



DIPARTIMENTO
POLITICHE EUROPEE
PRESIDENZA DEL CONSIGLIO DEI MINISTRI



Towards the Mid-Term Review of Europe 2020: Can Europe Get Back on a Growth Track?

Fixing the Multi-level Governance of Europe 2020

Markku Markkula

Member of Committee of the Regions CoR,
Member of the Steering Committee of the Europe 2020 Monitoring Platform,
Chairman of the EPP/CoR Task Force "Europe 2020"

Rome, 27 October 2014
Predienza del Consiglio dei Ministri



markku.markkula@aalto.fi

EUROPEAN UNION



Committee of the Regions

Regions and Cities supporting
Europe2020
Europe's growth strategy



CoR Athens Declaration

**ON THE
MID-TERM
REVIEW OF
EUROPE
2020**

The Athens Declaration argues in favour of regional quantitative targets - or qualitative objectives - being set through by mixing top-down and bottom-up approaches. This process should take place during the preparation of the National Reform Programs, in which the local and regional authorities should be involved as partners. Within the same process, multi-level governance solutions should be worked out to ensure effective delivery of the country's goals for growth and jobs. The CoR Declaration “A renewed Europe 2020 strategy based on stronger partnership and ownership at all levels of government” can be summarized in the following seven main points.

- 1. Giving Europe 2020 a territorial dimension**
- 2. Designing and implementing the National Reform Programmes in partnership between all levels of government**
- 3. Making multi-level governance the standard approach**
- 4. Aligning the annual exercise of the European Semester with the longer term to deliver on Europe 2020**
- 5. A better use of Flagship Initiatives for enhanced policy coordination**
- 6. Mobilising funding for long-term investment and ensuring better quality spending**
- 7. Strengthening administrative capacity for more effective implementation of Europe 2020**

Europe 2020 So Far – A Few Key Points

- Inadequate progress towards targets
 - Not only crisis, also lack of ambition and ability to mobilise grass-root level activities.
- Local level should have an active driver role (modernizing Triple Helix)
 - Flagships are too isolated, too far from the action. Too many silos. Europe has high-level research, not used, not leading to innovation.
- No territorial dimension of Europe 2020
 - goals, targets not defined at regional/local levels
 - partnership between levels of government still not seen as normal/necessary in designing/ implementing National Reform Programmes.

Regions and Cities expanding
Europe 2020
Europe's growth strategy



Committee of the Regions

Delivering on the Europe 2020 Strategy

Handbook for Local and Regional Authorities



See the Europe 2020 Strategy, Handbook for Local and Regional Authorities, a Committee of the Regions publication:
portal.cor.europa.eu/europe2020

Key Points Now in October 2014

1. There is a window of opportunity that cannot be missed: **the renewed Europe 2020 to be announced in early 2015 goes hand in hand with the €300bn investment package announced by the new Commission President Jean-Claude Juncker.** They should be seen as the two sides of the same coin, and the Committee of the Regions will discuss a Declaration to address to the EU institutions before the Spring European Council in March 2015.
2. Multi-level governance is the only way in which the EU can give Europe 2020 a territorial dimension. Giving Europe 2020 a territorial dimension means that **all levels of government should engage in a process of dialogue, consultation and negotiation to identify what** will be the contribution of each region and city to the country's Europe 2020 goals and targets. This means **integrated top-down and bottom-up** approach and more focus on action (emphasis on piloting & experimenting & rapid prototyping).
3. This contribution depends on each region's assets and administrative capacity, which determine its potential for growth and jobs creation. This process should end up in the identification of either **regionally differentiated targets based on RIS3** or at least in a qualitative **"path to change"**.

Key Points Now in October 2014 (continue)

4. The approach adopted to prepare the Partnership Agreements on the ESIF 2014-2020, based on the Code of Conduct on partnership included in the regulations for the new programming period, provide inspiration and a model.
5. **This approach helps placing the renewed Europe 2020 at the centre of the European Semester, the key annual engine of the EU economic policymaking.** To ensure that the process is effective, the Annual Growth Survey should adopt this territorial vision, more than it did so far. **The Country Specific Recommendations should develop also territorially-differentiated analyses and recommendation**, as they are already doing. The Flagship Initiatives, revised in their content and targets, should become a lever for policy coordination at all levels.
6. To close the policy circle, the short-term policy scope of the European Semester should be aligned with the long-term goals of Europe 2020. Structural reforms and annual policy program should be coherent with a long-term vision.
7. Obviously, for **multi-level governance to work properly it needs improved administrative capacity**, first of all at local and regional levels. This is another main issue in our Athens Declaration.
8. Last, but not least, if Europe 2020 has to gain a central place in the EU policymaking, all levels of government should adopt an evidence-based approach, to increase their accountability towards citizens, enterprises and institutions at all levels.
9. To this aim, **monitoring and evaluation tools should be part of multi-level governance's toolbox**. This applies first of all to the EU level: the Athens Declaration asks for a territorial impact assessment to be done on the Commission's proposal to renew Europe 2020 – and that an ongoing evaluation of the renewed strategy is carried out in 2018.

CoR Opinion on “the Role of local and Regional Authorities in Achieving the Objectives of Europe 2020”, Working Document by the Rapporteur Markkula 2011: Much More Focus on Regional Level

When the focus is to encourage regional actors, the Commission and other government sector actors needs to create favourable preconditions for regional enthusiasm and development of performance capabilities of communities of practice. The following activities need to be speeded up:

1. European wide development of leadership and management **practices focusing on social and societal Innovation is needed, and especially to be integrated with regional and local affiliations.**
2. At individual level new mental models are needed. Everyone needs new ways to learn to co-innovate irrespectively of the occupation, age or background organizations and regions of the ones involved in the process.
3. Every region needs **platforms where public-private-people partnership and co-creation** and co-design of new products, service and societal innovations may take place and where the commercialization will take place. Platforms need **to attract also companies from other regions for wider scalability and impact.**
4. Systemic network activities and **methodologies for collaboration between regions** are needed, especially to **conduct the findings of policy-relevant multidisciplinary basic research for the use of multi-level governance throughout Europe.**
5. **In the regions, better science-society dialogue** is needed in order to support the open society development. For that concepts and tools are needed to increase awareness about what is possible (research results) and what is needed (in society and companies) among different stakeholders.
6. **Digital platforms for effective benchmarking**, feedback and interaction are needed in order to create synergy between basic research, applied research, innovation, commercialization and users needs and behavior.
7. Regions also need to extend their perspectives with a thorough foresight component designed for local and regional actors making plans going far beyond 2020.

Bridging the gap between European and regional political debate is a real challenge.

markku.markkula@aalto.fi

Key Challenges in 2014

- Ongoing priorities should be confirmed:
 1. *growth friendly fiscal consolidation;*
 2. *restoring normal lending to the economy;*
 3. *focus on key enablers of growth and competitiveness;*
 4. *tackling unemployment and the social consequences of the crisis;*
 5. *modernizing public administration;*
- However, by adding crucial action points at local and regional level:
 6. *need for social and societal innovations;*
 7. *mental move towards entrepreneurial discovery;*
 8. *new arenas as hotspots for innovation co-creation*
- Integrate top-down and bottom-up:
 9. *territorial dimension needs to be at the core of Europe 2020*
 10. *European wide strategic collaboration based on RIS3 & European Partnerships*

CoR in the Opinion on “Closing the Innovation Divide”: Speeding up by Encouraging Bottom-up Activities

1. Innovation communities operate as **ecosystems through systemic value networking in a world without borders**.
2. Regions need new arenas as hotspots for innovation co-creation. These could be described as **"innovation gardens" and "challenge platforms"**, which together form prototype workspaces for inventing the future.
3. The CoR encourages the Commission to set up **"entrepreneurial discovery"** programmes to work at different levels and discover what is most effective for local needs and European scaling.
4. **The best pioneers for developing and running Europe-wide projects should be financed through Horizon 2020 and cohesion funding** – the aim being also to test effective methodologies and tools in real life collaboration and cross-border learning.

My Closing Remarks

markku.markkula@aalto.fi

In addition to the more traditional governance issues, we need to focus on innovation and change management:

How to raise **capacity building in regions and local contexts** in complementarity with EU grants and new financial instruments

→ create “Regional Innovation Ecosystems”

- **The role of the Partnership Agreements, under the new rules for funds in the Multiannual Financial Framework 2014-2020, in improving simplification of access to funding and maximising synergies**

→ create new co-creation schemes based on multi-financing, smart specialisation and European partnerships



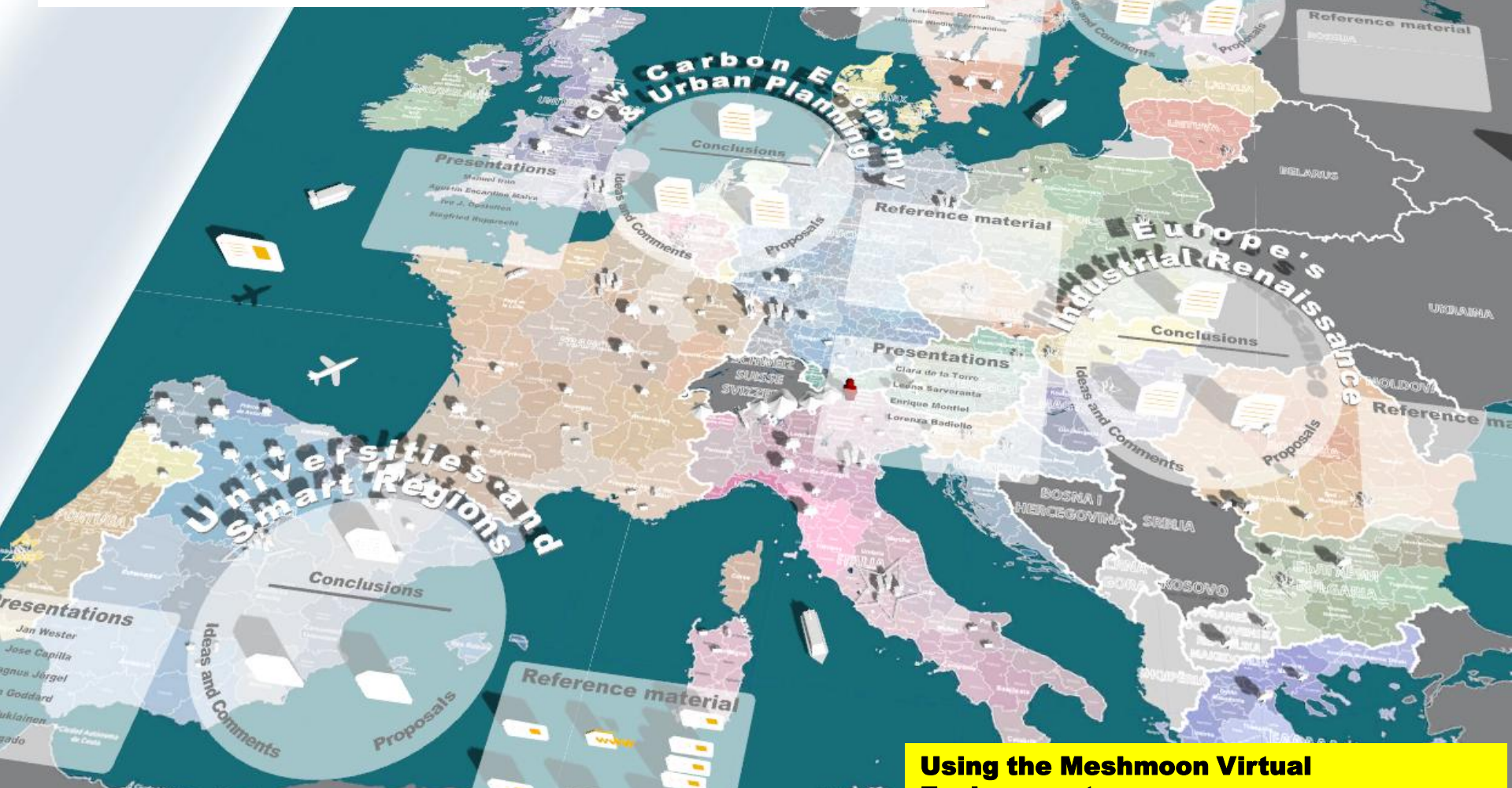
Regions and Cities supporting
Europe2020
Europe's growth strategy

Building European Partnerships & Strategic Alliances by integrating Real & Virtual Worlds as the collaboration platforms

Smart Specialisation Strategies:
Implementing European Partnerships
Bench-Learning Conference for Pioneering Innovation Regions
June 18th 2014, Brussels

Proceedings:

<http://cor.europa.eu/en/events/Pages/smart-specialisation-strategies.aspx>



Using the Meshmoon Virtual Environment

2014
Markku Markkula, Juho-Pekka Virtanen, Lars Miikki, Ali Kämäräinen,
Tommi Hollström, Marika Ahlavo, Hannu Hyypä, Hank Kune



EUE RYM SHOK &
EKA Helsinki Region