Opinion of the Committee of the Regions on 'The role of local and regional authorities in achieving the objectives of the Europe 2020 strategy'

(2012/C 9/10)

THE COMMITTEE OF THE REGIONS

— draws attention to its firm commitment to its proposal to establish a 'Territorial Pact of Regional and Local Authorities for the Europe 2020 Strategy' with the aim of ensuring multi-level ownership of the strategy through effective partnership between the relevant bodies of the European Union, and national, regional and local public authorities. This proposal is supported by the European Parliament, European Commission and European Council Territorial Pacts should focus on a few tailor-made priorities which have a special value for the region concerned;

— acknowledges the huge gap between the latest research knowledge and real-life practice. Strong regional measures are needed to turn research results into innovation that is locally tailored and can be applied throughout Europe;

— stresses the importance of building regional innovation capacity on the basis of smart specialisation and complementarities in neighbouring regions;

— calls for pioneering regions to form European consortiums integrating different capabilities to create ground-breaking societal innovations for Europe-wide use. Through its various actors, each region can become a pioneer focusing on its own needs and strengths;

— encourages the regions to move towards open innovation, within a human-centred vision of partnerships between public and private sector actors, with universities and other knowledge institutions playing a crucial role, i.e. to modernise the Triple Helix concept.

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I. **POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

Key messages: regarding the need for radical transformation at local and regional level, the CoR:

1. recognises that the Europe 2020 strategy is both an over-arching structural reform plan and a crisis exit strategy. In addition, it also encompasses a wider set of objectives and more integrated economic governance [1]. In this context, local and regional authorities have the potential and political commitment to address economic, social and environmental issues from a territorial perspective;

2. stresses that, as the failure of the Lisbon Strategy indicates, good plans and even correct analyses are not sufficient to deliver efficient results. Brave leaps forward must be taken on a practical level, giving all levels of government in the Member States – local and regional as well as central – greater ownership and involving all the other stakeholders. Regions should be encouraged to develop regional innovation platforms, which act as demand-based service centres and promote the use of international knowledge to implement the Europe 2020 strategy, smart specialisation and European cooperation according to the interests of regions. For this to happen, we need to apply the new dynamic understanding of regional innovation ecosystems, in which companies, cities and universities as well as other public and private sector actors (the 'Triple Helix') learn to work together in new and creative ways to fully harness their innovative potential;

3. stresses that, given that the regions have now become major players in many policy fields, including social, economic, industrial, innovation, education and environment policy, they have a crucial role to play in partnership-based implementation of the Europe 2020 strategy. This will require a large-scale, complex, open, and multidisciplinary approach, bringing together the many complementary assets founded in the regions and cities;

4. strongly supports the need, as stated by the Commission, to fully integrate the National Reform Programmes (NRPs) and the Stability and Convergence Programmes (SCPs) within national budgetary procedures and to involve local and regional authorities and relevant stakeholders in defining and implementing the NRPs [2];

5. calls for the radical transformations that can be undertaken by pioneering regions and cities to focus on:

— the ongoing fundamental shift in work culture towards orchestrated collaboration, knowledge-sharing and co-use of resources instead of separate work on industrial processes and separate small projects;

— new approaches to entrepreneurship characterised by phenomena such as the 'Venture Garage Mindset', which enable Europe's young digital generation to work together with public and private venture capital investors to make entrepreneurship the driver of innovation;

— a European culture of open innovation: successful business emerges at regional and local level and growth is accelerated when businesses conduct a larger share of their R&D activities in open collaboration with the best universities and research institutions;

— people as the principal asset of our societies: to create new ways of engaging in particular retired senior citizens and unemployed youth is to put people at the centre of our strategies, thus giving everyone access to a meaningful life and empowering people to use their own potential;

6. emphasises the importance of enabling local people and their communities to harness their full potential. This requires strengthening the role of local and regional authorities, not only in their traditional role as service providers, but also as enablers of new business activities through proactive cooperation. All the various actors should work together to create a regional culture of collaboration, characterised by responsiveness to the motives, aims and resources of local people and their communities.

Key messages: regarding the role of regional decision- and policy-makers as change agents and societal innovation brokers, the CoR:

7. welcomes the broader strategic vision that includes the social and environmental dimensions as equal and complementary pillars alongside economic growth, and calls for the crucial importance of societal innovation to be recognised in all the flagship initiatives for implementing the strategy's three priorities of smart, sustainable and inclusive growth;

8. calls on decision-makers, both public and private, to recognise the need for new leadership and management skills, competencies, structures and practices to operate within global network businesses;

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[1] *European Semester and Annual Growth Survey* (COM(2011) 11).
[2] European Commission, *Europe 2020 Strategy* (COM(2010) 2020 final) and Secretary-General's letter to the CoR of 19 July 2010.

9. encourages regional decision- and policy-makers to become agents of change and to develop a strategic framework for innovation-driven regional development, given that innovation boosts quality and more efficient public and private spending and has significant potential to create new growth and jobs. The task of policy is to find and build on a region's unique assets in order to meet strategic development goals. To this end, regions need to develop a sound, realistic vision of their economic and social future and formulate a broader, more integrated, more efficient policy mix. This will require combining instruments from various policy areas and levels of government, supporting knowledge generation, diffusion and exploitation and producing coherent policy packages supported by better metrics future-oriented budgeting and evidence-based experimentation;

10. proposes that to achieve the above objective the Commission should initiate the necessary development projects in cooperation with a number of regions and experts; this could include devising methods for obtaining processed data and forecasts from general statistics that can be applied to a specific region or issue;

11. calls for pioneering regions to form European consortiums integrating different capabilities to create ground-breaking societal innovations for Europe-wide use. Through its various actors, each region can become a pioneer focusing on its own needs and strengths;

12. calls for a targeted learning process integrating different levels of policy-making to coordinate the use of resources and strengthen the impact of activities. In order to build joint capacity, Executive MBA-level programmes covering multi-level, strategic design processes, should be developed for policy makers, senior civil servants, industrial managers and researchers. This type of training programme is needed at both European and regional level. This will strengthen the role of different countries' regional decision-makers in implementing the Europe 2020 strategy and increase cooperation between them and the dissemination of good practice.

II. **RECOMMENDATIONS REGARDING THE ROLE OF LOCAL AND REGIONAL AUTHORITIES IN RELATION TO THE SEVEN FLAGSHIP INITIATIVES**

In relation to the need for cross-cutting collaboration, the CoR:

13. emphasises the need for joint activities and far-reaching collaboration among the various flagships to enable and encourage effective implementation of the Europe 2020 strategy. By using this approach, local and regional authorities will be able to develop cross-territory collaboration. In particular, they will be able to foster open platform approaches and enhance the re-usability and interoperability of the solutions and structures they develop. Although the final results may have a strong local flavour, from the perspective

of structures and interoperability, active collaboration leads to economies of scale and the creation of wider markets for local activities;

14. recognises that the key issue facing local and regional authorities (in view of the huge number of actions stemming from and associated with the flagships) is how to speed up the implementation of the most relevant activities. Accordingly, in order to increase the regional impact of the flagship initiatives, several aspects need to be addressed:

— their impact, specialisation and scalability and raising public awareness;

— effective use of benchmarking, sharing of best practices, and collaboration between regions;

— the development of metrics for value creation, societal innovations, concepts and methods, and platforms for public-private-people partnership;

— awareness of the importance of the dialogue between science and society, the systemic nature of innovation and foresight components designed for local and regional actors;

— above all, the need for all the flagship initiatives to be accompanied by a budgetary impact assessment of the measures proposed.

In relation to the 'Innovation Union' flagship initiative, the CoR identifies a particular need to:

a) support initiatives such as Regions of Knowledge, Living Labs and Smart Cities;

b) develop partnerships to serve as platforms for increasing the knowledge base of regional decision makers and promote societal innovations;

c) establish a Smart Specialisation Platform to support and encourage regions to adopt strategies prioritising competitive advantages and potential cooperation with other regions;

d) support collaboration between business and academia through the creation of Knowledge Alliances, with a particular focus on bridging innovation skills gaps;

e) strengthen the science base for policy-making with the help of a European Forum on Forward Looking Activities involving local and regional authorities as well as other public and private stakeholders, to improve the evidence base for policies;

f) develop a broader interest in the use of the 'Triple Helix' model for initiating innovative regional (sub-regional) research clusters and developing innovation platforms as well as strengthening the activities of the knowledge triangle (synergy between research, education and innovation activities);

g) close the organisational gaps between Europe's regional and local bodies through partnerships and cooperation projects, geared to an Innovation Union, that are forward-looking, durable and encourage structurally and organisationally smaller bodies to join together in applying specialist skills in a stable and structured manner.

In relation to the 'Youth on the move' flagship initiative, the CoR identifies a particular need to:

a) focus on key competences for the knowledge society, such as learning to learn, languages and culture, entrepreneurial and innovation skills, interpersonal skills and the ability to fully exploit the potential of ICT;

b) link formal, informal and non-formal education and training to labour market needs in order to enhance young people's employability and enable them to unleash their potential and develop personally and professionally;

c) create opportunities for mobility for as many young people as possible, whatever their background, economic situation or the geographical location of their region;

d) further develop European instruments and tools to facilitate and boost learning mobility in all parts of the education system;

e) support the inclusion of the Europass (the European CV template) into the future 'European skills passport' in order to promote mobility;

f) adopt cooperation initiatives between public authorities based on agreements aimed at seeking the best solutions for effectively preparing students for the responsibilities of adult life, developing closer cooperation between vocational training establishments, employers and universities with a view to optimum educational progression, also in the field of vocational education, and which meets the requirements of students and employers, involvement of employers in identifying educational problems and developing solutions for these, supporting schools in carrying out preparatory educational programmes, participation of young people in vocational traineeships, and popularising further education among employers;

g) stress that the foundations of good health and mobility are laid early in life and provide the conditions for a good quality of life. The activities of non-profit-making bodies are a cornerstone of society. The Committee of the

Regions therefore urges the Commission not to proceed with those proposals (European Commission's Green Paper on the future of VAT (COM(2010) 695) that would threaten the existence and financial situation of such associations.

In relation to the 'Digital agenda for Europe' flagship initiative, the CoR identifies a particular need to:

a) create local digital agendas to speed up the optimal use of ICT through orchestrated local, regional and European collaboration;

b) improve interoperability and e-government by developing new applications such as human-centred e-services, e-learning, e-health, e-voting, e-administration, intelligent transport systems and regional information modelling in urban planning;

c) promote the Digital Single Market as a cornerstone of the Digital Agenda for Europe and support large-scale pioneering projects drawing on top European expertise and involving all the various stakeholders;

d) ensure equal and affordable broadband access everywhere and lead pilot projects aimed at closing the accessibility gap;

e) develop joint solutions for data protection and security issues in relation to the use of ICT products and services, which is essential to ensure public trust in those products and services and take-up of opportunities offered.

In relation to the 'Resource efficient Europe' flagship initiative, the CoR identifies a particular need to:

a) improve governance on climate change by involving local and regional authorities as key players in efforts to combat and mitigate climate change and promote a more sustainable use of resources; motivate producers and consumers to adopt more climate-friendly and resource-efficient behaviour;

b) create user-centric metrics for value creation and impact assessment to be used by the different levels of governance in connection with the creation of a sustainable knowledge society, while limiting the number of related indicators so as to ensure that policies are efficiently framed, transparent and comprehensible to the public;

c) adopt local or regional climate and energy strategies which foresee more green procurement for public budgets, including projects using funding from the Member States and the European Union;

d) use roadmaps and action pacts to mobilise political support and promote investment in climate-friendly infrastructure, energy system renewal and ecological public services.

In relation to the flagship initiative on 'Industrial policy for the globalisation era', the CoR identifies a particular need to:

a) promote industrial modernisation through European strategic projects aimed at having a global driver effect in terms of effective knowledge and technology sharing (in areas such as green transport and energy-efficient buildings);

b) ensure cross-fertilisation of ideas and business models through initiatives such as the 'European Entrepreneurial Region' so as to encourage LRAs to promote new developments with respect to SMEs and entrepreneurial culture;

c) promote the concept of regional innovation ecosystems and develop closer cooperation between the productive fabric and universities and technology centres in order to create new growth and jobs;

d) adopt measures that make it easier to reconcile work and family life, by improving the quality of public services, e.g. by providing sufficient full-day childcare places, and promoting a family-friendly working environment based on flexible working hours and employment models.

In relation to the flagship initiative 'Agenda for new skills and jobs', the CoR identifies a particular need to:

a) develop conditions for job creation and local measures to manage industrial and economic change, for example by identifying e-skills mismatches and related business opportunities;

b) promote strategic partnerships between local and regional authorities, educational institutions and enterprises in order to enhance regional innovation ecosystems and reconcile them with flexicurity policies;

c) encourage local action on digital literacy, early school leaving, lifelong learning, and empowerment of the silver generation;

d) develop stronger business-university linkages, for example by integrating 'credit bearing' work&learn placements in all university programmes, and also, when developing programmes, consider the needs and challenges faced by workers in continuing training, e.g. by providing for short stays abroad and 'internationalisation at home'.

In relation to the 'European Platform against Poverty' flagship initiative, the CoR identifies a particular need to:

a) develop a local and regional social inclusion agenda to make local social services more effective and accessible to all;

b) use legal competences and programmes tailored to local needs in the sectors of education, housing, urban planning, social services, and security and cultural activities, with a particular focus on young people and children;

c) promote e-inclusion, the social economy, volunteering and Corporate Social Responsibility;

d) assess the reforms undertaken, in particular with regard to the extent, costs and impact of societal innovations; disseminate throughout Europe and apply locally new solutions which have proven their effectiveness.

III. **RECOMMENDATIONS ON MULTI-LEVEL GOVERNANCE AND FINANCING**

Multi-level governance messages: regarding territorial pacts and political ownership, the CoR:

15. stresses that the objective of giving the strategy a greater regional and local dimension is to strengthen the Member States' commitment to and political ownership of the strategy, thereby making it more relevant and responsive to grassroots concerns;

16. draws attention to its firm commitment to its proposal to establish a 'Territorial Pact of Regional and Local Authorities for the Europe 2020 Strategy' with the aim of ensuring multi-level ownership of the strategy through effective partnership between the relevant bodies of the European Union, and national, regional and local public authorities. This proposal is supported by the European Parliament, European Commission and European Council ([3]);

17. notes that several of the Europe 2020 National Reform Programmes, which national governments submitted to the Commission by April 2011 within the framework of the European Semester, referred to the role played by local and regional authorities in their design. However, only some NRPs indicate that a multi-level governance approach has been adopted to implement parts of the new strategy and only one of them mentions explicitly the CoR proposal for Territorial Pacts;

18. strongly encourages Member States to help their regions and cities to establish Territorial Pacts for Europe 2020 ([4]), in order to set up, jointly with their central governments, national objectives, commitments and reporting structures towards the Europe 2020 objectives, while fully respecting the national legislative framework ([5]);

([3]) CdR 199/2010 fin, *Resolution on the Stronger Involvement of Local and Regional Authorities in the Europe 2020 Strategy.*
([4]) CdR 73/2011, *Declaration to the 2011 Spring European Council.*
([5]) CdR 199/2010 fin, *Resolution on the Stronger Involvement of Local and Regional Authorities in the Europe 2020 Strategy.*

19. stresses the added value created by the Territorial Pacts. They should focus on a few tailor-made priorities which have a special value for the region concerned and they should not become a new bureaucratic instrument, but represent natural components of the NRPs, to ensure compliance with the Multi-level Governance and Partnership principles. They could take the form of political commitments, possibly complemented by contracts established on a voluntary basis between public bodies, while focusing on governance and the implementation of the Europe 2020 strategy. Territorial Pacts could be developed especially in policy areas where regional and local authorities are key actors in relation to the design and imple-mentation of the Europe 2020 headline targets and flagship initiatives;

20. recalls that there are several examples of multi-level governance agreements aimed at pursuing shared territorial development goals through integrated and coordinated policy-making. They vary widely, reflecting not only different goals, but also actual differences between the countries concerned and their socio-economic, cultural, institutional and environmental diversity. Possible examples include, among others, the agreements that exist in Austria (Territorial Employment Pacts), Spain (Catalonia's Territorial Pacts for the countryside), Belgium (Flanders in Action Pact 2020 and Plan Marshall 2.Green for Wallonia), the UK (the Greater Nottingham Part-nership), France (Territorial Pacts for Inclusion, State-Region Planning Contracts) and Germany (BMBF Innovation Initiative 'Entrepreneurial Regions'). The CoR reiterates its commitment to promote the widest possible dissemination of experiences in order to encourage mutual learning processes [6]; also draws attention to joint activities aimed at strengthening and further developing neighbourly contacts between the communities and local and regional authorities of two or more neighbouring countries, on the basis of bilateral or multilateral cooperation agreements between the interested parties;

21. reiterates the message in the Declaration by the CoR Bureau to the 2011 Spring European Council: Territorial Pacts will help give the new strategy a territorial dimension and will also help to focus all policy instruments and funding channels available to the different levels of government involved;

22. points out that local and regional authorities need to implement the Europe 2020 objectives, in accordance with national and EU legislation, and thus calls on the presidencies of the EU to give explicit support to the multi-level governance principles, including the CoR's proposal for Territorial Pacts, in the European Council's conclusions;

23. notes that analysis of the National Reform Programmes (NRPs) has shown that local and regional authorities in most Member States were not sufficiently involved when Member States were drawing up their NRPs. The CoR calls on the Member States to involve local and regional authorities as

fully as possible in implementing the National Reform Programmes. A bottom-up implementation strategy, in which the competent authorities are involved as much as possible in accordance with the subsidiarity principle, would not only improve the chances of success of the NRPs but also make their implementation more widely accepted. The Committee of the Regions is willing to develop Territorial Pact concepts and regional operational programmes in cooperation with regions that are interested, so as to get the Europe 2020 strategy off the ground and implement the flagship initiatives at regional level. These typically would include the Local Digital Agenda and Local Innovation Agenda, which help regions to achieve smart specialisation and to develop their European cooperation and the basis for their prosperity;

24. stresses the importance of building regional innovation capacity on the basis of smart specialisation and complemen-tarities in neighbouring regions. The full potential of the European macro regions concept should be used to enlarge markets and operate as an innovative test-bed to support growth. With respect to this, there is clear evidence that the Baltic Sea Region could be used as a pathfinder and a prototype for the whole of Europe.

Multi-level governance messages: regarding the critical role of implementation, the CoR:

25. acknowledges the huge gap between the latest research knowledge and real-life practice. Strong regional measures are needed to turn research results into innovation that is locally tailored and can be applied throughout Europe. Local and regional authorities must mobilise public-private partnerships and encourage grassroots participation (the so-called user-driven open innovation in open societies for value creation);

26. stresses the crucial overarching role of the flagship initiatives on Innovation Union [7] and the Digital Agenda [8] in creating favourable conditions to bridge the gap between existing research results and practice. Strategic and operational practices at local and regional level must be developed, even radically changed, in accordance with the newest research results;

27. presses for innovation in services so as to modernise processes and apply them on the basis of digital systems thinking;

28. recommends that the Commission act promptly to lay the foundations for the development of the Single Market, especially the Digital Single Market, and to fund a few wide-scale R&D initiatives that transfer and conceptualise global research knowledge into practical real-life applications in a multidisciplinary, creative way. These must be pioneer initiatives that employ the best experts and change agents from several fields;

[6] To this end, a dedicated webpage has been activated on the CoR's Europe 2020 Monitoring Platform website.

[7] CdR 373/2010 rev. 2, opinion on the *Europe 2020 Flagship Initiative Innovation Union*.
[8] CdR 104/2010 fin, opinion on the *Digital Agenda for Europe*.

29. urges the Commission to launch jointly with the CoR a broader communication campaign in order to raise the awareness of Europe 2020 on the part of local and regional decision-makers and the public. For this purpose, the CoR proposes that a 'Handbook on the Europe 2020 strategy for cities and regions' be drawn up with the Commission in order to clearly explain how can they contribute to the implementation of the strategy, while showing the various sources of financing (national, local, regional and European Union);

30. confirms that it will continue to monitor implementation of Europe 2020 on the ground through its Europe 2020 Monitoring Platform. As a contribution to the success of the new strategy, within the context of the European Semester, the CoR monitoring results will be published every year, in December, ahead of the Commission's Annual Growth Survey and the Spring European Council.

Financing messages: regarding the need for synergies between the various financing sources, the CoR:

31. stresses that the true challenge for the European Union, Member States and regions is to create the requisite synergies between different public and private sector funding instruments to allow the Europe 2020 strategy to be implemented, and urges stronger coordination between national, regional and local public budgets to enable regions and cities to make better use of the Structural Funds and other European Union programmes;

32. emphasises, in particular, the need for progress in concentrating resources on the Europe 2020 objectives and targets and highlights the linkage of cohesion policy and the Europe 2020 strategy, which provides a real opportunity to continue helping the poorer regions of the European Union catch up, to facilitate coordination between European Union policies, and to develop cohesion policy into a leading enabler of growth across the European Union while addressing societal challenges such as ageing and climate change [9];

33. confirms, to this end, its interest in two Commission proposals for the new Multi-Annual Financial Framework covering the period after 2013 [10] namely: Development and Investment Partnership Contracts between the Commission and each Member State reflecting the commitments of partners at national, regional and local level, and a common Strategic Framework to increase the consistency of policies for the delivery of Europe 2020 and cohesion goals, replacing the existing separate guideline packages;

34. recalls the cohesion policy measures to be used to build regional innovation systems and territorial cooperation instruments, the provision of risk capital and measures to

accelerate the introduction of innovative products and encourage networking among stakeholders in business, academia and administration [11];

35. recalls the need to create better metrics than GDP alone to tackle issues such as climate change, resource efficiency, quality of life or social inclusion, and points out that the indices to be used by local, regional, national and European Union authorities must be uniform and promote the creation and spread of societal innovation and consistency in the adoption of decisions [12]. These additional indicators should be taken into account in implementing and assessing cohesion policy, so that the development of each region is better reflected [13];

36. calls on the European Commission to facilitate new territorial partnerships by simplifying and improving the way in which interregional cooperation programmes are managed [14];

37. calls for increased performance capabilities of regions and cities to use the 7th Framework Programme, the Competitiveness and Innovation Programme and other similar initiatives. The focus should be in particular on making full use of digitalisation and new key enabling technologies to modernise regional innovation policy.

Financing messages: regarding open innovation and public procurement enabling resource effectiveness, the CoR:

38. recognises that innovation results from the combination of different elements and multidisciplinary approaches and calls for measures to increase the structural and relational capital of regions, both internally in communities of practice and in collaboration with others;

39. believes that enterprises need to open up new mindsets and draw widely on the collective resources available within their region and that they are therefore reliant on social capital for their success. On the other hand, the CoR encourages the regions to move towards open innovation, within a human-centred vision of partnerships between public and private sector actors, with universities and other knowledge institutions playing a crucial role, i.e. to modernise the Triple Helix concept;

40. welcomes the use of pre-commercial procurement as a bridging tool between societal innovation and technology-based solutions, and stresses that the modernisation of procurement rules must enhance the role of the public sector to obtain the best value for money [15]. Provided that the specifications and processes can be coordinated across regions, pre-commercial public procurement can also be a significant driver for the creation of the Single Market in Europe;

[9] *The EU Budget Review* (COM(2010) 700).
[10] Also put forward in *The EU Budget Review* (COM(2010) 700).

[11] CdR 223/2010 fin, opinion on the *Contribution of Cohesion Policy to the Europe 2020 Strategy*.
[12] CdR 163/2010 fin, opinion on *Measuring Progress – GDP and Beyond*.
[13] CdR 369/2010 fin, opinion on the *Fifth Cohesion Report*.
[14] Ibid.
[15] CdR 70/2011 fin, opinion on the *Modernisation of EU Public Procurement Policy*.

41.   reiterates that pre-commercial procurement will be reinforced even more if it is combined with open innovation aimed at speeding up the development of the green knowledge society, in other words if it is used to develop common, re-usable solutions for creating the infrastructures and services that modern real-world innovation ecosystems are built upon.

Brussels, 12 October 2011.

The President
of the Committee of the Regions
Mercedes BRESSO

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