

URBAN AGENDA FOR THE EU

JOBS AND SKILLS IN THE LOCAL ECONOMY

ACTION PLAN

(FINAL DRAFT)

26 October 2018



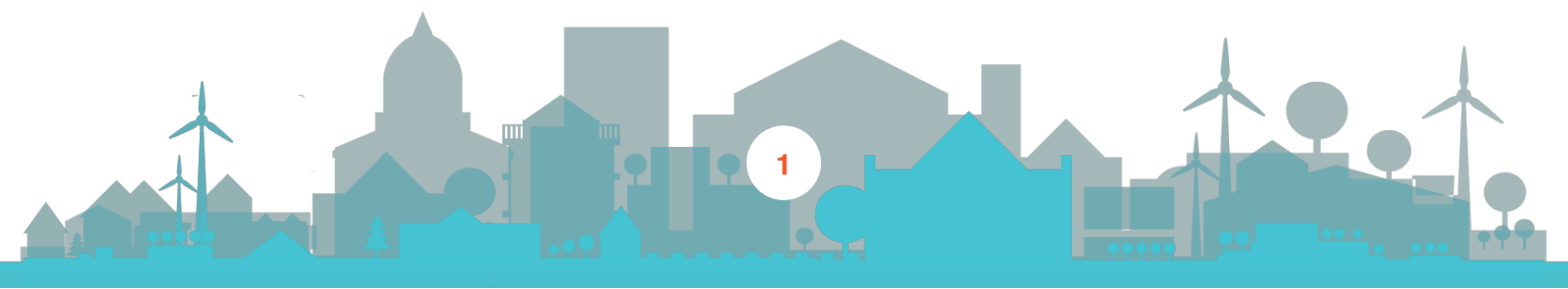


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Table of Acronyms

ACRONYM	COMPLETE NAME
CABERNET	Concerted Action on Brownfield and Economic Regeneration Network
Cedefop	European Centre for the Development of Vocational Training
CEMR	Council of European Municipalities and Regions
CF	Cohesion Fund
CLLD	Community-led local development
CoR	Committee of the Regions
COSME	EU's programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
CPR	Common Provision Regulation
DG	European Commission's Directorate General
DG EPL	European Commission's Directorate General for Employment
DG REGIO	European Commission's Directorate General for Regional and Urban Policy
DSJC	Digital Skills and Jobs Coalition
EC	European Commission
EDP	Entrepreneurial Discovery Process
EEA	European Economic Area
EEB	The European Environmental Bureau
EFSI	European Fund for Strategic Investments
EIB	European Investment Bank
ELA	European Labour Authority
ELENA	European Local Energy Assistance
ELTI	Education and Life Long Learning
EPBD	Energy Performance of Buildings Directive
EPSR	European Pillar of Social Rights
ERDF	European Regional Development Fund
ESF+	European Social Fund plus
ESIF	European Structural and Investment Funds
ESPON	European Observation Network for Territorial Development and Cohesion
EU	European Union
EUKN	European Urban Knowledge Network
FUA	Functional Urban Area

GDP	Gross Domestic Product
ICT	Information and Communication Technologies
IEC	International Electro-technical Commission
INTERREG	European Regional Development Fund
ITI	Integrated Territorial Investments
JPI	Joint Programming Initiative
JRC	European Commission's Joint Research Centre
LLCG	Lifelong Career Guidance
LLL	Lifelong Learning
LT	Long Term
MFF	Multiannual Financial Framework
NEET	A person who is 'Not in Education, Employment, or Training'
NESTA	National Endowment for Science, Technology and the Arts (UK)
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
OSH	Occupational Safety and Health
PES	Public Employment Service
RiS3	Research and Innovation Strategies for Smart Specialisation
ROP	Regional Operational Programme
R&D	Research and Development
SDGs	Sustainable Development Goals
SMEs	Small and Medium sized Enterprises
SMSTs	Small and Medium Sized Towns
UDG	Urban Development Group
UDN	EU Urban Development Network
URBIS	European Investment Advisory Hub
USEPA	United States Environmental Protection Agency
VET	Vocational Education and Training
YEI	Youth Employment Initiative
3Es	Education, Experience and Exposure

1 Introduction

During the Dutch Presidency of the Council of the EU in 2016, Ministers responsible for Urban Matters adopted the Pact of Amsterdam. This pact established the Urban Agenda for the EU, recognising the importance of effective urban policy and the benefits of incorporating cities in the policymaking and implementation processes. This decision came at a time when 70% of Europeans live in urban areas, stressing the need to foster sustainable urban development.

Urban areas are the drivers of the European economy and innovation today. However, they are also the battleground for many of the societal struggles of the 21st century. Thus, the Urban Agenda for the EU was created to ensure that the urban dimension is reflected in EU legislation. The Urban Agenda is composed of several priority themes which are imperative for the sustainable development of urban areas. Each theme has a dedicated Partnership, which brings together urban authorities, Member States and EU institutions to propose feasible measures for EU legislation, funding and knowledge sharing. One of these Partnerships is the **Partnership 'Jobs and Skills in the Local Economy'**. As urban areas are the key players in the creation of the conditions for sustainable economic development, a strengthened EU agenda on Jobs and Skills is crucial for the future of Europe.

The development of urban areas will have a major impact on the future sustainable development (at economic, environmental and social levels) of the European Union and its citizens. Therefore, the Urban Agenda for the EU will also contribute to the implementation of the UN 2030 Agenda for Sustainable Development and the global 'New Urban Agenda' as part of the Habitat III process¹.

Governance

The Partnership 'Jobs and Skills in the Local Economy' consists of 17 members representing EU Member States, regions, urban authorities, stakeholder organisations and the European Commission. More specifically, members are:

- 3 Member States: Romania, Italy and Greece
- 8 Urban Authorities: Berlin, Rotterdam, Jelgava, Torino, Porto, Ghent, Kielce, Miskolc
- 4 Stakeholder organisations: European Investment Bank (EIB), URBACT, EUROCITIES, Council of European Municipalities and Regions (CEMR)
- European Commission: DG for Regional and Urban Policy (DG REGIO), and DG Employment, Social Affairs and Inclusion (DG EMPL)
- Other organisations such as OECD and Cedefop have also participated in the Partnership

The coordinators of work of the Partnership are Romania, the city of Rotterdam and the city of Jelgava.

¹ European Commission (2016) *Pact of Amsterdam*
http://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf



Preparation of the Action Plan

The Partnership 'Jobs and Skills in the Local Economy' has taken on the challenge to prepare and implement an Action Plan aiming to improve legislation, funding instruments and knowledge sharing to contribute towards the Union's long term objectives of sustainable growth and social, economic and territorial cohesion. The aim of the Partnership is to support the local economy by increasing the capacity and skills of the workforce, and providing favourable preconditions for business development and the creation of jobs based on distinctive local specificities. In order to do so, the Partnership has explored, analysed and identified bottlenecks and burdens at EU, national, regional and local levels and prepared specific actions to tackle these. Additionally, the preparations for a new EU funding framework for the period post 2020 provide a unique opportunity to bring the urban dimension in the legislative proposals and accompanying implementing guidelines.

Following an initial analysis, 32 potential actions were identified. Later on, ten actions were selected and presented in a draft Action Plan for the public consultation process which was conducted through the *Futurium* platform for eight weeks between July and September 2018. In parallel to this, a stakeholder consultation took place amongst Member States through the Urban Development Group (UDG). In addition, the European Commission provided contributions through an interservice consultation. The inputs received have been incorporated in this final draft Action Plan which will be submitted for approval by the meeting of the directors-general for Urban Matters of the Member States (DG UM) during the Austrian Presidency on 13 November 2018.

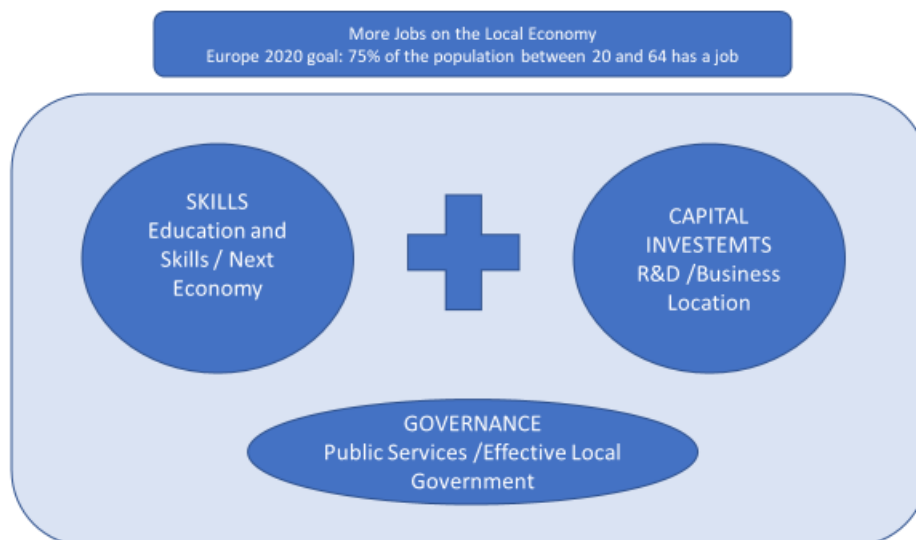
Of the ten proposed actions 6 are related to Skills, 3 deal with Capital Investments, and 1 action refers to Governance. At the same time, as a transversal matter, it is necessary to stress the importance of multi-level governance –policy cooperation between the European, national, regional and local tiers of government– for the implementation, as this Partnership cannot possibly tackle every issue related to Jobs and Skills in the Local Economy. This method of policy cooperation is applicable to all measures proposed.

Objectives, focus areas and activities

The European economy seems to be slowly recovering from the financial and economic crises. However, the recovery is not taking place at the same pace in the whole European territory. After several years of crisis, the EU is experiencing economic growth partly due to increased purchasing power and exports, and very low to zero per cent interest rates. Nevertheless, these positive effects seem to have hardly affected the labour market. Eurostat statistics show that unemployment is still above pre-crisis levels and the EU's goal of "75% of the population between 20 and 64 having a job" has not been reached in most Member States. In particular, the still high level of youth unemployment is a serious problem for the European societies as young people are confronted with unemployment while at the same time they are missing out on developing crucial labour market skills.

Local authorities are crucial to improve the circumstances for the creation of jobs, since they can play a role in facilitating a favourable business ecosystem, promoting the modernization of the local economy, training the workforce, supporting (social) entrepreneurship, ensuring proper infrastructure and mobility, providing quality public services, controlling urban development and land use, diminishing the time and the procedures to obtain building permits, finding ways to stimulate local jobs through social return schemes, and promoting apprenticeship programmes and financial instruments such as social impact bonds and others. Nonetheless, at this point, it is relevant to remember the importance of involving different tiers of administration in the Jobs and Skills field, as local authorities do not work in isolation. Thus, local authorities are crucial pillars for a strengthened EU agenda on Jobs and Skills.

Objectives and structure of Partnership



Source: Partnership 'Jobs and Skills in the Local Economy'

The Partnership identified three Priority Areas and six Themes to intervene in, namely:

- 1st Priority Area: Skills - Next Economy, and Education and Skills

Next Economy - enabling the transition of cities and regions with a strong industrial and often fossil fuel base into a next economy based on knowledge, interconnection, sustainable energy, digital technologies and platforms, and more localised and circular forms of production. This provides an area of opportunity for coupling locally-based social economy initiatives with the promotion of sustainable development. The next economy requires an entirely new and digitized economy, and social and knowledge infrastructure (i.e. valorisation) focusing on crossovers, networking and smart clustering, which support strategic cluster development for new industrial value chains.

Education and Skills - Preparing for the transition to the next economy requires different types of qualifications of our labour force, namely 21st century skills, aiming to generate highly qualified experts and capacities so as to foster higher productivity, creativity and innovation, deployment of digital technologies and ensuring inclusive labour markets. In other words, the next economy is built on the next society. Today, the labour market is experiencing a mismatch between demand and supply in particular regarding digital, human and other transitional skills. At the same time, many EU Member States and cities still have a relatively high unemployment rate, especially among certain groups. This constitutes a situation in which there is a need for an increase in skills level, as the demand for low-skilled jobs decreases, and large groups -particularly the most socially vulnerable ones- run the risk of not being able to effectively participate in the labour market. Crucially, when jobs are not available to a highly educated workforce, talent moves elsewhere.

- 2nd Priority Area: Capital investments - Valorisation of R&D and Business Locations

Valorisation of R&D – facilitating the cooperation between entrepreneurs and the scientific and research community with the aim of incorporating the results and developments of scientific research in capital investments. The key issue is the collaboration between entrepreneurs and scientific institutions to promote innovation and a knowledge-based economy. Also, SMEs are faced with a productive dilemma: either to take a chance in innovative products or to continue with traditional growth (price or quantity). Local authorities can play a decisive supporting role here, either directly or by requesting the assistance of intermediary bodies as facilitators or caretakers.

Business Locations – developing business parks and office locations in accordance with the current needs of the companies and entrepreneurs, both existing and new. This includes transport and communication, consisting of networks such as water, waste, sewage, energy, etc. In the era of globalization, there is a high mobility of resources (human resources, investments etc.). Therefore, business locations have to be linked with the appropriate environment, including necessary infrastructure as one of the preconditions to attract investors and/or entrepreneurs. This involves using strategic clusters as the most suitable innovation ecosystems for enterprises and entrepreneurs to grow and start-ups to scale up.

- 3rd Priority Area: Governance - Public Services and Effective Local Governance

Public Services – providing the most common interface between citizens, entrepreneurs and local administrations in order to support economic activities. Productive, innovative and smart growing cities develop policies that contribute to the balanced development of all categories of public services, which strongly connects to the needs of the present and future generations and in accordance with the environmental conditions, size, economic profile and the development vision of each urban area.

Effective Local Governance – Cities can play an important role in ensuring transparency at all stages of the creation and implementation of new development strategies, involving citizens in the decision-making processes. Moreover, for investors it is equally important to develop their business in a predictable environment in terms of regulations (such as building permits or operating permits), taxes, incentives, labour force skills, etc. At the same time, cities should work together to improve and increase their own administrative capacity to develop and implement integrated strategies, to create new types of services adapted to the technological developments and to the needs of the citizens (e-services).²

² For further information of the Priority themes, please see the Annex 2: Progress report on Action Plan elaboration

2 Summary table of Actions

	NAME	LEADER	CONTRIBUTOR(S)	AIM(S)
SKILLS: NEXT ECONOMY/ EDUCATION & SKILLS				
1	Talent Office	Porto	Greece, Kielce, Rotterdam	Better knowledge
2	Future Labour Market Skills	Berlin	Greece, Porto, Rotterdam, URBACT, DG EMPL,	Better knowledge
3	The European Pillar of Social Rights (EPSR) as a Framework for the Reconversion towards a Sustainable Economy	Ghent	Berlin, CEMR, EUROCITIES	Better knowledge
4	RIS3 2.0	Rotterdam	Greece, Kielce, Porto	Better regulation, better funding, better knowledge
5	Long Term Investments	Rotterdam	Porto, Torino, EIB, EUROCITIES	Better funding
6	Horizontal Action: Simplification 2.0	Rotterdam, Jelgava	Greece, Romania, Ghent, Miskolc	Better funding
CAPITAL INVESTMENTS: VALORISATION OF R&D/ BUSINESS LOCATIONS				
7	Funding Deprived Areas	Jelgava	Miskolc	Better funding
8	ITI Flexibility	Jelgava	Torino	Better funding
9	Cluster of State Aid and De-Minimis	Jelgava		Better regulation
GOVERNANCE: PUBLIC SERVICES/ EFFECTIVE LOCAL GOVERNANCE				
10	Job-Oriented Ecosystem	Romania	Italy, Urbact, Miskolc	Better knowledge

3 Description of Actions

3.1 Action 1: TALENT OFFICE

The Talent Office aims to pool the best innovative practices, such as an Observatory and digital platforms, to address Talent mismatch, acting as an enabler to connect talent and all the stakeholders related with the talent supply and demand and to raise awareness on present and future skills, through lifelong career guidance.

LEADER	CONTRIBUTORS	AIM
Porto	Greece, Kielce, Rotterdam	Better knowledge

Cities in Europe find themselves in different stages on issues such as employment, the development of the workforce and the level of innovation, productivity and creativity. However, they all face huge challenges for the transformation and 'reinvention' of jobs and skills, unleashing the talent of each human being.

In this Action, talent is defined in two dimensions. Firstly, the individual one: the asset, potential and natural aptitude to develop specific skills and career path. Secondly, the city level: the mass of talent that a city offers, the talent ecosystem to fill the needs of labour market. In cities, talent is becoming one of the most important drivers for local, regional and national economic development. In fact, talent is a key intermediate variable attracting and retaining industries, generating higher regional incomes and with huge effects on individuals and social development.

A Talent Office in a city can be an enabler, enhancing talent and community development. It would work to provide the connections, expertise and innovative solutions to drive continuous business and build vibrant communities. In addition, it would attract and retain key talent to fill the city's pipeline of opportunities.

This Action seeks the creation of a Talent Office with a regional focus which can be replicated inside the nearby Municipalities.

A) What is the specific problem?

In most cities, skills mismatch is one of the crucial issues to address. Big and quick changes are happening in the labour market and we are facing the needs of new demands and new ways of working. New challenges need new solutions.

The Porto Municipality took the lead and developed an innovative and integrated approach that allowed mapping the demand and offer for talent in the Northern region of Portugal. This was the starting point for discussions on actions around talent. Some of the challenges identified were:

1. Lack of continuous monitoring of the talent supply and demand (Observatory).
2. Serious shortage of adequate talent.
3. Lack of regional integration of useful information to support (the best) decisions in terms of talent demand and supply
4. Lack of an aggregator/enabler to involve, align and create conditions to put stakeholders working together to address common issues.
5. Lack of a common strategy guiding loose and non-integrated initiatives.
6. Career guidance, requalification and integration for unemployed people.

B) What action is needed?

Pooling best and innovative practices to address talent mismatch, developing an Open Talent Economy, promoting flexible and distributive work, addressing the '3 Es' (Education, Experience and Exposure) and enriching a vibrant sustainable talent community. In short, creating a Talent Office, a pilot programme inside each Municipality to address all these needs with the following actions:

1. Mapping talent (Observatory): raising awareness among the main stakeholders by providing labour market information and diagnosing and anticipating qualification needs.
2. Developing a career and talent orientation programme for better choices (Lifelong Career Guidance) and producing a roadmap for better choices.
3. Training, re-skilling and developing talent (hard and soft skills, new transversal skills in particular digital skills).
4. Connecting talent supply and demand and feeding the talent ecosystem.
5. Attracting and retaining talent in the city.

C) How to implement the action?

1. Identifying needs that must be addressed by Talent Office.
2. Identifying stakeholders that want to be engaged with the Talent Office.
3. Identifying sources of existing information and what kind of information is lacking on a city and regional level.
4. Creating a Talent Office and start designing its services:
 - Creating a Talent Observatory with regular monitoring of demand and supply from identified sources,
 - Deciding what kind of services and for whom the Talent Office is going to provide for, through activities like Peer Groups by functional areas,
 - Designing and implementing a Lifelong Career Guidance System and Lifelong Learning System,
 - Designing and implementing a communication plan with the different stakeholders.
5. Identifying and spreading matching solutions between demand and supply, such as training academies, curricula review and others to target future skills.
6. Creating a boot camp or a future skills centre at the city and region level. This would aim to develop skills holistically, provide experiences, and give the opportunity to be with those who might prepare for and transform the future.
7. Boosting the community, creating contexts to plan, sharing and experiencing best practices, through collaboration and cooperation, effectively nurturing the ecosystem and enabling its sustainability.
8. Developing a digital platform to collect and exchange good practices, mutual learning programmes and networks enhancing the attraction and retention of talent in the local economy.
9. Producing an Open Economy glossary.

D) Which partners are involved in the action?

Porto (Leader) Greece, Kielce, Rotterdam and potentially DG EMPL.

E) What is the timeline for the action?

The proposed Talent action is starting to be implemented in Porto as a pilot. Specific deadlines can be presented by the end of September 2019 even though the implementation and the depth of some instruments rely on funds and financial support.

3.2 Action 2: FUTURE LABOUR MARKET SKILLS

This action foresees the creation of an online repository of the best practices of local approaches to transfer and develop future labour market skills, aiming to provide permanent mechanisms for knowledge exchange in this area.

LEADER	CONTRIBUTORS	AIM
Berlin	Greece, Porto, Rotterdam, URBACT, DG EMPL	Better knowledge

A) What is the specific problem?

The bottleneck to be addressed by this action is the limited inclusion of the local level in the context of the New Skills Agenda and missing mechanisms for exchanging ideas, projects and good practice.

The existing skills mismatch is one of the main challenges for labour market policies. In this context, digital transformation is one of the key drivers of change that has to be tackled, also on a local / regional level. In particular, the integration of digital competences in vocational education and further training is an important challenge. The New Skills Agenda recognises this challenge. However, there are some blind spots that need to be addressed. It is important to not only look at bigger companies but especially consider the needs and demands of the people actually working with digital innovation in SMEs in different sectors. At the same time, it is necessary to discuss how a digital divide can be prevented and how the relevant (local) actors can connect and work together to achieve this.

The EU already provides support to policy makers in the field of labour market skills through the collection and exchange of good practices, mutual learning programmes and networks. Many EU funded projects also include the exchange of local experiences. For example, the Digital Skills and Jobs Coalition³ promotes some good digital skills initiatives from the Digital Skills Awards and pledges done by members of the Coalition⁴. But due to their project character, most of the existing repositories are limited in scope and time. A permanent mechanism to ensure that the best practices regarding digital competences are widely shared, recorded and further developed is missing.

B) What action is needed?

The main goal is a permanent mechanism to ensure that the best practices regarding digital competences⁵ are widely shared, recorded and further developed is needed.

An essential challenge is to connect the relevant actors (from the social partners, the companies, the educational/ VET sector, the knowledge economy etc.), allowing them to develop a common understanding of future labour market skills and to exchange approaches. This can enable them to adapt and implement good practice initiatives.

The repository will represent a unique database, where detailed yet understandable descriptions of existing approaches to the development of digital competences are portrayed - taking into account existing initiatives such as the Digital Skills and Jobs Coalition's repository. In a user-friendly environment, all quadruple helix actors (citizens/civil society, business sector,

³ <https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition>

⁴ <https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition-initiatives>

⁵ Digital competences include not only technological but also social and emotional aspects and therefore go beyond the definition of digital skills.

knowledge institutions and responsible authorities from all involved tiers of government) can search through the database by various criteria. In addition, the repository will contain information about the results of the projects, success stories as well as challenges, making it especially user-friendly. Initiatives presented in this way can be shared across countries, government levels and sectors, adapted and successfully implemented in other cities.

In order for the action to succeed, it has to be widely distributed. Together with networks and partners like URBACT, Cedefop and EUROCITIES (stakeholder), the action partners will reflect the adequate alignment of the online repository. In the initial project phase significant resources will be dedicated to a development and implementation of wide public outreach. The focus of the repository will be on various initiatives that work on a local/ regional level, deal with future labour market skills, are project-based and are either public or private sector initiatives. One example is Berlin's 'Additional qualifications for digital competencies' project. The project by the Senate Department for Integration, Labour and Social Services aims to develop general as well as specific job-related digital competences for vocational education and training and for further training. Once it is shared in the repository, it can be adapted and implemented in other cities. The online repository can also consider projects/initiatives by (or targeting) SMEs, innovative entrepreneurs, social innovators and freelancers.

C) How to implement the action?

The action is related to the Sustainable Development Goals: 4 (Quality Education), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities).

The financial and technical aspects of the online repository will be assured by the action leader. The Partnership will explore ways of integrating the repository into the Cedefop webpages. To ensure a long-term exchange of approaches between relevant actors at the local / regional level, the Partnership will collaborate with EUROCITIES (stakeholder), URBACT and other experts for public outreach and for identifying criteria for good practice initiatives.

Next steps are:

1. the definition of a structure for the repository.
2. the clarification of technical aspects.
3. the acquisition of projects that can be integrated into the repository and.
4. public outreach to acquire potential initiatives and network partners.

Implementation risks and how to reduce them:

1. Sustainability: To ensure a permanent mechanism for knowledge exchange, the data will be regularly updated and the platform could be integrated into (or be referred to by) the Cedefop webpages.
2. Not enough content: Projects will be generated via existing networks, e.g. EUROCITIES (stakeholder), URBACT and Cedefop as well as by the action partners.
3. Limited range of the platform: The action partners will work with existing networks, e.g. EUROCITIES (stakeholder) as well as the Commission and Cedefop to make the platform known.

D) Which partners are involved in the action?

Berlin (Leader), Greece, Porto, Rotterdam, URBACT, DG EMPL, EUROCITIES (stakeholder).

E) What is the timeline for the action?

October 2018 – December 2018	Define structure / criteria for repository
	Create draft grid with project examples from action partners
	Clarify technical aspects with external partner
January 2018 – June 2019	Set up online repository
	Collect good practice initiatives
June 2019	Online repository goes live

3.3 Action 3: THE EUROPEAN PILLAR ON SOCIAL RIGHTS (EPSR) AS A FRAMEWORK FOR THE RECONVERSION TOWARDS A SUSTAINABLE ECONOMY

This action suggests that the European Pillar on Social Rights (EPSR) should be the framework for the reconversion towards a sustainable economy in urban areas.

LEADER	CONTRIBUTORS	AIM
Ghent	Berlin, EUROCIITIES, CEMR	Better knowledge

The EPSR –in keeping with Sustainable Development Goal (SDG) 8 on *Decent work and economic growth*– sets out 20 key principles and rights “to support fair and well-functioning labour markets and welfare systems”⁶. Moreover, the EPSR is a policy objective for a more social Europe in the proposed regulation regarding several funds post 2020⁷.

EU leaders proclaimed the EPSR on 17 November 2017. The Pillar sets out 20 key principles and rights “to support fair and well-functioning labour markets and welfare systems, serving as a compass for a renewed process of convergence towards better working and living conditions among EU Member States” (EC, 2017d:1)⁸. The 20 key principles, derived from Sustainable Development Goal (SDG) 8 on decent work and economic growth, are structured around three categories: Equal opportunities and access to the labour market; fair working conditions and; social protection and inclusion. Moreover, the EPSR is a policy objective for a more social Europe in the proposed regulation regarding the common provisions on the European Regional Development Fund, European Social Fund Plus, Cohesion Fund, European Maritime and Fisheries Fund, Asylum and Migration Fund, Internal Security Fund, Border Management and Visa Instrument (EC, 2018)^{9, 10}.

A) What is the specific problem?

1. The EU demonstrated that ‘the world of work’, the European demography and economy have considerably changed in the 21st Century. To maintain fair and well-functioning labour markets and welfare systems, actions for a social Europe are needed (EC, 2017)¹¹.
2. The wide EU consultation made clear that the EU Social Acquis is broadly relevant, but lacks tools to improve the implementation and enforcement of existing rights (EC, 2017b)¹².
3. More than half of the principles of the EPSR have a direct link to local level, therefore it is of utmost importance to have cities involved and supported to implement them (EUROCIITIES, 2017)¹³.
4. The EPSR is accompanied by a Social Scoreboard which tracks trends and performances across EU countries and is monitored through the European Semester (EC, 2017). However, the effects of such soft-law tools prove to be insufficient (EP, 2014; etui, 2018)¹⁴.

⁶ European Commission (EC), (24/10/2017:1). IP/17/4068. http://europa.eu/rapid/press-release_IP-17-4068_en.htm

⁷ EC, (29/5/2018). COM(2018) 375 final. https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_3&format=PDF

⁸ European Commission, (24 October 2017d). IP/17/4068. Commission welcomes the Council's endorsement of the European Pillar of Social Rights and its general approach to reform the Posting of Workers Directive. European Commission, Brussels. http://europa.eu/rapid/press-release_IP-17-4068_en.htm

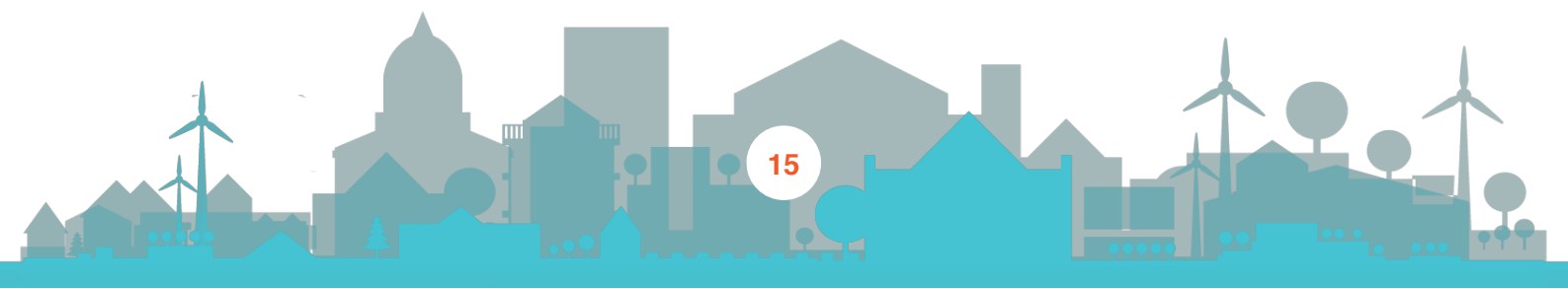
⁹ European Commission, (29 May 2018). COM(2018) 375 final. https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_3&format=PDF

¹⁰ More info can be found at: https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en#chapter-ii-fair-working-conditions

¹¹ European Commission, (1 March 2017). COM(2017)2025 White Paper on the Future of Europe. Reflections and scenarios for the EU27 by 2025. European Commission, Brussels. https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf

¹² European Commission, (26 April 2017b). SWD(2017) 206 final. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017SC0206&from=EN>

¹³ EUROCIITIES (2017). Social rights for all. Cities are committed to deliver on the European Pillar of Social Rights. EUROCIITIES, Brussels. http://nws.EUROCIITIES.eu/MediaShell/media/EUROCIITIES_statement_social_rights_for_all_FINAL.pdf



B) What action is needed?

The above demonstrates that it is indispensable to involve the local level to succeed in the effective implementation of the EPSR. Therefore, this action focuses on better knowledge through multi-level cooperation. Given that all 20 of the principles cannot be elaborated within the scope and timeframe of this Partnership, the action targets “education, training and life-long learning” (Principle 1) and “Secure and adaptable employment” (Principle 5). The action comprises five chronological sub-actions:

1. Collecting cities’ practices regarding multi-level cooperation in relation to the implementation of Principles 1 and 5 (January – April 2019).
2. Analysing the practices by experts to identify strengths, challenges, pitfalls and possible solutions regarding multi-level cooperation in relation to principle 1 and 5 (May – July 2019).
3. As a result of the analyses, disseminating a practical guide about how the EPSR can be delivered at the local level in the framework of the Multiannual Financial Framework (MFF) and its associated funding instruments (September 2019).
4. Organising a connecting-event, bringing different tiers of government together to A) learn from one another’s expertise to feed into the Commission’s country reports and to B) co-create tools to fine-tune the monitoring of progress on principles 1 and 5 up to the local level (October 2019).
5. As a result of the connecting-event, disseminating a practical guide about how to deliver the EPSR at the local level in the framework of the European Semester (December 2019).

C) How to implement the action?

To be successful, the action “strengthening the implementation of the European Pillar Social Rights” must be facilitated by an external expert and meet the following features: multi-level governance, process-development, holistic approach. Additionally, it should relate with:

- SDGs 1, 3, 4, 5, 10, and 11,
- Urban Partnership Urban Poverty, Digital Transition and Inclusion of Migrants and Refugees.

Depending on the result of this action, we recommend to:

- Issue similar guides in future years,
- Carry out a similar exercise with the other principles of the EPSR to begin with principle 4 “Active support to employment”, because this principle includes activities such as support for job research and guidance, on which actors in urban contexts are typically active.

D) Which partners are involved in the action?

Ghent (Leader), Berlin, CEMR, EUROCITIES.

E) What is the timeline for action?

Please refer to section B.

¹⁴ Prpic, M., European Parliamentary Research Service (EP), (2014). The Open Method of Coordination. At a glance. European Parliament, Brussels. <http://www.europarl.europa.eu/EPRS/EPRS-AaG-542142-Open-Method-of-Coordination-FINAL.pdf>; European trade union institute (etui), (2018). The European pillar of social rights: critical legal analysis and proposals. <7://www.etui.org/Publications2/Reports/The-European-pillar-of-social-rights-critical-legal-analsis-and-proposals>

3.4 Action 4: RIS3 2.0

Including a Human Capital Agenda and the local dimension into the Regional Innovation Strategies

LEADER	CONTRIBUTORS	AIMS
Rotterdam	Greece, Miskolc, Kielce, Porto	Better regulation, better funding, better knowledge

For the implementation of ERDF operational programmes 2014-2020 an ex-ante conditionality for strengthening research, technological development and innovation has been introduced. According to the definition (Article 2 of the ERDF Regulation 1303/2013), “smart specialisation strategy means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation on strengths to business needs in order to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts”. The focus of this ex-ante conditionality is mainly on concentrating resources to stimulate private RTD investments.

In the proposals for the post-2020 programming period (CPR proposal - COM(2018)375) the RIS3 has been renamed as an enabling condition for “good governance of national or regional smart specialisation strategies”. In addition to the criteria, the current actions to manage industrial transition and measures for international collaboration are included.

Furthermore, the proposal for the ERDF and cohesion fund regulation (COM (2018) 372) has reworded the policy objective as “a smarter Europe by promoting innovative and smart economic transformation” and has included as a possible priority for interventions “developing skills for smart specialisation, industrial transition and entrepreneurship”. Also, under the social objective ERDF funding, there is a proposal for “improving access to inclusive and qualitative services in education, training and lifelong learning through developing infrastructure”.

Finally, the proposed Interreg Regulation (COM (2018) 374) includes a new strand for “innovative investments through the commercialisation and scaling up of Interreg innovation projects having the potential to encourage the development of European value chains (‘component 5’). In this context, transnational clustering can be an effective tool for strengthening interregional cooperation and reaching out to SMEs.

A) What is the specific problem?

1. The RIS3 is strongly focused on innovation and economic potential investment taking the skills, education and training pillars as existing building blocks. OECD research indicates that the availability of a skilled workforce is becoming increasingly important to innovation and growth, requiring a better alignment of employment, skills and economic development policies.
2. The strong development of the Smart Cities and Communities approach, where cities all over Europe act as test beds for new and innovative economic activities, is insufficiently reflected in the regional and national focus of the RIS3.
3. Even though the Funds’ Partnership principle specifically includes the local level, the involvement of urban authorities in the RIS3 processes has not been very systematic.
4. RIS3 is a valuable instrument that runs the risk of becoming a goal in itself. The monitoring process is very much focused on the realisation of the RIS3 ambitions and not so much on the underlying developments.

5. RIS3 might be delivering concrete benefits to only a few regions or to specific parts of regions with high R&D potential. Without establishing practical cooperation between the successful centres and those with limited experiences, there is a risk for a new regional divide.

B) What action is needed?

1. Including a Human Capital Agenda as an elementary building block of a RIS3 strategy and monitoring.
2. Improving the bottom-up process by building stronger on local policies and strategies and more systematically including the cities as drivers of innovation and test beds for innovative solutions (e.g. the Smart Cities and Communities approach) within the RIS3 approach.
3. Including the local level as a strategic partner in the Entrepreneurial Discovery Process of the RIS3 as well as in the RIS3 governance.
4. Developing a more flexible monitoring system by including regional trends and bottlenecks, allowing the RIS3 strategy to maintain its long-term focus whilst taking into account unforeseen disruptive economic developments.
5. Building connections between and within regions and cities to boost the innovative potential and performance of regions and neighbourhoods through exchange of experiences and concrete practical cooperation projects, including the cooperation between strategic cluster partnerships.

C) How should the action be implemented?

1. Contributing towards an updated and improved RIS3 guide.
2. Preparing a position on the criteria of the enabling condition as proposed in Annex IV to the CPR.
3. Applying the principles of Partnership and multi-level governance to the RIS3.
4. Identifying good practices of local involvement in the RIS3 processes.
5. Preparing a proposal on how to implement the new Interreg strand for innovative investments in line with the RIS3, including practical transnational cooperation between cities, regions and clusters in developing and implementing their new RIS3.

D) Which partners are involved in the action?

Rotterdam (Leader), Greece, Kielce, Miskolc, Porto.

E) What is the timeline for the action?

Initial proposals will be developed in the period September 2018 – June 2019.
Specific deadlines will be depending on the Council working programme (tbc).

This Action relates with: SDGs 4, 8, 9, 11 and 12.



3.5 Action 5: LONG TERM (LT) INVESTMENTS

This action proposes to promote and optimise the long-term investment framework for jobs and skills.

LEADER	CONTRIBUTORS	AIM
Rotterdam	Porto, Torino, EIB, EUROCITIES	Better funding

Investment is a critical driver of employment and growth (OECD – 2014). The Commission, in the proposal for a regulation establishing the InvestEU Programme (COM (2018)439), points out that in 2016 infrastructure investments were 1.8% of EU GDP, still about 20% lower than before the financial crisis. With major transitions in energy, economy, education and skills targeted investments are needed to build the next foundations of the Union.

Instead of the current specific financial programmes and instruments such as those from the Horizon2020 programme, the Commission is proposing to bring together all these instruments under one specific fund with one set of rules and four policy windows in InvestEU Programme (successor of the Juncker plan or EFSI) for the next long-term EU budget 2021-2027. The main objective of the new investment fund is to bring together the multitude of existing financial instruments and to expand the success of the previous plan. In particular, the European Commission aims to support with the InvestEU Programme growth, innovation and jobs in Europe. The InvestEU Programme proposal aims to tackle some of the problems that were experienced when linking EFSI to regional development programmes. On other points further clarification is needed on the actual implementation provisions.

The InvestEU Programme will bring together up to 14 existing financial programmes and 13 assistance instruments into a single Advisory Hub. The new programme will be divided in three parts:

- **InvestEU Fund.** This will support the public and private investments in Europe in order to contribute to reduce the investment gap among the Member States. The Commission wants to earmark €15.2 billion for the InvestEU Fund, in this way providing a €38 billion guarantee to sustain investments across the EU. It is expected that the Fund will trigger more than €650 billion in additional investment during the period 2021-2027. Additionally, the EC identifies 4 policy areas in which the Fund will work: sustainable infrastructure; research, innovation and digitalisation; small and medium-sized businesses; social investment and skills,
- **InvestEU Advisory Hub.** This will continue to supply assistance to support the planning, structuring and implementation of projects,
- **European Investment Project Portal.** This will continue to bring together investors and project promoters, providing an easily-accessible and user-friendly database in order to provide more visibility to the project.

In this new scheme, projects can be supported that are technically and economically viable through the use of debt, risk sharing and equity instruments. The InvestEU Programme must address Union wide market failures or suboptimal investment situations. When Member States decide to bring in their own funds, these could address specific failures in their own territories. Finally, a substantial amount of financing (€ 525 million) has been made available for centrally managed project development and assistance through the InvestEU Advisory Hub and the European Investment Project Portal.

A) What is the specific problem?

1. Investment in research and innovation across the EU falls short of the 3% GDP target, the overall amount of venture capital and average fund-size is too small for start-ups making the next step and 40% of the EU workforce lacks the necessary digital skills (Innovation scoreboard 2018), which in the long run would be weakening the industrial and economic competitiveness of the Union.
2. Many funding instruments exist but due to the lack of a single framework investors face a lack of clarity in the requirements that differ from instrument to instrument.
3. Funding in many cases can be particularly difficult when a blending of instruments is required. A large-scale project needs multiple funding sources. So, either is required to secure the necessary funding for the operation, or when blending is aimed for. A project that has received a seal of excellence from Horizon2020 can more easily benefit from ERDF funding; however, receiving parallel support from EU financial instruments could be too time-consuming.
4. As with EFSI, the InvestEU Programme seems likely to provide support to individual projects. It is therefore not clear how the InvestEU Programme can support the Regional Innovation Strategies that are required by other EU support programmes aiming at innovation.
5. It is not yet clear how the InvestEU Programme can contribute to investments in skills, education, training and related services that are locally, regionally or nationally organised: for instance, supporting a regional skills Agenda complementing the RIS3.
6. As identified by the Committee of the Regions, more than half of public investments are carried by local and regional authorities; however, these are still not within the scope of the Union's investment frameworks¹⁵.
7. As recommended in the 'Boosting Investment in Social Infrastructure in Europe' Report by the High-Level Task Force on Investing in Social Infrastructure in Europe, a far-reaching system of technical assistance at local, national and EU level is needed. It needs to be clarified how existing assistance programmes such as ELENA can be incorporated within the focus of InvestEU Programme, where the current proposal is concentrating the support in the InvestEU Advisory Hub.

B) What action is needed?

1. Identifying existing investment platforms supporting jobs and skills and taking stock of their strengths and weaknesses.
2. Analysing how the post 2020 EU programmes can (better) support local and regional programmes, the RIS3 and related regional skills Agendas.

¹⁵ Opinion of the European Committee of the Regions — Bridging the Investment Gap: How to tackle the challenges (2017/ 207/03)

3. Identifying ways to better link the Union's investment frameworks to local and regional long-term investment strategies.
4. Improving the proposals for a better and more efficient use of technical assistance at national, regional and local level.

C) How should the action be implemented?

1. Drafting a best practice guide on investment platforms
2. Preparing a position to the Council and the European Parliament on how (the implementation of) the proposal for an InvestEU Programme could better support local and regional long-term investment strategies
3. Identifying possibilities to strengthen the link between InvestEU and the investment priorities and strategies (such as RIS3) in the Cohesion Policy proposals.
4. Preparing possible technical assistance support programmes (e.g. building on the experience of ELENA) to deliver TA at local and regional level

D) Which partners are involved in the action?

Rotterdam (Leader), Porto, Torino, EIB, EUROCITIES.

E) What is the timeline for the action?

Initial proposals will be developed in the period September 2018 – June 2019. Specific deadlines will depend on the Council working programme (tbc).

This Action relates with:

SDGs: 4, 8, 9 and 11.

Urban Partnerships: Action plans will have to be compared but the proposals for InvestEU Programme are also directly relevant for the Partnerships on Energy Transition, Urban Mobility, Digital Transition, Circular Economy and Housing.

3.6 Action 6: HORIZONTAL ACTION: SIMPLIFICATION 2.0

Simplifying future EU cohesion policy programmes for urban areas

LEADERS	CONTRIBUTORS	AIM
Jelgava, Rotterdam	Greece, Romania, Ghent	Better funding

Over the last few years a major step has been taken to modernise and simplify the implementation procedures of the European Structural Investment Funds. In particular, the new Financial and Omnibus Regulations have formalised these steps. It is of crucial importance that these principles are carried forward in the new programming period, and where possible, further steps must be taken to ensure further improvements in the implementation and accessibility to the funds. The new CPR seems to include important new proposals to further improve the programming. It is important to see how these relate to the current bottlenecks identified and how further improvements can be ensured. It must also be taken into account that the modernisation and simplification must be included in the previously announced MFF on Financial Regulation and the new State Aid regulations.

A) What is the specific problem?

1. The current programming period is still building on a one-size-fits-all approach. New developments and the principle of proportionality would support a differentiated approach for the policy content as well as the implementation procedures and controls. Programmes with limited budgets require the same amount of controls as large programmes.
2. Some rules are too rigid for a successful implementation. Some types of investments require strict deadlines and account very stringently on the basis of receipts. For other investments there is a need to manage based on a structural end results. The timing is less important and the accounting should be on final results instead of on receipts
3. Ex-ante conditionalities (in the new proposal enabling conditions) are not always linked to the actual investment priorities. When focusing on 'promoting energy efficiency measures', it is mandatory to have a strategic policy framework to support energy efficiency renovation of residential and non-residential buildings, even if no funding for buildings is foreseen.
4. Lack of uniformity in rules will not allow the complementary use of instruments, either through combining or blending (i.e. different State Aid rules under COSME, EFSI and ESIF).
5. Gold-plating by national and/or regional authorities further complicates the effective and efficient implementation of EU funding programmes.
6. A lack of balance between legal certainty and flexibility. Rules and procedures should be clear from the start of the programming and not being given a different interpretation during the implementation. Too much flexibility would result in legal uncertainty for the final beneficiaries. On the other hand, maximum flexibility is required to address rapid changing circumstances.
7. Since the implementation of the current State Aid regime and accompanying Block Exemption for Innovation several new forms of clustering (eg. Fieldlabs) en forms of financing (in particular blending of funds) were being set up that

are not easily covered by the existing legislation. Also for more established forms of clustering a recent interpretation showed that instead of using a single article (Article 27 Innovation Clusters) of the Exemption, a combination of articles is required to cover the individual companies and the company providing the cluster facility.

B) What action is needed?

1. Identifying how the simplification proposals have been included in the proposals for the new Fund regulations (CPR, ERDF and CF, ESF+, Interreg).
2. Ensuring a more differentiated approach can be negotiated at the level of operational programmes.
3. Improving the relevance and proportionality of the enabling conditions.
4. Strengthening a single rulebook approach, both in the new CPR and in the new Financial Regulation.
5. Introduction of a ban on gold-plating of rules for European Investment Funds by Member States, Secretariats and Authorities in charge of implementing the programmes.
6. Ensuring the timely availability of all programming documents, including guides, guidance notes and interpretations before the start of the programming.
7. Simplifying the (new) State Aid regulations and Block Exemptions to improve support possibilities for investments in innovation, research and digitalisation.

C) How should the action be implemented?

1. Providing input to the Council and the European Parliament on the proposals for the new regulations for the implementation of the structural funds with a specific focus on simplification in the light of jobs and skills.
2. Preparing a position on the proposal for a new Financial Regulation.
3. Preparing a position on the new State Aid framework in the light of investments related to jobs and skills.
4. Developing concrete proposals to further simplify the final framework proposal.
5. Proving concrete simplification proposals to the foreseen consultation on the simplification on EU State Aid rules to facilitate (the blending of) public funding of innovative projects and clusters.

D) Which partners are involved in the action?

Rotterdam (co-Leader), Jelgava (co-Leader), Ghent, Greece, Miskolc, Romania.

E) What is the timeline for the action?

Initial proposals will be developed in the period September 2018 – June 2019.

Specific deadlines will depend on the Council working programme (tbc).

This Action relates with:

SDGs: 11

Urban Partnerships: this would be most relevant for nearly all Partnerships but it this topic has not been included in any of the other Partnerships action proposals so far.

3.7 Action 7: FUNDING DEPRIVED AREAS

Funding for economic and social regeneration of deprived areas “Encouraging an ongoing dialogue with EU institutions to promote a more social and economic approach on investments in deprived areas”

LEADER	CONTRIBUTOR	AIM
Jelgava	Miskolc	Better funding

A) What is the specific problem?

The rehabilitation of urban land and buildings has been an important focus of the Structural Funds. Such actions require an integrated approach to sustainable growth. The challenge remains most acute in Central and Eastern Europe. The cost of clearing contaminated sites is very high, so it will not be undertaken by the private sector while markets are depressed or while there is a significant market gap¹⁶.

The changes in global development over the past two decades have produced a different set of financing propositions at the local level from those in the past. Economic development in cities and regions is now much more about smart infrastructure, re-used brownfield land, high tech business space, creativity hubs, science parks, supply chains, knowledge capital, small companies, joint promotion, and community development¹⁷. It is very important to have strong public intervention to stimulate regeneration of deprived areas. A pro-active approach to restoration and reuse of brownfield land will be essential to achieve the Europe 2020 Flagship Initiative goal of no net land-take by 2050¹⁸.

It is obvious that nearby districts around the formerly prosperous but recently deprived, brownfield areas are seriously afflicted by unemployment and connected social challenges. It makes job creation the hottest issue among industrial restructuring and revitalisation of urban texture. Locally available workforce may give comparative advantage for the newly established businesses without the needs of investing in large-scale commuter infrastructure.

Several deprived urban areas are still experiencing struggles, uncompetitive companies which mean significant obstacles for local authorities to implement a complex, revitalisation project. The preparation period and costs of these projects are usually much higher than average urban development projects because of the expropriation or purchasing processes.

When conducting a survey, this Partnership identified the main factors for the regeneration of deprived areas:

1. Use territories as a resource for attracting new business. Deprived areas must be revitalised and enabled for future investments.
2. Skilful workforce and cost of resources.
3. Streamline bureaucracy, direct economic tools.
4. The need to find new interventions and innovative policies to deal with such deprived areas.

The significance of deprived areas is also tackled by other Partnerships of the Urban Agenda for the EU:

¹⁶ Second ESPON 2013 Synthesis Report 'Territorial insight: Where to focus what types of investments'

¹⁷ Investment Strategies and Financial Tools for Local Development. OECD, 2007.

¹⁸ Second ESPON 2013 Synthesis Report 'Territorial insight: Where to focus what types of investments'

1. The Partnership on 'Urban Poverty' proposed to address urban poverty in deprived urban areas with a new Urban Thematic Objective which includes a *Local Pact for the Regeneration of Urban Deprived Areas*. The main dimensions proposed to tackle urban poverty were: urban regeneration/living environments, social cohesion, inclusive economic development, and environment/energy.
2. The orientation paper of the Partnership on 'Sustainable Land Use and Nature Based-Solutions' looks at urban regeneration and the use of brownfields as important aspects for efficient and sustainable land use. An important issue is the lack of effective regulatory and fiscal incentives to attract private investments on brownfields. The Partnership stated that preventing urban sprawl through brownfield development, rededication and reuse of vacant and underutilised land should be a priority. It also defined three main topics, one of which is liveable compactness, with the subtopic 'redevelopment of brownfield and re-edification and reuse of vacant and underutilised land'.
3. The Partnership on Circular Economy has reviewed the whole cycle, starting with the extraction of raw material, design, production, transportation, consumption and finally the waste recycling with residues for final disposal.

The present Action is more focused on the revitalisation as a tool (support measure) to promote jobs and skills in local economies. Therefore, this Action emphasises economic and social goals in the regeneration of deprived territories and will try to promote revitalisation as primarily an economic and social question.

How do existing EU policies/legislations/instruments contribute?

ERDF investments for 2014-2020 are available for investments in deprived areas. In Article 5 of EU Regulation No 1301/2013 on ERDF, deprived areas are defined as an environmental issue. However, analysis shows that it is not only an environmental issue, but primarily an economic and social one. More specifically:

1. The causes of deprived areas are economical – change of industries.
2. The sustainable use of deprived areas would also be economical – new industries are looking for 'smart spaces' which could be adapted to their needs.
3. They have a social impact – the decline of industries brought poverty to those urban areas thus regeneration also needs investments in social or human capital to achieve higher productivity and a long-term use of those areas.

B) Which action is needed?

It is suggested to create new financing facilities within the next programming period after 2020 for the regeneration of deprived brownfield areas with social and economic regeneration. The regeneration of deprived areas is directly related to the development of the local economy and the enhancement of the competitiveness and depopulation of the cities. Considering the proportion of degraded and economically unused territories, a systematic set of measures for the revitalisation of the urban environment are needed. It should take into account economic and social sustainable development trends which ensure the long-term use of regenerated territories.

The use of deprived areas could be different, as these areas could be fostered as a resource for the creation of jobs. Therefore, it is necessary to improve the capacities and knowledge for the successful implementation of EU and local funded initiatives.

C) How to implement the action?

The new EU funding regulation needs to include support for revitalisation of deprived territories. This implies that social and economic revitalisation, under Policy Objective No.5 intervention field code No.131 has to be changed: *Physical regeneration, including social and economic, and security of public spaces*¹⁹.

The regulation has to contain a broader term for “revitalisation of deprived areas”, with an emphasis on economic and social revitalisation. This perspective must be included in the regulation’s guidelines (fiche or working documents).

For a successful implementation of this sort of initiatives at EU or local level, it will also be necessary to implement training actions.

D) Which partners are involved in the action?

Jelgava (Leader), Miskolc.

E) What is the timeline for the action?

Addressed for implementation: European Parliament, Council.

¹⁹ Annexes to the Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

3.8 Action 8: ITI FLEXIBILITY

More place-based approach - flexibility in integrated territorial investments (ITI)

LEADER	CONTRIBUTOR	AIM
Jelgava	Torino	Better funding

A) What is the specific problem?

The effective coordination between different policy and administration levels (“place –based development approach”) is essential for successful and efficient development of local areas. Impact assessment and evaluation tools should be integrated into development strategies to support the design of evidence-based policies.

From this perspective, place-based strategies include any effort to enhance the liveability and quality of life in a given community. An important purpose of place-based strategies is to develop local solutions to the local challenges. In order to achieve a better impact on local economies it is important combine initiatives on education & skills with capital investments in entrepreneurs, as well as improving capacities and performance of local authorities’ services.

The place-based approach offers two types of benefits: first, it covers essential elements and mechanisms constituting smart, inclusive and sustainable growth. Second, it is able to improve policy performance offering important synergies and coordination mechanisms, as well as enhancing endogenous developmental forces including territorial capital described in depth in the 2020 Territorial Agenda of EU (2011).

To achieve effective local governance a collaborative approach is necessary to support cooperation between urban and rural and to capitalise the full potential of urban areas. Therefore, the local public authorities should coordinate their efforts, as they are part of the same functional economic and urban zone. However, in accordance with the structure of the current EU funds programming period, investments for Integrated Urban Development are combined with the various thematic objectives, priority directions, and investment priorities. These seem to impose a limitation that activities cannot be wider than investment priorities. Therefore, it could be difficult to implement thematically wide and integrated urban development projects following urban development strategies.

Thus, the main bottlenecks could be defined as the following:

1. Urban areas need a mix of instruments, which could be adapted to specific local conditions. For instance, instruments for the revitalisation of deprived areas need investments in infrastructure of former industrial sites and areas (infrastructure), as well as investments in skills and education to achieve a long-term use of such areas.
2. At the same time, the allocation of funding has to be done in the Operational Programme (OP) and the specific objective level – there being no flexibility for cities in the Development Programme which could have different allocations of funding between specific objectives. This brings very limited flexibility to the planning phase.

How do existing EU policies/legislations/instruments contribute?

In the 2020 Territorial Agenda, among the main priorities the following are mentioned:

1. Encouraging integrated development in cities, rural and specific regions.
2. Ensuring global competitiveness of the regions based on strong local economies.
3. Improving territorial connectivity for individuals, communities and enterprises.

A place-based approach offers synergy to the new instruments of EU policy, in particular to the concepts of integrated territorial investments (ITI)²⁰ and Community-led local development (CLLD)²¹. According to the EU Commission, ITI is an instrument designed for a place-based approach to development which can assist in unlocking the under-utilised potential contained at local, city and regional level.

B) Which action is needed?

Additional integrated objectives can be introduced in Operational Programme(s): urban or territorial authorities can allocate funds according to their strategies, reaching target indicators and results of respective specific objectives proportionally to the financing. This way, by simplifying the financial instruments available to cities for development of their territories, the implementation of thematic and integrated urban development projects in line with urban development strategies can be accompanied by specific additional integrated objectives. Thus, local authorities can grant funding according to their strategies, reaching the target indicators and the results of the respective specific funding objectives.

Discussions with local, territorial and urban authorities have shown that there are many integrated territorial development tools developed by the Member States already in place. These may be used to implement territorial strategies supported through cohesion policy. The CPR proposal recognises this need by introducing the possibility for the Member States to use other tools supporting initiatives designed by the Member States for investment programmed for the ERDF under PO5 (Article 23 CPR proposal)²². The European Commission's suggestion in Policy Objective 5 (PO5) is for Europe to become closer to citizens. This would be done by fostering the sustainable and integrated development of urban, rural and coastal areas, combined with local initiatives which include economic and service-orientated development of local authorities. Thus, it is necessary to emphasize the need to provide strong and diverse investment combinations, sourced from different policy objectives and funds which seek to support different objectives. This policy objective, by providing various options in order to include the investments under other policy objectives (e.g. entrepreneurship, energy efficiency, education, mobility and other areas), does not create a misleading idea that under PO 5 only tourism and culture areas are supported²³. We have to ensure that the currently presented implementation architectures of the PO 5 provide the possibility for territories to respond to the challenges identified in the integrated strategies through possible funding under PO 1-5 or through concentrating on PO 5 by adding appropriate investment dimensions from PO 1-4. In addition, it is important to ensure that PO 5 could be applied to the territories according to the national and/or regional development strategy.

C) How to implement the action?

The new Regulation (2021-2027) ought to: Potentially increase the scope of Policy objective No.5 *Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives*²⁴ (PO5), by including economic and service development for local authorities. The new Regulation will contain a broader content. The proposal about flexibility of the PO5 could be included in the regulation's guidelines (fiche or working documents).

²⁰ ITI Cohesion Policy 2014-2020, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf

²¹ CLLD Cohesion Policy 2014-2020, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf

²² Working Paper: Common Provisions Regulation and ERDF/CF Regulation 2021-2027: Fiche 8 "Integrated territorial development in 2021-2027 period (Chapter II CPR proposal and Chapter II of ERDF and CF proposal)"

²³ According to current proposed intervention fields No.128-131, interventions could take place in fields of tourism, culture and physical regeneration and security.

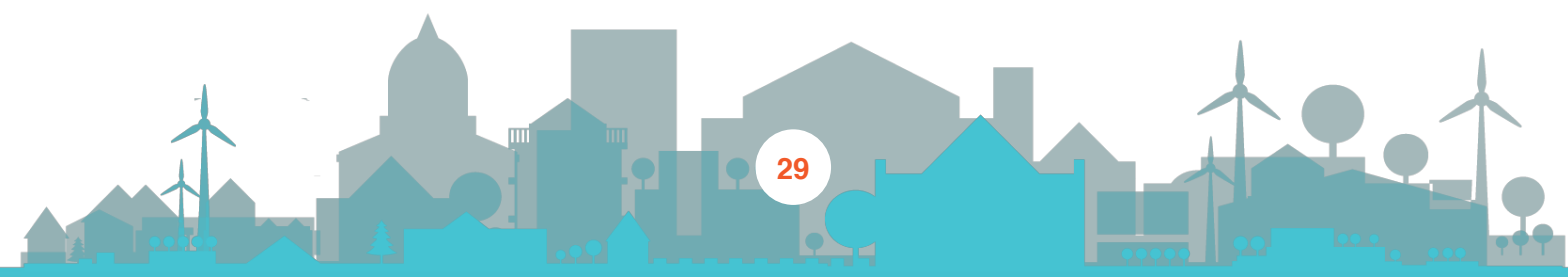
²⁴ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Regional Development Fund and on the Cohesion Fund

D) Which partners are involved in the action?

Jelgava (Leader), Torino

E) What is the timeline for the action?

Addressed for implementation: EC, DG REGIO in charge of designing the Cohesion Policy.



3.9 Action 9: CLUSTER OF STATE AID AND DE-MINIMIS

- **Argue for more flexible State Aid rules for innovative start-ups - change of De-minimis for investments in innovative start-ups (decrease of binding period or increase of De- minimis amount)**
- **Argue for more flexible rules for regeneration projects - eligible costs for real-estate in deprived areas (State Aid Regulation)**

LEADER	AIM
Jelgava	Better regulation

Any territory willing to offer better jobs based on better skills in the local economy will need to develop actions and interventions such as grants, subsidies, or the promotion of education and innovative activities; all of them being actions from which private companies directly or indirectly benefit. Interventions in local markets have to be implemented in keeping with State Aid regulation. State Aid rules apply for public funding sources at EU, national and local levels.

At the same time, in order to accomplish some Actions proposed in the present Action Plan (especially No.1, No.5 and No.7), it is important to have an appropriate State Aid regulation. As any activities linked to the promotion of local economy could be subject of State Aid regulation, it is necessary to revise and improve the regulation in this respect.

Therefore, by analysing promoted activities and the implementation of some of them by cities, this Action defines several actions to take into account for better State Aid regulation. The proposed changes could give cities a more flexible framework for the support of start-ups as well as for the regeneration of deprived areas.

[Action No. 9 A\): Argue for more flexible State Aid rules for innovative start-ups - change of De-minimis for investments in innovative start-ups \(decrease of binding period or increase of De- minimis amount\)](#)

A) What is the specific problem?

Since innovative products often require advanced technology, the development of such products might be complicated without start-up capital. One of the instruments that might help would be an appropriate amount of de-minimis support.

The EC introduced the concept of minimum amount or 'De-minimis aid' in Regulation No 1407/2013 on de-minimis. Article 3 states that supported projects for small amounts which do not have an actual impact on competition and trade between Member States are not subject to general requirements for controlling business support. Aid of up to EUR 200 000 is considered to be de-minimis aid. The gross amount of EUR 200 000 may not exceed three fiscal years.

De-minimis aid is used in several national programmes of Member States such as technological transfer, loans and guarantees, or support for business infrastructure (building projects, technical analysis, etc.). However, taking into account the experience gained, the de-minimis aid of EUR 200 000 over a period of three years limits the possibility of starting the usage of business ideas and support programmes in advance. This limitation has an impact on innovative enterprises which play an important role in strengthening the work of local economy in particular.

In the survey made by the Partnership 'Job and Skills in the Local Economy', the following key statements were found:

- *The city has an important role in R&D, and there is an interest in a mix of instruments: support for start-ups, venture capital, physical incubation, knowledge and technology transfer, networking, mentoring and coaching...*

- *De-minimis is good tool for start-ups. At the same time, that is the main bottleneck for funding R&D and financial costs.*

How do existing EU policies/legislations/instruments contribute?

In line with the Regulation No 615/2014 on State Aid Article 2: *'Innovative enterprise' means an enterprise:*

- *that can demonstrate, by means of an evaluation carried out by an external expert that it will in the foreseeable future develop products, services or processes which are new or substantially improved compared to the state of the art in its industry, and which carry a risk of technological or industrial failure, or...*
- *the research and development costs of which represent at least 10 % of its total operating costs in at least one of the three years preceding the granting of the aid or, in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor*

Also, Regulation No 615/2014 on State Aid Article 22 defines Aid for Start Ups as: loans; guaranties; grants, including equity or quasi equity investment, interests rate and guarantee premium reductions; and grants, including equity or quasi equity investment, interests rate and guarantee premium reductions up to EUR 0,4 million gross grant equivalent (or EUR 0,6 million or EUR 0,8 million for undertakings established in assisted areas).

As interest rates and guarantee premium reductions are usually implemented on a de-minimis basis, there is a 200 000 limit on the maximum available support offered for start-ups. The Regulation also defines that beneficiaries can receive support through a mix of aid instruments; this option is limited by 200 000 for three years. As a result, de-minimis has not been fully utilised to create new, innovative and competitive products.

B) Which action is needed?

It is necessary to make changes in Regulation No 1407/2013 on De-minimis for innovative start-ups by increasing the amount (currently 200 000 Euros) or decreasing the binding period (currently three years).

C) How to implement the action?

Changes in Regulation No 1407/2013 on De-minimis (next edition) Article 3 can be achieved by:- Increasing the support amount (current 200 000): *The total amount of de-minimis aid granted per Member State to a single undertaking shall not exceed EUR 200 000 or X euro for innovative small size start-ups over any period of three fiscal years.*

Another alternative discussed is Option A2 - Decreasing the binding support period (current three years). However, this document does not propose this alternative as an Action, as it could be difficult in administrative terms (potentially bringing big space to evade other and more appropriate State Aid rules).

D) Which partners are involved in the action?

Jelgava

E) What is the timeline for the action?

Addressed for implementation: European Commission, DG COMPETITION. Deadline: 2019. Specific deadline could be changed depending on the public consultation of the relevant regulation.

[ACTION N° 9 B\): Argue for more flexible rules for regeneration projects - eligible costs for real-estate in deprived areas \(State Aid Regulation\)](#)

A) What is the specific problem?

As mentioned in analysis for Action No.7, there is a significant amount of deprived areas which need public intervention and revitalisation measures. Deprived areas are mostly covered by real property (buildings). Especially in cases where the private owner is unwilling or unable to provide development and revitalisation of the property due to a lack of funds, it is important for cities to buy such properties for revitalisation projects. ERDF for 2014-2020 are also available for investments in deprived areas.

According to State Aid regulations, when cities buy such properties for revitalisation projects, project costs are only eligible for reimbursement from the moment of project submission. To make an application for project funding, the city authorities need to reach an agreement with the landowner about the purchasing of the land for the purposes of the project. In reaching this agreement, the land owner may attempt to maximise the price which he obtains from the city authorities, a common practice when land is being bought for such activities.

As a consequence of such conditions, owners of real estate (buildings) can speculate with property prices by inflating them when the city authorities want to purchase degraded properties for revitalisation. This leads to an inefficient use of resources, particularly EU funds. A different situation could be if cities would buy land without real-estate on it, thereby the owners will not be aware that the land will later be utilised with the use of EU funds.

How do existing EU policies/legislations/instruments contribute?

ERDF investments for 2014-2020 are available for investments in deprived areas - it is defined in Regulation No 1301/2013 on ERDF, Article 5:

(6) Preserving and protecting the environment and promoting resource efficiency by:

e) Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures;

Regulation No 615/2014 on State Aid defines eligibility period or start of work (article 2, definition No.23) - *'start of works' means the earlier of either the start of construction works relating to the investment or the first legally binding commitment, to order equipment or any other commitment that makes the investment irreversible.* Buying a land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works.

B) Which action is needed?

Changes in the Regulation No 615/2014 on State Aid (next edition) eligible costs for real-estate in deprived areas before project submission.

C) How to implement the action?

Changes in the State Aid Regulation (next edition of regulation No 615/2014, Regulation No 702/2014 and Regulation No 1388/2014) by defining eligible costs for real-estate in deprived areas before project submission. 23) *'Start of works' means the earlier of either the start of construction works relating to the investment or the first legally binding commitment, to order equipment or any other commitment that makes the investment irreversible. Buying land or real-estate in deprived areas and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.*

D) Which partners are involved in the action?

Jelgava

E) What is the timeline for the action?

Addressed for implementation: European Commission, DG COMPETITION. Deadline: 2019. Specific deadline could be changed depending on the public consultation of the relevant regulation.

3.10 Action 10: JOB-ORIENTED ECOSYSTEM

The action contrives of the creation of favourable conditions for business development, including a job-oriented ecosystem, improved public services and effective local governance.

LEADER	CONTRIBUTOR	AIM
Romania	Italy, URBACT, Miskolc	Better knowledge

A few words from Professor Michael Parkinson

When asked “*Why do some places do better than others?*”, Professor Parkinson’s response was: “*The key drivers of success that I have stuck with for 20 years are skills and human capital; innovation; economic diversity; connectivity; place quality; and strategic governance capacity. It is action on these which makes the difference between economic success and failure.*” (More Jobs: Better Cities telephone interview, 2012)

A) What is the specific problem?

As was mentioned in the HABITAT III Conference (2016), urbanization is a key condition for economic development and job creation. Cities are engines of growth in both developed and developing countries and represent drivers of regional economies. Besides being an employer, local authorities are not in the lead position to create jobs. However, they do influence – within the limits of their legal powers – the circumstances in which jobs are created, ranging from generating a favourable business climate, promoting the modernization and transition of the local economy, supporting (including social) entrepreneurship, promoting lifelong learning and R&D opportunities, ensuring a proper infrastructure and a good mobility of people and goods, providing high quality public services, which prevent administrative burden and facilitating the establishment of enterprises and their growth. Public services, including urban development and land use are essential for the creation of favourable conditions for business development.

In many cases, local authorities cannot successfully fulfil their role as they are unable to ensure an efficient and integrated approach for the aspects mentioned above.

As a result of the analysis conducted within the Partnership, and taking into consideration the answers received to the questionnaire distributed in 2017, the following problems were identified:

1. Low administrative capacity – local public authorities are lacking the capacity to develop a long-term vision for the economic development of settlements.
2. Insufficient cooperation between urban-rural, urban-urban and cross-border localities, the result being fragmented public services and bureaucracy (for example, long and difficult process to obtain building permits).
3. Insufficient cooperation between public and private sectors.
4. Insufficient tools for cross-border cooperation.
5. Lack of digitalization.
6. Lack of integrated approach, including aspects ensuring coherence in sectoral policies .
7. Spatially blind approach (the local potential is not enough valorised).
8. Land use policies do not comprise provisions focused on the creation of jobs and economic development.

How do existing EU policies/legislations/instruments contribute?

The New Urban Agenda, adopted in 2016 in Quito (Ecuador) into the HABITAT III Conference, established that *sustained, inclusive, and sustainable economic growth, with full and productive employment and decent work for all, is a key element of sustainable urban and territorial development and that cities and human settlements should be places of equal opportunities allowing people to live healthy, productive, prosperous, and fulfilling lives*. The document underlines the value of urbanization for economic development.

The regulatory European framework is often lacking specific provision necessary for cities to establish a job-oriented ecosystem. For instance, the Leipzig Charter on Sustainable European Cities, which is a strategic document at European level, comprises provisions for:

1. Making greater use of integrated urban development policy approaches.
2. Creating and ensuring high-quality public spaces.
3. Modernizing infrastructure networks and improving energy efficiency.
4. Proactive innovation and educational policies.
5. Pursuing strategies for upgrading the physical environment.
6. Strengthening the local economy and local labour market policy.
7. Proactive education and training policies for children and young people.
8. Promotion of efficient and affordable urban transport.

As one can observe from the above-noted provisions, the document is focusing on vulnerable groups and neighbourhoods, and on the importance of access to public services, with a strong perspective on public transport. In light of new societal developments, the European regulatory framework should also comprise provisions enabling cities to build strong communities from the perspective of jobs and skills.

The EU Urban Development Network, UDN²⁵, is made up of more than 500 cities/urban areas across the EU responsible for implementing integrated actions based on Sustainable Urban Development strategies financed by ERDF in the 2014-2020 period. The mission of the UDN is to review how European funds are implemented on the ground in Europe's cities, in order to support information exchange between cities involved in integrated Sustainable Urban Development and in Urban Innovative Actions, and to promote direct dialogue between the EC and cities on Sustainable Urban Development.

The UDN complements the work undertaken by URBACT III, working together to support cities implementing Article 7, an integrated approach to Sustainable Urban Development. In 2013, URBACT issued the report *More Jobs Better Cities*²⁶, A framework for cities action on jobs, as a set of principles, a structure, which provides support, guidance and ideas that can be adapted and used in most situations.

In the current programming period 2014-2020, there are two main funds attributed to urban matters and job creation:

1. The European Regional Development Fund (ERDF) finances infrastructure, job creating investment, local development projects and aid for small firms.
2. The European Social Fund (ESF) promotes the return of the unemployed and disadvantaged groups to the workforce, mainly by financing training measures and systems of recruitment assistance.

²⁵ http://ec.europa.eu/regional_policy/en/policy/themes/urban-development/network/

²⁶ http://URBACT.eu/sites/default/files/import/general_library/19765_URBACT_WS2_MORE_JOBS_low_FINAL_01.pdf

The EU Budget for the Future, Regional Development and Cohesion beyond 2020, includes the following objectives that will drive EU investments in 2021-2027:

- A Smarter Europe through innovation, digitalization, economic transformation and support to medium-sized businesses.
- A more Social Europe, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare.
- A Europe closer to citizens, by supporting locally-led development strategies and sustainable urban development across the EU.

B) Which action is needed?

In light of current challenges, the strategic European/national/regional/local documents in the field of cities' sustainable development should be updated in order to emphasize the need to ensure more favourable conditions for businesses and to drive the economic externalities in order to achieve a positive impact for the social and environmental aspects.

The new/updated and improved documents should offer guidance regarding strategies approaches for the job-oriented ecosystem, public services and effective local governance.

Taking into account that the revision process of the Leipzig Charter will start in October 2018 and it is going to be finalized in 2020, during the German Presidency of the Council of the EU, the Partnership will produce a proposal comprising a set of provisions tackling the issue of the establishment a job-oriented ecosystem in cities. By doing so, the action will actively support the introduction of job-oriented ecosystems in cities in the revised Leipzig Charter.

C) How to implement the action?

The following steps are necessary:

1. Gather the findings and knowledge from existing studies/reports and implemented programs (i.e. ESPON, URBACT - with special focus on the report - *More jobs, better cities*, EUKN, etc.) and develop and agree upon a working methodology.
2. Assess the orientation instruments and conceptual methods, such as quadruple & quintuple helix, that:
 - Promote a more entrepreneurial ecosystem and engage the private sector and the associated collaborative approach from the start;
 - Bring together all relevant representatives: local & urban policies; regulatory framework & infrastructure; funding & finance; culture; advisors & support systems; universities and R&D; education & training; human capital & workforce; local/regional businesses and markets;
 - Enable the local authorities as a facilitator and not as a manager.
3. Determine cities capacity building needs in relation to creating a jobs and skills ecosystem and identify tools and methods to address these.
4. Develop a draft document comprising a set of provisions to be included in the revised Leipzig Charter.

5. Conduct the consultation process.
6. Organising workshops and seminars.
7. Develop the final document including revision and findings.
8. Promote and launch the set of provisions.
9. Discuss with the informal working group (formed by the UDG representatives) which will be established for the revising process of Leipzig Charter to introduce the final provisions into the revised version of Leipzig Charter.

D) Which partners are involved in the action?

Romania (Leader), Italy, Miskolc, URBACT.

E) What is the timeline for the action?

Initial proposals will be developed in the period September 2018 – June 2019.

This Action relates with:

SDGs: 1, 4, 5, 8, 10, 11

The European Pillar of Social Rights Principles: Social Rights Principles: 1, 2, 3, 4, 5, 6.

New Urban Agenda:

- Article 14.b: Ensure sustainable and inclusive urban economies by leveraging the agglomeration benefits of well-planned urbanization, including high productivity, competitiveness and innovation, by promoting full and productive employment and decent work for all, by ensuring the creation of decent jobs and equal access for all to economic and productive resources and opportunities and by preventing land speculation, promoting secure land tenure and managing urban shrinking, where appropriate and,
- Article 60: To sustaining and supporting urban economies to transition progressively to higher productivity through high-value-added sectors, by promoting diversification, technological upgrading, research and innovation, including the creation of quality, decent and productive jobs, including through the promotion of cultural and creative industries, sustainable tourism, performing arts and heritage conservation activities, among others.

4 Links with other commitments

4.1 Links with cross-cutting issues

The Pact of Amsterdam stipulates that ‘the complexity of urban challenges requires integrating different policy aspects to avoid contradictory consequences and make interventions in Urban Areas more effective’. In keeping with this principle, this Partnership has taken into account 11 specific cross-cutting issues relevant to Jobs and Skills in the Local Economy.

1. *Effective urban governance, favouring citizen participation and new models of governance.*
2. *Governance across administrative boundaries and inter-municipal cooperation: urban-rural, urban-urban and cross-border cooperation; link with territorial development and the Territorial Agenda 2020.*
3. *Sound and strategic urban planning (link with regional planning, including RIS3, and balanced territorial development), with place-based and people-based approaches.*
4. *Integrated and participatory approach.*

These four themes are of critical value for this Partnership for several reasons. Firstly, they are often linked to the national legislation. Secondly, jobs and skills issues are essentially transversal. This makes it crucial to establish connections with departments such as education, manufacturing or social services to carry out effective policies. In this sense, the ‘ecosystem approach’ is widely remarked in multiple actions.

This Partnership has stressed the importance of multi-level governance for the implementation of all actions. This multi-level approach can be both horizontal (within the municipalities themselves) and vertical (involving other administrative levels). Moreover, an integrated approach is essential considering that some of the actions proposed involve key players like citizens or the quadruple helix components. This integrated, multi-level scheme also includes different territorial approaches like the urban-rural and/or the cross border one.

All actions are partially connected to these cross-cutting issues, although **Action 3** stresses the need to involve the local level to succeed in the implementation of the EPSR. This action thus focuses on better knowledge through multi-level cooperation between the European, national, regional and local layers of government.

The importance of planning has been taken into account, as it is a necessary tool to create the preconditions for local economic development maximizing the available resources in the most effective way. Planning facilitates the growth of jobs increasing productivity and income through 4 categories of interventions: Institutions and regulations; Infrastructure and land; Skills and innovation; Enterprises support and finance.

Finally, public spaces and quality of life contribute to avoiding the brain drain and attracting talent in a global competition. This explains why Effective Local Governance and Public Services are two priority themes for this Partnership.

5. Innovative approaches

The Partnership’s focus on innovative approaches can be appreciated in several actions. The innovativeness within the Jobs and Skills area is necessary as the world is facing an economic transition. New policies and solutions have become indispensable to address new challenges.

Even though most actions have innovative aspects, the following are directly based on new approaches:

- **Action 1: Talent office** to address the skills mismatch,
 - **Action 4: RIS3 2.0**, with a strong development of the Smart Cities and Communities approach, where cities all over Europe act as test beds for new economic activities, or for boosting the potential for innovation of regions and neighbourhoods.
6. *Impact on societal change, including behavioural change, promoting, among other things, equal access to information, gender equality and women empowerment.*

The linkages between employment and social change are evident, since any improvement in the jobs and skills field has an impact in society. In this sense, all actions are closely connected to the social change. Nevertheless, the most connected one to social change is **Action 3: The European Pillar of Social Rights (EPSR) as a framework for the reconversion towards a sustainable economy**. This action, linked to the European Pillar of Social Rights (EPSR), requires that the 20 principles of the EPSR are accompanied by a stronger legal framework (e.g. scoreboards comprising local data) and by tools for supporting the implementation of these principles.

7. *Challenges and opportunities of small- and medium-sized Urban Areas and polycentric development.*

The issue of Jobs and Skill in the Local Economy is not limited to large cities. Small and medium-sized urban areas have difficulties to deliver new services or develop new projects due to a reduced number of resources compared to large cities. Therefore, this Partnership put attention to the concerns of urban areas of all sizes:

Action 6 – Simplification 2.0: This action will make it easier for small and medium-sized municipalities with reduced resources to apply and participate in European projects.

8. *Urban regeneration, including social, economic, environmental, spatial and cultural aspects, also linked to the brownfield redevelopment with the objective of limiting Greenfield consumption.*

Urban renewal and regeneration enables development and use of an area to better align with the current and future needs of a growing city. The Partnership focused directly on the relation of jobs and skills with urban regeneration as in **Action 7: Funding Deprived Areas** which asserts that industrialised countries have old industrial sites contaminated as a result of their past activity and need remediation. In this context, it is important to have strong public intervention to stimulate the regeneration of deprived areas. This is directly related to the development of the local economy and the enhancement of the competitiveness of cities.

9. *Adaptation to demographic change and in- and out migration.*

Regarding the adaptation to demographic change, there are two actions very linked to the skills mismatch, namely **Action 1 and Action 2**. One of the tentative solutions for current demographic trends is migration to cover the huge number of vacancies that some regions are starting to face.

10. Provision of adequate public services of general interest

The Partnership has intensively worked on the issue of public services of general interest, especially within the Public Services and Effective Local Governance priority theme. The referred public services, generally speaking, are linked the employment services and the active labour market policies (as one of the more relevant tool for fostering the employment) As the **Action 10 Job Oriented Ecosystem** is summarized, besides being an employer, local authorities do provide – within the limits of their legal powers – the circumstances under which jobs are being created, ranging from favourable business climate, promoting the modernization and transition of the local economy, supporting (including social) entrepreneurship, promoting lifelong learning and R&D opportunities, ensuring a proper infrastructure and a good mobility of people and goods, providing high quality public services, which prevent administrative burden and facilitate establishment of enterprises and their growth, controlling the urban development and the land use

11. Links with the New Urban Agenda (Habitat III) of the UN (to be agreed upon), the Sustainable Development Goals (SDGs, 2030 Agenda on Sustainable Development) of the UN and the Paris Agreement on climate change of December 2015.

This Partnership paid attention to the creation of synergies with the Sustainable development Goals and the New Urban Agenda of the United Nations. For more details, see section 4.2.

4.2 New Urban Agenda and the UN Sustainable Development Goals

The 10 actions from this Plan are clearly linked to 8 of the 17 UN Sustainable Development Goals, as described below:²⁷

Goal n. 1- End poverty in all its forms everywhere.

Underlying the EU's goal of ensuring that most of the European population is employed, is the aim to diminish and prevent poverty. In line with the UN objectives and the European Pillar of Social Rights, the proposed actions include initiatives to fund deprived areas, extend the access of quality education and foster talent to strengthen social cohesion in urban areas.

Goal n. 4- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Quality education is the basis for any skills and employment strategy. The stock of knowledge acquired in the first stages of life is crucial to the adaptation to the labour market. However, the current economic model transition is generating a skills-mismatch, which this Action Plan addresses.

Goal n. 5- Achieve gender equality and empower all women and girls.

As a transversal goal, all measures proposed in this Action Plan have been designed from an integrative, non-discriminatory approach which supports gender equality. This Partnership is committed to promoting women's inclusion and participation in the local economy, and fostering girls' talent from an early age.

²⁷ Besides this general overview of the SDGs, some explicit references to these goals are made in the description of certain actions



Goal n. 8- *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.*

Most actions aim for decent work as a basis for social cohesion and social inclusion. In this regard, the European Pillar of Social Rights has been taken into account as one of the main references to create the Action Plan. Gig economy and polarization of the labour market are also addressed in some of the proposed actions.

Goal n. 9- *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.*

Innovation is at the core of the current economic system. It is linked with knowledge, skills and their exchange among key stakeholders. This has been kept in mind when designing the proposed actions.

Goal n. 10- *Reduce Inequality with and among countries.*

Employment is one of the main tools for reducing inequalities. In this sense, public services are a key element to balance existent inequalities and have been considered of critical value in this Action Plan.

Goal n. 11- *Make cities and human settlements inclusive, safe, resilient and sustainable.*

This Partnership has reflected upon ways to make public spaces open and welcoming to everyone. This Action Plan proposes sustainable solutions to support the transition to greener, more accessible areas for the European population.

Goal n. 17- *Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.*

The Urban Agenda promotes multi-level work in Partnerships to strengthen the role of cities at the EU level. The work of the Partnership 'Jobs and Skills in the Local Economy' constitutes an example of this ambitious project.

Finally, it is relevant to mention that all Actions are related to the SDGs. In this regard, the Partnership is considering to link the Actions to the relevant indicators and targets. In this sense, two sources of information could be used: the set of indicators for the EU established by Eurostat and the first Monitoring report on progress towards the SDGs in an EU context, and -Localizing the SDGs- site.