 2020 strategy, the successor to the Lisbon strategy for the period 2000-2010, reaffirms the goal of the European Union and its individual Member States to become a smart, sustainable and inclusive community by 2020. These three mutually reinforcing objectives are aimed to help lift Europe out of the global economic and financial crisis by creating jobs, increasing productivity and strengthening internal cohesion.[1] The Europe 2020 Strategy contains quantifiable targets and flagship initiatives to achieve these goals.

For the third time, the new European Semester, an annual six-month period launched in 2011, required the Member States to submit their National Reform Programmes (NRPs) to how they are implementing the goals and targets set out in the Europe 2020 Strategy.

The Committee of the Regions (CoR) supports the Europe 2020 Strategy, while simultaneously emphasizing the need to coordinate and implement actions at all levels of government, including local and regional authorities (LRAs). It believes that Europe 2020 will not succeed unless it is designed and implemented in partnership by all tiers of government. The CoR, therefore, carries out structured and comparable reviews of the National Reform Programmes submitted annually by the EU Member States, the results of which will support the 4th Monitoring Report on Europe 2020 (to be published in October 2013) and the mid-term review of the Europe 2020 Strategy.

1.2 Objectives

The CoR conducted the first two reviews of the NRPs in 2011 and 2012. This is the third study, which evaluates the 2013 NRPs with the objective to analyse the scope, types and roles of involvement of LRAs in the design and implementation of the NRPs. Specifically, 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 and 2012 NRPs.
- examine if and to what extent the NRP fulfil the request made by the Secretariat General of the European Commission in January 2013 that, in their NRPs, the "Member States should notably report on ... how regional

[1] Cf. European Commission (2011). Europe 2020 Strategy. Available online at http://ec.europa.eu/europe2020/index_en.html (last accessed 31 May 2012).

and local authorities ... were involved in the preparation of the NRP and in the implementation of the past guidance and commitments. Good practice examples on the implementation process of the Europe 2020 strategy and the European Semester at regional and local level may also be included."[2]

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 27 NRPs and the Economic Programme of Croatia were evaluated regarding the same set of 10 core questions used in the 2012 and 2011 studies (cf. the assessment template in section 1.3). In addition, four new questions were added to the assessment template:

> Q9 (replacing the old question 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?
>
> Q14: Does the NRP state if and how LRAs are/are planning to use the Structural Funds to achieve the Europe 2020 goals and targets?
>
> Q15: 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?

[2] See EC Secretariat General "Guidance on the content and format of the National Reform Programmes", 14 January 2013.

Q16: 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)?

These new questions reflect the dynamic nature of the European policy process in light of the evolving economic, financial, and social situation as well as the progress of implementation of measures towards achieving the Europe 2020 Strategy and their interaction with the scope of the CoR's work to ensure a strong role for LRAs.

1.3 Data and Methodology

The 2013 NRPs are the basis for this assessment.[3] Each NRP was reviewed using the same set of harmonised core and supplemental questions compiled in a *tabular information fiche* as shown in Table 2. 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.

Croatia, although not yet a full EU Member State is voluntarily following the European Semester process and submitted its 2013 Economic Programme, which was evaluated using the same criteria as the 27 NRPs. Thus, unless it is explicitly stated, the results presented in this report refer to the 28 documents (27 NRPs and one Economic Programme).

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. 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 2012 and 2011 results, only ten questions (Q1-Q3, Q5a,b-

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

Q8, Q10-Q11) were considered in the total score, while the new supplemental questions in the 2013 review were used to gather more qualitative information about the 2013 NRPs. This permits both a cross-country comparison and a temporal progress review.

Table 1: 2013 information fiche used to assess the 2013 NRPs.

Questions	Findings	Answer categories and scores (in addition page number or other appropriate reference where the information was provided)	2013 Score	Score 2012	Score 2011
1. Does the NRP state **who represented the viewpoints of local and regional authorities** (LRAs)?		**Yes (1 point) or No (0p)** Additional information: • 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: • In your country, how were the actors representing the regional/intermediary/local authorities involved in the drafting of the country's new 2012 NRP?			
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)**			

4. Written **contribution from LRAs annexed** to the NRP?		**Yes, annexed to NRP (2 points)** **No, separate documents (1 point)** **No (0 points)**			
5. Mention of **Multilevel Governance** approaches, e.g., **Territorial Pacts**?		**<u>Territorial Pacts:</u>** **Yes (1 point) or No (0 points)** **<u>For other multi-level governance agreements:</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)**			
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. [new] 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: • Descriptive information on type and amount of financing			
11. **Administrative capacity** of local and regional authorities?		**Yes (1 point) or No (0 points)** • Additional descriptive information if available			
12. [old 13] 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**			
13. [old 14] 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 or No** Additional descriptive information if available			

14. [new] Does the NRP state **if and how LRAs are/are planning to use the Structural Funds** to achieve the Europe 2020 goals and targets?		**Not at all** **To a limited extent** **Substantially)** **Fully**			
15. [new] 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**			
16. [new] 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** **No**			
17. [old 15]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.			

Note: the grey-shaded areas reflect the newly added questions and the cross-hashed score fields reflect that there is no information for 2012 and/or 2011

2 Analysis

The following subsections present the findings of the assessment. 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 2012 and 2011 NRP analyses are also made for each question.

2.1 Presentation of viewpoints of LRAs in the 2013 NRPs

Thirteen NRPs (46%) state that one or more LRAs or their representations were involved in the drafting process (BE, CZ, DK, DE, IE, LV, LT, MT, NL, PL, ES, SE and UK). The remaining 15 NRPs make no explicit mention of LRAs in terms of who represented local and regional viewpoints.

Comparison with 2012: 11 NRPs (41%)

Comparison with 2011: 17 NRPs (63%)

The LRAs named range from unspecific references to "local and regional authorities" to specific names of associations. For example, Belgium's NRP refers to governments of the Regions and the Communities while Sweden's names the Swedish Association of Local Authorities and Regions (SALAR). In the UK the Devolved Administrations of Scotland, Wales and Northern Ireland are the relevant partners for the national government while in Germany it is the Länder that closely cooperated with the central government in the development of the German NRP.

The **Belgian** NRP is developed in close collaboration between the federal government and the governments of the Regions and the Communities.

The **German** NRP was prepared by the Federal Government with the cooperation of the Länder and the Federation of German Local Authority Associations.

In **Lithuania** the Association of Local Authorities represented the viewpoints of the LRAs.

Implementing the country-specific recommendations and achieving the Europe 2020 targets require a commitment not only from central government, but also from the social partners, local authorities and non-governmental organizations. As in previous years, therefore, these stakeholders were consulted during the drafting of this National Reform Programme by the **Dutch** government.

In **Sweden** SALAR is represented in a reference group along with representatives from other social partners such as the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO), the Swedish Confederation for Professional Employees (TCO) and representatives from the Swedish ministries. The reference group was established by the Swedish government in order to hold regular meetings for discussions and consultations.

2.2 Forms of contribution by LRAs to the drafting of the 2013 NRPs

Thirteen of the 28 submitted NRPs (46%) mention how the LRAs contributed to the drafting of the NRP (BE, CZ, DK, DE, IE, LV, LT, MT, NL, PL, ES, SE and UK). The remaining 15 NRPs do not make specific mention of LRAs with respect to the drafting process.

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 20 NRPs (74%)

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

Extensive participation and consultation

Perhaps the most detailed and extensive dialogue and consultation on the 2013 NRP took place in the **UK**: the Devolved Administrations contributed fully to the development of the 2013 UK National Reform Programme and the Scottish Government produced its own distinct National Reform Programme, which is intended to complement the UK NRP, in order to help provide the Commission with more detail on the unique characteristics of and the distinct approaches being taken forward in Scotland which support delivery of the Europe 2020 ambitions. In the context of preparing the 2013 NRP, stakeholder events were held by the Scottish Government in Edinburgh on 28 February 2013 and by the

Welsh Government in Cardiff on 19 March 2013. These events were attended by representatives from the Government, the European Commission, Devolved Administrations and other interested stakeholders.

Collaboration

The contribution by LRAs to the NRP in **Denmark** took the special form of a Contact Committee, in which the LRAs engaged in a dialogue with representatives from relevant ministries and interest organizations regarding the overall EU growth and jobs agenda. This Contact Committee provides LRAs with a direct channel to national decision-making regarding the NRP. More specifically, during the first half of the year the Contact Committee is kept updated about the progress, while during the second half of the year it is involved more actively through themed meetings. The Contact Committee also has the opportunity to comment on the draft NRP.

The ministers of the "Länder" in **Germany** met in so-called topic-specific conference meetings ("Fachministerkonferenzen") during which they prepared their positions to the draft NRP developed by the central government. These comments then fed into the final NRP and will also be published verbatim in a separate document.

The **Latvian** Association of Local and Regional Governments participated in the working group that developed the NRP progress report.

Poland instituted the Interministerial Team for Europe 2020 Strategy. This opining and advisory body of the Prime Minister, headed by the Minister of Economy, includes not only representatives of the government administration entities, but also several representatives of local self-government units, entrepreneurs' organisations, labour unions, economic and agricultural chambers, non-governmental organisations and research and scientific institutions.

Consultations

The **Czech** NRP states that "intensive formal and informal discussion" where held involving LRAs (Association of regions of CZK, Union of towns and villages of CZK), and that Government of CZK used numerous comments to adjust or complement the document.

The **Irish** government invited the local and regional authorities and other stakeholders to share their views in advance of the drafting of the NRP. Furthermore, a draft of the NRP Update for 2013 was subsequently circulated to

the same organisations, offering a further opportunity for input. Written submissions were received from a number of these organisations.

The **Dutch** NRP states that achieving the Europe 2020 objectives will require the commitment not only of central government but also of other stakeholders such as social partners and local authorities. For this reason and as in previous years, these parties were consulted when drafting this National Reform Programme and some submitted their contributions in separate documents.

A reference group, including SALAR, was established by the **Swedish** government in order to hold regular meetings for discussions and consultations on the implementation of the Europe 2020 Strategy in Sweden.

Other and unspecified forms of contributions

The **Austrian** NRP makes implicit mentioning of LRAs in the drafting process by stating that the Austrian federal government made every effort to implement the Europe 2020 strategy with the close involvement of the provincial governments, regions and local governments as well as the social partners and all relevant interest groups.

2.3 Consideration of LRA input in drafting of 2013 NRPs

Eleven NRPs (39%) state that LRAs were involved in the drafting process and their input was taken into consideration to varying extent (BE, CZ, DK, FR, DE, IE, LT, PL, ES, SE, and UK). The remaining NRPs do not contain any statements regarding the extent to which LRA input was used in the preparation process.

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 15 NRPs (56%)

Fully

Consideration of input was given full mentioning by the **Danish, the Spanish, Swedish and UK** NRPs.

The Danish NRP is built on LRA input to the extent possible, whereas in Spain Regional Authorities specified objectives and contributed regional policies to the NRP. The Swedish NRP contains an Annex the contribution from the social partners (incl. SALAR), which accounts for the work carried out by the social partners in accordance with the strategy's guidelines and goals. And the UK's

governance structure is reflected in the NRP through numerous references as to how the Devolved Authorities are participating in the shaping of the NRP.

Substantially

The **German, Irish and Polish** NRPs make substantial reference to how the LRA input was taken into account. The **German** NRP states that input from the Länder and the Federation of German Local Authority Associations was taken duly into consideration. Similarly, the **Irish** NRP includes all comments that where within the scope of the update and the Departments responsible for various elements have, where possible and appropriate, reflected the input of these organisations in the text. The **Polish** NRP explains the role and power of the Interministerial team, created by the Prime Minister in 2012, in shaping the NRP. This advisory body is headed by the Minister of Economy and includes representatives of government administration entities, local self-government units, entrepreneurs' organisations, labour unions, economic and agricultural chambers, non-governmental organisations and research and scientific institutions. Its tasks include, among others, giving opinions on draft NRPs and other documents prepared in relation to the implementation of the Europe 2020 strategy in Poland and progress monitoring.

To a limited extent

The remaining four NRPs were judged to give a limited account on how the viewpoints of the LRAs were taken into consideration during the NRP drafting process. In the **Belgian** NRP, for example, the Government prides itself on close cooperation with the LRAs during the preparation of the NRP, but does not provide any further details.

2.4 Treatment of written contribution from LRAs in the 2013 NRPs

This question does not contribute to the scoring but provides additional information regarding the availability of LRA contributions to the NRP. Five NRPs (18%) include such written contributions from LRAs either in the form of an Annex (SE) or as separate documents (AT, BE, DE and UK). The remaining 23 NRPs (82%) did not provide the written contributions in either form.

Comparison with 2012: 6 NRPs (22%)

Comparison with 2011: 5 NRPs (19%)

Appendix 2 titled "Contributions from the Swedish Association of Local Authorities and Regions (SALAR)" in the **Swedish** NRP describes the importance of multi-level governance in Sweden and highlights that municipalities and counties play a critical role for the successful implementation of the strategy. The appendix further gives regional and local examples that contribute to the fulfillment of Sweden's national targets.

Austria reports on flagship projects contributing to the national Europe 2020 targets with a detailed list of measures and actions taken for each of the Europe 2020 targets by Land, municipality and/or social partner in Annex 3 of its submission.

The **Belgian** NRP contains four annexes for the Flemish, Wallonian, capital and German-speaking community in Belgium, which describe the regional reform programmes in detail according to the Europe 2020 objectives and targets.

Germany's NRP states that it will make the comments presented by the "Länder" available to the public in a separate document, but has not attached them to its NRP submission to the EU Commission.

In the case of the **UK**, the NRP states that "the Devolved Administrations contributed fully to the development of the 2013 UK National Reform Programme. In addition, the Scottish Government has produced its own distinct National Reform Programme." It was not submitted in conjunction with its NRP.

2.5 Territorial Pacts, multilevel governance agreements, and similar coordination and integration of policies in the 2013 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 that 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.

[4] See https://portal.cor.europa.eu/europe2020/news/Pages/TerritorialPacts.aspx for more information.

Territorial Pacts

Only one of the 28 NRPs (3.6%) – the UK's – mentions the use of Territorial Pacts to improve the coordination and inclusion of LRAs but provides no further details regarding how it is used.

Multilevel Governance

Eight NRPs (29%) mention MLGs, often in the context of implementing specific NRP measures: AT, BE, HR, CZ, FR, IT, ES and SE. In Austria, for example, opportunities for cooperation between the federal government and the provincial governments are harnessed using agreements made on the basis of Article 15a of the Federal Constitutional Act (B-VG). These address issues such as health care organisation and funding, energy efficiency, minimum income, childcare and measures in the field of education. The agreements between the federal government and the provincial governments are binding. In the Czech Republic sector-specific agreements exist, such as between employers and local governments, local work bureaus, and regional committees for the development of human resources. And in Spain MLG agreements are facilitated in many sectors and policy issues through the constitutional distribution of powers and responsibilities between the central and the autonomous regional authorities.

Other forms of policy cooperation and integration

Twenty-one NRPs (75%) reference informal MLG-type agreements between the central government and local and/or regional authorities. They are AT, BE, HR, CZ, DK, EE, FI, FR, DE, IT, LV, LT, LU, MT, NL, PT, SK, SI, ES, SE and the UK. Not all countries' examples of cooperation can be cited, but the following provide a subset that is both diverse in content as well as in geographical distribution.

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%)

The **Croatian** Economic Programme includes as an example the Act on Entrepreneurship Support Infrastructure, which, inter alia, defines the preparation of a register of entrepreneurial zones and business support institutions according to specific categories, enables financing of infrastructure supporting entrepreneurship with development potential and potential to attract investment projects, and places emphasis on network cooperation at local,

regional and national levels and connecting entrepreneurial projects with universities and research institutions.

Finland's government is reducing long-term unemployment with a local government trial implemented in 2012–2015 that involves 61 municipalities and 23 projects. The participating municipalities coordinate the provision of services for the long-term unemployed, evaluate service needs as well as plan and monitor service processes. Services promoting employment are implemented with a cooperation that is multidisciplinary and crosses sector boundaries.

The **Italian** NRP refers to a Memorandum of Understanding between central government and local stakeholders, including local authorities, to implement active labour market policies.

The work on the "Climate Pact" in **Luxembourg** was completed together with municipalities in 2012. Through this Pact, the State is offering a legislative, technical and financial point of reference to municipalities to facilitate their targeted action in the fight against climate change. The law was approved in September of 2012.

2.6 Mentioning of LRAs throughout the 2013 NRPs – relevant paragraphs and sections

Of the 28 NRPs, 27 (96%) include direct references to LRAs, only the Irish NRP does not.

Comparison with 2012: 23 NRPs (85%)

Comparison with 2011: 25 NRPs (93%)

Many NRPs contain a small section on Stakeholder and Institutional Involvement as suggested by the EU Commission. These sections often describe the government's process to draft the annual NRP and contain useful information on the role and involvement of LRAs. Nonetheless, a majority of NRPs also mentions LRAs in other sections of the NRP dealing with, for example, implementation of CSR, actions outlining 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 Germany, Sweden and the UK (see also question 4 in section 2.4).

2.7 Role of LRAs in implementing the 2013 NRPs

Twenty-six (93%) 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. Ten NRPs (AT, BE, DE, IT, LV, LT, SK, ES, SE and UK) are judged to fully describe how LRAs contribute to implementing the NRP measures. They are described in detail below (cf. Table 2). The NRPs that do not mention LRAs in this context are Estonia and Ireland.

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 NRP

Country	Examples of the role of LRAs in implementing the NRP
Austria	Within their areas of responsibility, the provincial and local governments not only contribute to reaching the national Europe 2020 targets but also drive the implementation of country-specific recommendations. … Examples of measures which are the sole responsibility of the provincial governments can be found in Annex 3.
Belgium	Wallonia opts for a strong local partnership between the worlds of education and training on the one hand, and the social partners (organised at a sectoral or an intersectoral level) on the other hand, aiming at a better harmonization of the training supply and an improvement of its quality. In Flanders, the services in terms of preventive support in housing have been extended and a partnership has been forged with stakeholders in the fields of housing, health care and welfare, and with local administrations. … In 2013, resources will be made available to launch local and regional networks.
Germany	Selected measures implemented by the Länder are presented throughout the NRP, for example: The system [of dual vocational education and training] is supplemented by programmes at government, Länder and local authority level, including for example, a universal career entry support programme planned for the medium-term.
Italy	Chapter 6 explains the measures taken at regional level in conjunction with the CSR and the Appendix lists the measures taken by region in tabular format.[5]
Latvia	Local governments completely cover the financing of social assistance benefits for the poor and needy population. The introduction of the temporary state financing for local governments (from October 2009

[5] In the Italian unabridged NRP.

	until January 31, 2012) has not changed the basic principles of the social assistance system – the local governments remain the main administrators of the benefit (social service of the local government assesses the material resources and social situation of the person/household before granting the benefit).
Lithuania	Implementation of social programmes carried out in municipalities, such as the programmes for the development of social security, reduction of poverty and social exclusion; children and youth socialization programmes; funding of education and training programmes; programme for passenger transport privileges, etc.
Slovakia	Other ministers, government plenipotentiaries, representatives of other central government bodies, local governments, academia, business sector and the third sector participate in delivering the strategy through cooperation in selected areas. At the working level, the preparation and implementation of measures under the NRP is coordinated by a working group of state secretaries of the ministries involved and during the review procedure, which is a standard instrument used in the Slovak Republic for the adoption of government proposals, all stakeholders, including local governments can comment on the proposed actions.
Spain	On the revenue side, the Autonomous Regions have introduced measures to increase revenues. This includes the creation of new taxes (tax on stays in tourist accommodation and environmental taxes), regulation of the regional segment of existing taxation (tax on retails sales of some hydrocarbons), and an increase in their own taxes and a raise in levies. … Following approval, at the monitoring phase, an open dialogue will be held with all the social partners and representatives of the Autonomous Regions, with the aim of carrying out a detailed assessment of the results.
Sweden	SALAR is involved in discussions and consultations on the implementation of the strategy in Sweden. In the light of local self-government in Sweden, the local level has a leading role in implementing some of the targets set by the Government. In the spring of 2013, work will commence on developing a new controlling document for regional growth policy, which will largely replace the current strategy for regional competitiveness, entrepreneurship and employment 2007–2013.
UK	Work to implement the strategy [Working for Growth] is now underway and will be monitored by the newly constituted Scottish Employability Forum, jointly chaired at a senior political level by Scottish, UK and local government.

2.8 Role of LRAs in monitoring

Eighteen NRPs (64%) mention LRAs in monitoring the NRP (AT, BE, HR, CZ, DK, FR, DE, EL, IT, LU, MT, PL, RO, SK, SI, ES, SE and UK), although less explicitly than they discuss their role in implementing the NRP measures. Therefore, nine of them received a score of 0.5 for this question (AT, BE, CZ, DK, DE, EL, LU, MT and SE).

Comparison with 2012: 6 NRPs (22%)

Comparison with 2011: 14 NRPs (52%)

There was overall a noticeable absence of discussions on how the LRAs can and/or will be involved in the monitoring and evaluation of activities and policies under the NRP. Perhaps this is because monitoring is increasingly understood to be an integral part of programme design and implementation. Thus, not only is the explicit use of the term "monitoring" rare throughout all 2013 NRPs but activities that are aimed at following and evaluating the implementation of NRP actions are generally not discussed in the context of local and regional government operations. This may not adequately reflect the actual situation on the ground but is a characteristic of many NRPs.

The **Croatian** Economic Programme states that additional support to the work of LPEs (Local Partnerships for Employment) will be provided through the establishment of the National Coordinating Body having the monitoring role over the activities of LPEs.

In **France** a particular focus is on improving educational attainment through "monitoring and support for "dropouts". This is accomplished through platforms that coordinate stakeholders in education and inclusion of young people. In the field, 372 platforms monitoring and support under the responsibility of prefects were implemented. Their work is already bearing fruit: since May 2011, the platforms have made 165,900 contacts, conducted 89,900 interviews and found solutions for 58,500 "dropouts", including employment for 7,100 of them.

In **Italy**, open governance is gaining traction, for example, through Open Coesione, which is an online portal allowing citizens to get open access information on *all projects that have monitoring component*.

The **Polish** NRP refers to monitoring in the context of the Smart Specialisation strategy: After smart specialisations are established, a system for the strategies implementation, monitoring and evaluation will also be developed. These activities will be carried out in close cooperation between the Ministry of

Economy, the Ministry of Science and Higher Education and the Ministry of Regional Development, as well as representatives of local authorities and academic and business circles.

2.9 Role of LRAs in implementing past guidance and commitments, including examples of good practices in the 2013 NRPs

Of the 28 NRPs, 17 (61%) include references to LRAs with respect to CSRs and forms of guidance from the EU. They are: AT, BG, CZ, DK, FR, DE, IT, LV, LT, MT, NL, PL, PT, SK, SI, ES and UK. This is a new, supplemental question and cannot be compared with 2012 and 2011. It is therefore not part of the scoring.

Comparison with 2012: --

Comparison with 2011: --

The **Austrian** NRP, in particular, includes a number of specific examples of successful local actions such as the ones for the provinces of Salzburg and Styria: The province of Salzburg established a separate steering group of mayors from the province for the design and implementation of the Europe 2020 strategy in the CSF funding period 2014–2020; this group is cited as an example of best practice (see Annex 3). Another best practice example is the structural reform of municipal government in the province of Styria (see Annex 3). The separate document on CSRs also contains references to Länder actions, albeit not in the form of good practices.

The **Bulgarian** NRP, which otherwise lacks information on LRAs, makes a reference to local and regional authorities as part of CSR 5 on building administrative capacity.

In **Malta** actions taken in response to CSRs include the following: during 2012, the Directorate for Lifelong Learning (DLL) and the Department for Local Government (DLG) continued collaborating together on the scheme called 'Lifelong Learning in the Community' which was first launched in 2010. Besides the Adult Literacy (Maltese & English) and Numeracy (Maths) courses hosted by *local councils*, the DLL offered other courses amongst which: Energy Saving Initiatives, Maltese Lace Bobbin, Arabic, Spanish, Italian, French, German as well as English and Maltese as a Foreign Language.

2.10 Description of financial aspects of the activities related to LRAs in the 2013 NRPs

Twenty-four NRPs (86%) provide information on the financial resources related to the activities of LRAs. The exceptions are: CZ, EE, IE and PT.

Comparison with 2012: 17 NRPs (63%)

Comparison with 2011: 9 NRPs (33%)

Explicit financial information related to activities and policy implementation under the NRP is occasionally provided in the text of the NRPs but mostly in the tables listing the specific measures (if such tables are included in the NRP). Several Member States mention how European Union funds, such as the European Structural Fund (ESF), are contributing to specific NRP measures (cf. question 14). The information is sometimes given in general terms and with a focus on administrative and oversight roles and sometimes with explicit figures on how much has been or will be spent on a given project.

Examples of both types and how the NRPs address funding issues related to NRP measures are shown in Table 3.

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
Finland	The Government is committed to strengthening the long-term nature, binding effect and steering role of the Basic Public Services Programme procedure and in this way aims to integrate the local government sector better into the multi-annual spending limits system for public finances. The Government decided in spring 2013 that the Ministry of Finance will establish a civil service working group to develop the Basic Public Services Programme procedure with the aim of boosting the macroeconomic steering of local government.
Greece	Annex I provides a list of measures and their budgetary sources.
Netherlands	The government has earmarked an additional 50 million euro to provide a boost for regional efforts to tackle youth unemployment and has launched School Ex 2.0, a programme intended to encourage young people in secondary vocational education (MBO) to continue studying longer and to choose a course with greater relevance for the labour market. These measures will build on the positive experience gained with the Youth Unemployment Action Plan in 2009 and the methods and infrastructure developed by the regions at that time. The additional funds will be used to encourage young people in the regions to follow an education and to help them in their search for work.
Portugal	In the framework of the Programme District Heating, Heat and Comfort, 31.2 million Lei from the State Budget and 28.98 million Lei of local contributions was spent in 2012, for the rehabilitation of centralized district heating systems.

2.11 Administrative capacity of LRAs in the 2013 NRPs

Eighteen NRPs (64%) address the issue of strengthening or developing the administrative capacity of LRAs in the context of NRP measures (BE, BG, HR, CY, FI, FR, EL, HU, IT, LV, LT, LU, PL, PT, SK, SI, ES and UK).

Comparison with 2012: 12 NRPs (44%)

Comparison with 2011: 13 NRPs (48%)

Streamlining public administration at all level, but in particular at local and regional levels remains a main strategic goal for many Member States and this is reflected in the CSRs. Therefore, many countries' NRPs make reference to improving public sector services while reducing costs. Mitigating and reducing the administrative burden and making government more effective and efficient for businesses and entrepreneurs are other focal areas of NRP actions. eGovernance, open governance are therefore frequently cited keywords in the NRP. However, *detailed* plans for strengthening local and regional authorities' capacity remained relatively scarce in the 2012 NRPs. A diverse subset of examples of such actions and plans are given below.

In **Bulgaria** the focus in the NRP is on eGovernance and improved services as is evidenced by these statements: Improve the quality and independence of the judicial system and speed up the introduction of e-government. Strengthen public administrative capacity in key transport sectors and regulatory authorities. In **Cyprus** the goal is to modernise public administration and provide public electronic services: The need for a general reorganization and modernisation of the public sector and local authorities, with the widespread use of ICT (achieve a paperless government and promote the development of all public services electronically) is still valid.

In addition, the study for the development of a centralised information management system that will be used to serve all municipalities will be completed by the end of 2013.

The **Portuguese** NRP aims to reduce administrative burdens, e.g., by launching a new "Simplex Programme" covering central and local administration.

The **Spanish** NRP has an entire chapter devoted to Modernizing Public Administration. Among the measures that will be implemented to promote growth and increase the current and future competitiveness of the Spanish economy is the Draft Bill for the Rationalisation and Sustainability in Local Authorities, which will be submitted to Parliament in July. It will represent a saving estimated at 8 billion euros in 2014 and 2015 (AGS 5.1.1).

2.12 Role of LRAs in job creation and fighting youth unemployment

Job creation and youth unemployment are tasks involving LRAs in 23 NRPs (82%), i.e., all NRPs except CY, IE, LV, RO and SI.

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

AT, DK, DE, SE and the UK provide extensive references.

Substantial

BE, HR, CZ, FI, FR, EL, IT, LT, NL and ES provide substantial references.

To a limited extent

BG, EE, HU, LV, MT, PL, PT 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.

The **Austrian** NRP includes a youth coaching programme. Starting in January 2013 this programme is being implemented in stages throughout all of Austria's federal provinces. This programme provides advising and support for youths from the 9th year of school onward and is designed to help them find an educational or vocational path which suits their personal needs. Youths with

disabilities or special education needs can also take advantage of the services offered in this programme.

According to the **Danish** NRP local and regional authorities as well as other interest organisations, including the social partners, are important partners in the implementation of the growth and employment agenda in Denmark, which includes regional measures for growth such as targeted sector and employment development, training and educational opportunities.

The **German** NRP states that the Länder are promoting the educational, occupational and social integration of disadvantaged young people. Other programmes are geared towards the skills development of unskilled and semi-skilled workers.

In 2007, the **Swedish** Government established a national forum for regional competitiveness, entrepreneurship and employment to further develop the dialogue between the national, regional and local levels on regional growth issues. It is based on a shared responsibility between the regional and national levels for regional growth, which requires a political dialogue and a shared view and understanding of important development issues.

The **UK** NRP includes several initiatives:

- Pathways to Success is the Northern Ireland Strategy to help young people who are not in education, employment or training (NEET).
- The Scottish Government is taking direct action to tackle unemployment and ensure that people who are out of work or underemployed – particularly young people – have access to the right training, skills and education opportunities. This includes a multi-faceted approach in the Scottish Government's strategy to support youth employment.
- The Welsh Government's Programme for Government sets out some key measures that will be implemented to prevent young people from disengaging from learning and help support them with entry to the labour market

2.13 Use of Structural Funds by the LRAs

This is a newly added supplemental question and not part of the score. Sixteen NRPs (57%) outline how local and regional authorities are using or are planning to use EU Structural Funds; they are AT, BE, BG, CZ, FI, DE, EL, HU, IT, LV, LT, PT, SK, ES, SE and UK.

Full references are given in the NRPs of BG, LV, SK, ES and the UK. Substantial references are made by CZ, DE, EL, HU, LT, PT, and SE. The remaining four NRPs provide limited information. Examples of each group are given below.

Comparison with 2012: --

Comparison with 2011: --

In the framework of the Partnership Agreement concerning the use of the Structural Funds and the Cohesion Fund, **Bulgaria** will propose two mutually complementing operational programmes in the R&D area in the period 2014-2020: "Innovations and Competitiveness" and „Science and Education for Smart Growth".

In **Germany** the funds are to be invested primarily to promote growth and employment potential, which is in line with the objectives defined under the Compact for Growth and Jobs. Apart from two federal programmes (ERDF transport and ESF), the funds will be administered by the Länder. The environment, promotion of equal opportunities and sustainable urban development are supported as cross-cutting objectives. In the forthcoming programming period from 2014 to 2020, the structural funds are to play a more important role than previously in achieving the goals of the Europe 2020 Growth and Jobs strategy. They are to be applied in line with the targets defined within the framework of the European Semester.

The **Austrian** Structural Funds Programmes 2007–2013 have focused on the innovation and employment targets of the Lisbon Strategy (which were still in effect during programme development in 2006). While an aggregate spending allocation according to the headline targets is presented, references to the involvement of LRAs are limited (e.g., the NRP makes reference to a skill development programme in Burgenland). Programming for the new Structural Funds period 2014-2020 has not yet been completed, especially as the framework has not yet been finalised at the EU level. It is envisioned, however, that the programmes co-funded by the ERDF should focus on maintaining a good level of R&D and innovation, enhancing the competitiveness of small and medium-sized businesses, and promoting efforts to reduce CO_2 emissions in all areas of business.

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

This question is also new and not scored. A relatively small number of seven NRPs makes explicit reference to the Partnership Agreements (AT, CZ, IT, MT, SK, ES and SE). Of these, AT, IT, SK and SE make substantial reference and the remaining NRPs only mention it in a very limited way. Examples of each group are given below.

Comparison with 2012: --

Comparison with 2011: --

In **Italy** the Partnership Agreements will play a role under the leadership of the Department on Cohesion regarding the next operational period and the actions to be undertaken to reduce the gap between citizens and institutions and productivity in the South.

In line with the Partnership Principle the **Maltese** Government is involving Sectoral Sub-Committees in a thorough and on-going consultation process to identify the priorities in relation to the future programming period in terms of the EU 2020 priorities. Upon completion of this process, Malta will be in a position to outline the main priorities for the upcoming period to feed-into the Partnership Agreement and subsequent Operational Programme/s.

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

This is the fourth new, supplemental question added to the 2013 NRP analysis. It is not scored.

*Only the **German** NRP (4%) mentions the Code of Conduct.*

Comparison with 2012: --

Comparison with 2011: --

A detailed discussion of the **German** Federal Government's macroeconomic projection, which is based in particular on the Code of Conduct for the stability programmes of the member states of the euro area, is included in the German Stability Programme, which is also to be presented to the European Commission in April.

2.16 Other findings

In addition to the information compiled for the assessment questions, there is a qualitative impression that the NRPs since 2011 have become more concrete and detailed in their description of macro-economic and social developments. As a result, many NRPs include tabulations of specific programs and actions they are taking, including in some cases their budgetary expenditures on them, and the NRP drafting process may generate impetus for continuous review of actions at different levels of government and promote the better linkage of actions across sectors, governance levels, and regions. It could be useful to survey Member States on how the NRP may have helped to critically review their Europe 2020 related actions, find linkages, and potentially harness opportunities for increasing their effectiveness.

It is also noted that in the 2013 assessment a number of countries submitted documents in addition to the NRP such as annexes and separate documents that detail exchanges with social or regional partners, provide detailed tabulations of programmes and actions or inform about the response to the country-specific recommendations. Thus, the overall effort that some countries are putting into the NRP development appears to be increasing. It could be useful to evaluate to what extent this is perceived as a burden or as a useful exercise by these countries.

3 The 2013 NRPs and the seven Europe 2020 Flagship Initiatives

The Europe 2020 Strategy encompasses seven Flagship Initiatives 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 and appropriately educated workforce, fighting poverty and social exclusion in its many forms, and promoting entrepreneurism, 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, Austria has set more ambitious targets in the areas of R&D spending, GHG emissions reduction and poverty alleviation and is using numerous approaches to achieve these targets. Its NRP, however, does not mention flagship initiatives once. The Belgian NRP, in contrast, links its actions explicitly to the respective flagship initiative. On the other end of the spectrum is Estonia's NRP, which outlines the priorities of government policies without providing detail on actual actions, initiatives or programmes nor how the different levels of government are working together to implement them.

Therefore, to gain an overview of the implementation of Europe 2020 policies vis-a-vis the flagship initiatives, the measures listed and described in the 27 NRPs and Croatia's Economic Programme 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 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 4 should be seen as best judgements.

Overall, nearly all NRPs contain measures that fall within the scope of at least some of the seven flagship initiatives (see Table 4).

Table 4: Enumeration of NRPs' references to actions falling under the seven flagship initiatives. * = minimal mention.

Flagship Initiative	NRPs that contain actions referring to the FI or can be counted as relevant
Smart Growth: Digital agenda for Europe	AT, BE, BG, HR*, CY, CZ, EE*, FR, DE, EL, HU, IT, LV, LT, LU, MT, PL, PT, RO*, SK, ES, UK
Smart Growth: Innovation Union	AT, BE, BG, HR, CY, CZ, DK, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PT, RO, SK, SV, ES, SE, UK
Smart Growth: Youth on the move	AT, BE, BG, HR, CY, CZ, DK, DK*, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PT, RO, SK, SV, ES, SE, UK
Sustainable Growth: Resource efficient Europe	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SV, ES, SE, UK
Sustainable Growth: An industrial policy for the globalisation era	AT, BE, HR, CY, CZ, DK, EE, FR, DE, EL, HU, IT, LV, LT, MT, PL, PT, SK, SV, ES, SE, UK
Inclusive Growth: A agenda for new skills and jobs	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SV, ES, SE, UK
Inclusive Growth: European Platform against poverty	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SV, ES, SE, 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 initiative 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 measurable 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 literary, skills and inclusion and IT-enabled benefits for the EU society.[6]

Examples of corresponding actions in NRPs:

Austria: Digital Agenda of the EU – Pillar IV: Fast and ultra-fast Internet access

Implementation status:

- Increase in the coverage level and reduction of the Digital Divide by promoting the expansion of broadband (primarily NGA) in rural areas – investment promotion programme "Broadband Austria 2013" (funding

[6] EU Commission Communication COM(2010) 245 final/2 on the "Digital Agenda for Europe" flagship initiative from 26 August 2010.

volume approximately EUR 30 million within the framework of the Austrian Rural Development Programme 2007-2013). In 2012 calls for proposals to all federal provinces were launched and numerous projects are in progress. In 2013 an additional call with remaining available funds was published whose implementation is foreseen to be completed by mid-2015. The current payout is approximately 40% of funding volume.

- Encouragement of Internet usage by promoting intelligent Internet applications through an application funding programme titled "Austrian electronic network - AT:net". The funding volume in 2012 and 2013 is approximately € 5 million. The programme entails two calls each year.

3.1.2 Innovation Union

The Innovation Union plan contains over thirty actions points aimed at accomplishing three things:[7]

- *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:

Denmark: In the EU Commission's "Innovation Union Scoreboard 2013", Denmark achieved third place in the overview of Member State's performance in the field of innovation. The Government wishes to maintain a continued high level of ambition for investments in research and innovation. Research is to be de-bureaucratised and better anchored in the world of education than has been the case to date. The Government will, moreover, ensure that universities and other knowledge institutions increase the mutual exchange of knowledge with society. An international evaluation of the Danish research and innovation system conducted by the European Research Area Committee (ERAC) in 2012 concluded that while the Danish system functions well, several things could be improved. With the launching of the National Innovation Strategy in December 2012, the Government has initiated a paradigm shift in long-term innovation policy.

[7] European Commission: About the Innovation Union. Web page available at http://ec.europa.eu/research/innovation-union/index_en.cfm?pg=intro (last accessed 3 September 2013).

The **Netherlands** will stimulate private spending on R&D as a primary aim of the enterprise policy. The most important instruments are the SME+ Innovation Fund (Innovatiefonds MKB+) and tax facilities, such as the tax credit for R&D (WBSO), the Research & Development Allowance (RDA) and the tax relief for innovation (the Innovation box). These are generic instruments and are therefore available to every innovative company, regardless of their sector, and approximately two-thirds of the companies that use the facilities are SMEs.

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.[8]

Examples of corresponding actions in NRPs:

Malta: The EU flagship initiative 'Youth on the Move' offers a work experience abroad to apprentices in vocational training and to university students. The popular TV presenter Frank Zammit has been nominated as Malta ambassador for this initiative. Through this initiative Malta is aiming to improve education and training systems at all levels and to promote stronger policy efforts to improve youth employment. This initiative also facilitates local youth mobility both for learning purposes and work experiences.

In addition, the National Youth Employment Strategy 2015 builds upon the key messages of this flagship initiative. This strategy aims to design a holistic framework that yields both immediate and long-term returns. The National Youth Employment Strategy 2015 focuses on the inter-relatedness and the inter-dependency of both economic and social factors and the development of a number of measures to address the challenges posed by macro- and micro-constraints. These constraints are mainly the result of the natural heterogeneity of young people and the fluctuating nature of labour market realities. These limiting realities have led to the formulation of a Strategy having multiple policy objectives focusing on the diverse needs of the targeted clients.

[8] EU Commission Communication COM(2010) 477 final on "Youth on the Move: An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union" from 15 September 2010.

3.2 Sustainable Growth

The economic and financial crises as well as tangible ecological limits have shown that the economic model of the past needs a fundamental rethinking. Europe 2020 defines sustainable growth as economic development that builds a competitive low-carbon economy, which uses its resources wisely, protects the environment and biodiversity, invests and harnesses new and green technologies and production methods. Europe 2020 specifically identifies plants to build smart electricity grids, strengthen networks for businesses in order to create competitive advantages and better business environments while encouraging consumers to make better-informed choices.

The sustainable growth objective includes three targets:

- Reducing greenhouse gas emissions by 20 percent compared to 1990 levels by 2020;[9]
- Increasing the share of renewable energy in final energy consumption to 20 percent; and
- Move towards a 20 percent increase in energy efficiency.

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 CO_2 emissions, promote greater energy security and reduce the resource intensity of consumption.[10]

Examples of corresponding actions in NRPs:

Germany: Achieving growth and prosperity requires a secure supply and efficient management of metal, mineral and biotic commodities. In 2012, the Federal Government therefore improved its policies to encourage recycling and resource efficiency. It adopted the German Resource Efficiency Programme (ProgRess) in February 2012, as scheduled in its Raw Materials Strategy of 2010. In June 2012, new Closed Substance Cycle and Waste Management Act entered into force in June 2012. This law focuses on preventing waste and promoting recycling. Another government programme, the commercially strategic raw materials for high-tech industry in Germany, is providing targeted support to research and development of environmentally sound and resource-

[9] The EU would commit to a 30 percent reduction if other developed countries make similar commitments and developing countries contribute according to their abilities, as part of a comprehensive global agreement.
[10] EU Commission Communication COM(2011) 21 final on the flagship initiative "A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy" from 26 January 2011.

saving technologies over the next years. The aim of this programme is to secure the German economy's supply of raw materials in the long term.

3.2.2 An Industrial Policy for the Globalisation 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.[11]

Examples of corresponding actions in NRPs:

Poland: The draft Act on transmission corridors, which is meant to establish adequate and stable conditions for the achievement of the public objective consisting in constructing, operating and modernising technical infrastructure necessary to ensure uninterrupted supply of electricity, gases, heat, oil and petroleum products, as well as to accelerate the investment process in this regard.

3.3 Inclusive Growth

The social dimension of economic growth is important and necessary to achieve the goal of the Europe 2020 strategy. Inclusive growth aims to ensure that the benefits of economic growth are available to all members of society. This includes raising Europe's employment rate and providing sufficient and high quality jobs, particularly for women, young people and older workers through investments in skills, training and modernising labour markets and welfare systems. The corresponding targets are:

- 75 percent employment rate for women and men aged 20-64 by 2020
- Better educational attainment, i.e., reducing school drop-out rates below 10 percent and achieving tertiary (or equivalent) completion rates of at least 40 percent for 30-34–year-olds
- Reducing by at least 20 million the number of people in or at risk of poverty and social exclusion

[11] EU Commission Communication COM(2010) 614 final on the flagship initiative "An Integrated Industrial Policy for the Globalisation Era Putting Competitiveness and Sustainability at Centre Stage" from 28 October 2010.

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.[12]

Examples of corresponding actions in NRPs:

Latvia: To ensure a closer link between studies and science, establishment and development of the cooperation platform has been started for Baltic higher education, science and private sector (hereinafter – BIRTI) in the following areas: biopharmacy and organic chemistry, nanostructured materials and high-energy radiation, smart technology and engineering. In 2013, measures are planned to facilitate creation and development of joint doctoral study programmes in universities, higher education institutions and scientific institutions, thus promoting quality, closer mutual cooperation and concentration of resources, including the development of a joint doctoral study programmes (Super Doctoral Programme).

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.[13]

Austria: Headline target number 1, Employment, number 4, Education, and especially number 5, Combating poverty and social exclusion in the NRP are mainly addressed by the ESF programmes "Employment" and "Convergence Phasing-Out Burgenland", which are geared toward the groups mentioned under

[12] EU Commission Communication COM(2010) 682 final on the flagship initiative "An Agenda for new skills and jobs: A European contribution towards full employment" from 23 November 2010.
[13] EU Commission Communication COM(2010) 758 final on the flagship initiative "The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion" from 16 December 2010.

these targets such as older persons, youths, persons from migration backgrounds, and women. For the education target, for example, immigrants and school dropouts are provided with support in acquiring qualifications and skills for the sake of integration into the labour market as well as adult education in the interest of lifelong learning. For headline target number 4, co-funded measures include activities to combat long-term unemployment and to increase labour market participation among groups at risk of poverty and social exclusion at an employable age. Via ELER another €105 million are deployed for training measures in the axes 1 and 3. Investment measures in the framework of ELER were geared towards enhancing employment in rural areas, such as compensation for alpine farmers, organic farmers and environmentally sound cultivation.

4 Conclusions

The analysis of the 2013 NRPs used the same set of core questions as the 2011 and 2012 analyses as well as some new questions 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 new results and their comparison with the 2011 and 2012 studies (for the core set of questions) permit a number of conclusions.

Broadly speaking, LRA visibility in the NRPs is still lagging behind what the Secretariat General of the European Commission called for in January of 2013, i.e., that "Member States should notably report on ... how regional and local authorities ... were involved in the preparation of the NRP and in the implementation of the past guidance and commitments."

While many Member States are giving more visibility to LRAs in their NRPs, progress is neither uniform across country nor has it progressed evenly since 2011. Indeed, as Figure 1shows, the comparison of the 2013 and 2012 analyses of the National Reform Programmes offers a mixed picture of progress and regression. Several countries, leading among them Spain and Lithuania, performed markedly better while countries such as the Netherlands and Belgium submitted NRPs that contained less information on the role of LRAs than their 2012 NRPs.

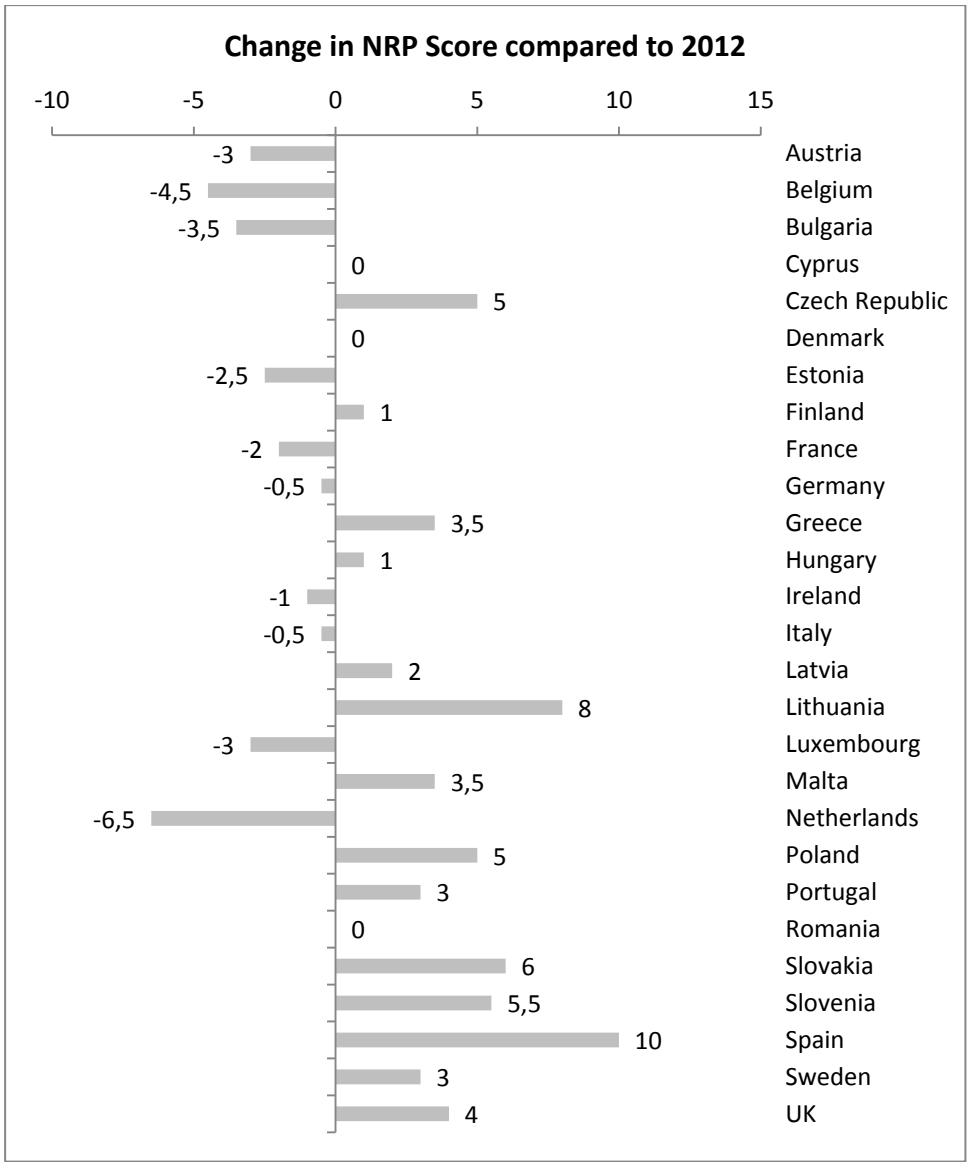

Figure 1: Comparison of 2013 NRP analysis with 2012 NRP analysis.

While some countries have made progress since 2011, notably in Central and Eastern Europe (Czech Republic, Latvia, Lithuania, Poland) others have fallen behind (Bulgaria, Estonia, France, Ireland, Netherlands, Romania) or been more volatile (Austria, Greece, Hungary, Malta, Portugal, Slovakia, Spain). This volatility may not necessarily reflect a significant change in the way these countries engage with LRAs during the NRP preparation process, but may reflect changes in both the structure of the NRP (e.g., the newly included section on CSRs and related tables) and how the drafting process was organised from year to year.

There is a general trend towards submitting more materials in the form of annexes to the NRP. Evaluation of these documents signals an increase in the complexity of reporting undertaking by Member States, but it does not correspond to a proportional increase in visibility of the roles of LRAs.

Conclusion 1: Progress in demonstrating the role, participation and contributions of LRAs in the development and implementation of the NRP and its activities is not uniform and or satisfactory in most countries.

Countries that consistently score high on the assessment questions are Sweden, the UK, Germany and France. However, Finland appears to buck the trend of northern European countries being generally in the upper quintile of the rank distribution. At the low end of the spectrum there is more movement among the countries, although Estonia has been consistently in the bottom quintile since 2011. Reasons for low scores could be associated with small geographic and population size and a lack of a historically and/or politically enshrined culture of multi-level governance.

Conclusion 2: Sweden, the UK, Germany and France are found to be the most consistent countries in demonstrating the role and contributions of LRAs to their NRPs.

Large population and geographic size (UK, France, Germany) require a multi-level administrative system. Additionally, the systems of devolved or federal authority (UK, Germany) also support the involvement of local and regional authorities in policy processes at the national level. Sweden is known for its open and participatory democracy, including the cooperation with and participation of its municipalities and counties.

Conclusion 3: A sizeable number of countries have shown progress since 2011, many of whom are new EU members that have experienced democratization processes since the 1990s.

Overall, 14 NRPs improved their score since 2012 and 10 since 2011. Especially the newest Member States show better how LRAs play a role in implementing the Europe 2020 Strategy. Lithuania, Poland and Slovakia led this process. This trend could be related to several causes, among them growing democratisation of governance and civic participation in these countries as well as a growth in the adoption of technology in governance (eGovernance).

Conclusion 4: The extent to which NRPs reflect on LRAs varies across the issues that were assessed. Most NRPs mention LRAs in the contexts of implementation and to a lesser extent in drafting process of the NRP. Monitoring, financial aspects relating to LRA actions and strengthening administrative capacity are starting to show greater visibility of LRAs. However, in light of 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, including the showcasing of good practice examples, greater progress still needs to be made.

Looking across the spectrum of questions assessed as done in Figure 2 it is found that not all questions are reflected equally in the 28 NRPs. Representation of LRAs is concentrated around specific issues such as mentioning the role of LRAs in implementing the NRPs (Q6, Q7) and to a lesser extent their involvement in and contributions to the drafting of the NRPs (Q1, Q2, Q3). The former is a logical result of the way government operates, i.e., national and sub-national policies ultimately need to be implemented at the local level and the finding reflects the important contribution that LRAs make towards achieving the objectives of the Europe 2020 strategy.

Participation of LRAs in monitoring the implementation of NRP actions, the description of financial aspects relating to LRAs and strengthening the administrative capacity and efficacy of LRAs have gained more prominence in the 2013 review (Q8, Q10, Q11). These developments can be linked to the continued pressure on public finances, which requires virtually all levels of government to operate under tighter fiscal constraints while maintaining or even increasing services (e.g., with respect to social, educational and employment activities). Together with advances in technology government are considering and already implementing more efficient ways to provide these services, a trend that is helped further by calls for greater transparency, accountability and accessibility. In conjunction with the European Semester and the Europe 2020 strategy the EU Commission, the EU Parliament and Member States are also reviewing how the Structural Funds have been used in the context of reforming EU Cohesion Policy. It can be expected that the role of LRAs will become more visible in the next round of NRPs as a result of the new Partnership Agreements.

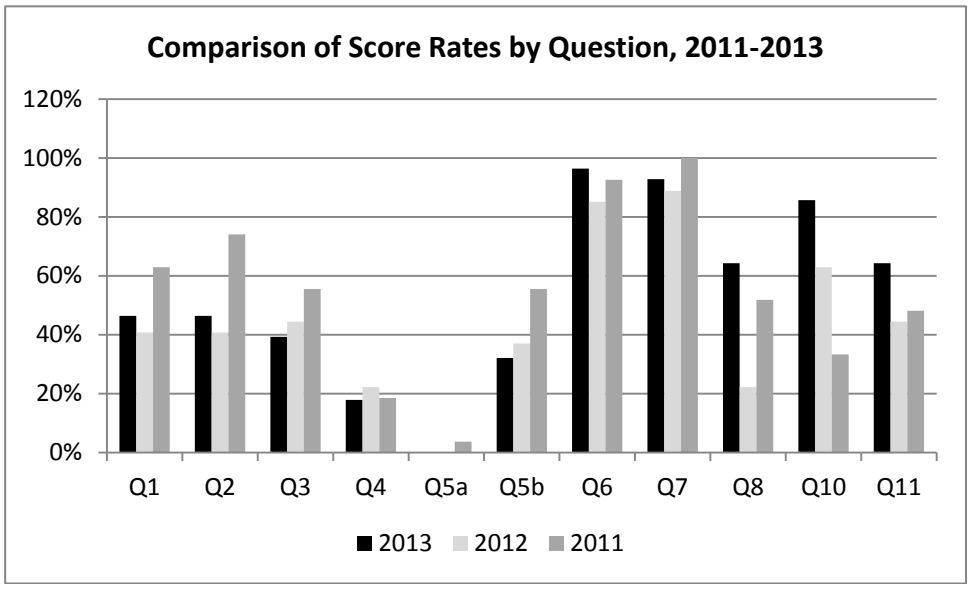

Figure 2: Percentage of NRPs that received at least a score of 1 for each of the 10 core questions in the 2011, 2012 and 2013 NRP analyses. Croatia is included in the 2013 rate.

Conclusion 5: The Europe 2020 flagship initiatives are explicitly and implicitly reflected in the majority of NRPs in the form of domestic policies and actions at different levels of government.

With respect to the Europe 2020 flagship initiatives it was observed that all NRPs list actions that fall within the scope of one or more flagship initiative, although the link is not always made explicit. The objectives of the flagship initiatives appear to align well with the priority areas identified by the Member States, in particular the areas of smart growth (job creation, skill and educational development) and inclusive growth (poverty alleviation, integration of marginalised population groups). The NRPs demonstrate this through the use of more homogeneous language and the use of available EU funding streams that are channelled along the actions under the individual flagship initiatives. Flagship-related measures and actions are present in all NRPs, and LRAs use conventional approaches such as training of the unemployed and subsidies to the poor but also look at new and more effective ways to reach their goals and audiences such as public-private partnerships, use of information and communication technology and cultural activities.

Although there is general agreement that the EU flagship initiatives reflect issues of high concern in the LRAs, their prioritisation may vary and in some cases does not include all seven FIs. For example, the flagship initiatives for a digital agenda for Europe addressed more implicitly, and the breadth of the Industrial policy for the globalisation area initiative means that it can be found

in the majority of NRPs but is also often not labelled as such. In contrast, Poland and Latvia have designated chapters on the flagship initiatives.

Conclusion 6: The NRPs are only an imperfect indication of the actual involvement of LRAs in the Europe 2020 strategy. Although the Commission's guidelines request that space be given to LRAs in the NRP, the drafting process applied in some countries may have neglected to adequately reflect how LRAs contributed.

The analysis of the role of LRAs stated in the NRPs and the derivation of trends thereof between 2011 and 2013 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. For example, although the Estonian NRP does not mention LRAs at all, it cannot be concluded with certainty that regional or local authorities did not play any role in the design, implementation and monitoring of actions under the Europe 2020 Strategy.

Conclusion 7: 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 and 2013 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.