EUROPEAN PARLIAMENT

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT B
STRUCTURAL AND COHESION POLICIES

Agriculture and Rural Development

Culture and Education

Fisheries

Regional Development

Transport and Tourism

AN ASSESSMENT OF MULTILEVEL GOVERNANCE IN COHESION POLICY 2007-2013

VOLUME I - STUDY

EN DE FR

2014

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

REGIONAL DEVELOPMENT

AN ASSESSMENT OF MULTILEVEL GOVERNANCE IN COHESION POLICY 2007-2013

STUDY

This document was requested by the European Parliament's Committee on Regional Development.

AUTHORS

Metis GmbH - Alice Radzyner, Herta Tödtling-Schönhofer, Alexandra Frangenheim
EPRC University of Strathclyde – Carlos Mendez, John Bachtler, David Charles, Kaisa Granqvist

RESPONSIBLE ADMINISTRATOR

Esther Kramer
Policy Department B: Structural and Cohesion Policies
European Parliament
B-1047 Brussels
E-mail: poldep-cohesion@europarl.europa.eu

EDITORIAL ASSISTANCE

Nora Revesz

LINGUISTIC VERSIONS

Original: EN
Translations: DE, FR

ABOUT THE PUBLISHER

To contact the Policy Department or to subscribe to its monthly newsletter please write to: poldep-cohesion@europarl.europa.eu

Manuscript completed in January 2014.
© European Union, 2014.

This document is available on the Internet at:
http://www.europarl.europa.eu/studies

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorized, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

EUROPEAN PARLIAMENT

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

REGIONAL DEVELOPMENT

AN ASSESSMENT OF MULTILEVEL GOVERNANCE IN COHESION POLICY 2007-2013

STUDY

Abstract

This study provides an in-depth analysis of Multi-Level Governance in Cohesion Policy in the programming period of 2007-2013. It begins by examining the evolution of the concept and previous practices of implementing Multi-Level Governance in Cohesion Policy across the EU. It then provides a comparative analysis of partnership-working in nine programme case studies during the programming period and across the various stages of the policy cycle. The study identifies the advantages and disadvantages of partnership-working and formulates strategic and operational recommendations in the context of the preparation of the 2014-2020 programming period.

IP/B/REGI/FWC/2010-002/LOT01-C01-SC09 2014

PE 514.004 EN

CONTENTS

LIST OF ABBREVIATIONS 5

LIST OF TABLES 7

LIST OF BOXES 7

LIST OF FIGURES 8

EXECUTIVE SUMMARY 9

INTRODUCTION 17

1. METHODOLOGY 19

1.1 Literature review 19
1.2 Case studies 19
1.3 Comparative analysis of the case studies 21
1.4 Drawing conclusions and recommendations 21

2. ORIGINS AND DEVELOPMENT OF MULTI-LEVEL GOVERNANCE 23

2.1 MLG definitions and key terms 24
2.2 Types of Multi-level Governance 25
2.3 MLG Effectiveness and Legitimacy 26

3. MULTI-LEVEL GOVERNANCE IN COHESION POLICY 31

3.1 The partnership principle 31
3.2 Assessments of MLG across the Cohesion Policy cycle 33
3.3 Challenges to the introduction of MLG in Cohesion Policy 35

4. MULTI-LEVEL GOVERNANCE IN THE COHESION POLICY CYCLE – A COMPARATIVE ANALYSIS OF THE 2007-2013 PERIOD 39

4.1 Preparation of OPs 41
4.2 Project selection 48
4.3 Programme management 52
4.4 Monitoring 59
4.5 Evaluation 64

5. OUTLOOK, CONCLUSIONS AND RECOMMENDATIONS 65

5.1 Future Plans for Multi-Level Governance in Cohesion Policy in the Member States 65
5.2 Lessons learned about Multi-Level Governance in Cohesion Policy from the Member States 66
5.3 Findings and recommendations 71

6. REFERENCES 77

ANNEX: LIST OF INTERVIEWEES FOR THE CASE STUDIES 81

LIST OF ABBREVIATIONS

ACP	Alpine Space Contact Point
AIR(s)	Annual Implementation Report(s)
bn	Billion(s)
CBI	Confederation of British Industry
CECALE	Confederación de Organizaciones Empresariales de Castilla y León
CES	Consejo Económico y Social
CF	Cohesion Fund
CLLD	Community-Led local Development
DATAR	Délégation interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale
DCLG	Department of Communities and Local Government
EAFRD	European Agricultural Funds for Rural Development
EC	European Commission
ERDF	European Regional Development Fund
ESF	European Social Fund
ESI	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
IB	Intermediate Body
ICT	Information and Communication Technology
JEREMIE	Joint European Resources for Micro-to-Medium Enterprises Initiative
JTS	Joint Technical Secretariat
LEP	Local Economic Partnership
LMC	Local Management Committee
m	Million(s)
MA(s)	Managing Authority
MC	Monitoring Committee

MEP(s)	Member(s) of European Parliament
MLG	Multi-Level Governance
NGO	Non-Governmental Organisations
OP SRDP	OP for Strenghtening the Regional Development Potential - Slovenia
OP(s)	Operational Programme(s)
PEG	Programme Executive Group
RDA(s)	Regional Development Agenc(ies)
ROP/RP	Regional Operational Programme
RTDI	Research, Technology Development and Innovation
SEA	Stratgeic Environmental Assessment
SF	Structural Funds
SGI	Service of General Interest
TUC	Trade Union Congress
UGT	Sindicator Unión General de Trabajadores

LIST OF TABLES

Table 1
Two Types of MLG **25**

Table 2
Types of MLG – different levels and coupling **26**

Table 3
Democratic Alignment of Type I and Type II Entities **27**

Table 4
The MLG Performance Scoreboard **28**

Table 5
Varying domestic territorial governance types of the case study OPs **41**

Table 6
Main bodies involved in centralized, shared management and decentralized systems across the case study OPs **52**

Table 7
Territorial location of the key management bodies **53**

Table 8
Composition of Monitoring Committees **59**

Table 9
Summary of the positive and negative features of MLG across policy phases resulting from the case studies **69**

Table 10
Selection of case study OPs, projects and interviewees **81**

LIST OF BOXES

Box 1
The Evolution of the Partnership Principle: From Multi-level Government to Multi-level Governance **31**

Box 2
Key OP authorities are most influential in OP preparation: Examples from the case studies **44**

Box 3
Increase of buy-in, consensus and collective ownership: Examples from the case studies **45**

Box 4
Bringing in additional expertise:
Examples from the case studies **46**

Box 5
Limited influence of partners in project selection:
Examples from the case studies **49**

Box 6
Involvement of partners in project selection:
The examples of North-East England and Southern Finland **50**

Box 7
Influence of non-state actors in ETC MC Committees **50**

Box 8
Mixed experiences in cooperating with OP authorities and project partners:
Examples from the case studies **51**

Box 9
Varying management structures:
Examples from the case studies **54**

Box 10
Difficulties resulting from separating management responsibilities:
Examples from the case studies **56**

Box 11
Effective cooperation between partners and OP authorities in projects **57**

Box 12
Administrative burden hampering the cooperation with partners and OP authorities in projects: Examples from the case studies **58**

Box 13
Composition of Monitoring Committees:
Examples from the case studies **60**

Box 14
Involvement of numerous partners in the MC increases shared ownership:
Examples from the case studies **61**

Box 15
Disseminating information through the MC - Examples from the case studies **63**

LIST OF FIGURES

Figure 1
MLG score of Structural Funds **37**

EXECUTIVE SUMMARY

Objective of this study

The concept of "Multi-Level Governance" (MLG) has increasingly become a key aspect shaping policy-making at EU level. The management of a union of 27 Member States (and, since June 2013, 28 Member States) with different political systems and traditions, implementing 368 European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Social Fund (ESF) programmes with a total budget of approximately €347 bn. in fact relies on a complex system of coordination and cooperation of different types of actors at various government levels. Most recently, the Europe 2020 Strategy therefore emphasizes the need for an "integrated approach" which points to the need for cooperation and coordination of efforts between the European Commission and the Member States with all its administrative levels and civil society.

The objective of this study is primarily to offer a thorough overview of MLG in Cohesion Policy in the current programming period of 2007-2013. As a starting point, this task requires a definition of the concept of MLG given that there is no commonly agreed definition and the literature and theories about MLG are vast. The present study understands MLG as the **participation of a range of different types of actors (public, private and societal) in policy-making** and implementation through formal and informal means.

In addition to examining the evolution of the theoretical concept of MLG, this study analyses the current processes of implementing MLG in the EU27, describes the advantages and disadvantages of partnerships in policy-making, and attempts to examine the factors shaping the effectiveness of MLG implementation. In view of drawing strategic and operational recommendations in the context of the preparation of the 2014-2020 programming period, the study analyses the trade-off between MLG and the effectiveness and efficiency of Cohesion Policy based on findings from desk research as well as a comparative analysis of nine different ERDF Operational Programmes (OPs). Each case study is based on a documentary analysis as well as interviews with the Managing Authority (MA), a programme partner at horizontal or vertical level, a member of the Monitoring Committee (MC) as well as one to two project promoters. The case studies help extending the theoretical background. The findings and concrete examples from these case studies are also included in the narrative or in boxes.

Origins and development of MLG

The term MLG originates in Gary Marks' effort in the early 1990s to capture the developments in Cohesion Policy and challenge the dominant theoretical approaches to understanding the nature of the EU as a political system. The concept is the attempt to pin down the presence and influence of supranational institutions and sub-national actors in the EU policy process, which had become a central feature of decision-making in Cohesion Policy after the landmark 1988 reform. It followed the already established idea of the subsidiarity principle, i.e. sharing powers between several levels of authority and ensuring that decisions are taken at the most effective level. Since the original formulation of MLG, the literature has mushroomed over the 1990's and 2000s. The concept and theoretical framework gradually developed as decision-making competencies were increasingly shared by actors at different levels (EU, national, sub-national) rather than controlled by state

executives. With time, MLG theories increasingly encompassed more and more types of non-state actors based on the introduction of new, inclusive, EU policies (e.g. Environmental policy) and the acceleration of regionalisation processes.

The contributions of MLG to the effectiveness and legitimacy of policy-making have become increasingly important issues for EU policymakers (e.g. through the development of a "MLG Performance Scoreboard" by the Committee of the Regions in 2012). This resulted in more and more theoretical debates about various modes of interaction between the different types of actors as well as administrative levels involved in policy-making.

In a similar way, the definitional status of MLG has received increasing attention in parallel to policy developments at EU level, especially the constitutional reform initiatives in the 2000s. Despite the lack of a commonly agreed definition, this study understands MLG as the participation of various types of public, private and other actors (social and economic partners) in policy-making and policy implementation through formal and informal means.

The impact of the **economic and financial crisis** should not be underestimated. The consultation of regions, local authorities as well as non-state actors such as economic and social partners is essential in a context where the needs and interests of the target groups have changed and need to be addressed. National Reform Programmes are however mainly developed by national governments, as criticised by the Committee of the Regions.

MLG in Cohesion Policy

In the context of EU Cohesion Policy, MLG particularly relies on the implementation of the **partnership principle**. The partnership principle was codified as a regulatory requirement under the 1988 reform, requiring the involvement of regional and local authorities in programme formulation and implementation for the first time. Since then, the regulations have gradually extended the scope of the partnership principle by specifying a role for economic and social partners within the framework of national rules and practice (1993 reform), the need to involve authorities responsible for the environment and for the promotion of gender equality (1999 reform) and Non-Governmental Organisations (NGOs) and civil society bodies (2006 reform). In short, the formal regulatory requirements on the partnership principle have evolved from Multi-level Govern*ment* to Multi-level Govern*ance.*

The first attempt to analyse MLG across distinct policy phases dates back to a study in 1996 (Hooghe) which showed that sub-national influence in all countries was *greatest* during **programme implementation/monitoring**, followed by the **design of plans/programmes**, and *least influential* in **negotiations with the Commission**.

The literature shows that MLG can, under the right conditions, contribute *inter alia* to greater policy effectiveness in all aspects of programme implementation; to greater legitimacy and transparency in decision-making processes; as well as to a greater commitment and ownership of programme outputs. These advantages however largely depend on the existence of factors such as, *inter alia*, prior experience of partnership working as well as an accommodation with national institutional, administrative and cultural traditions. The uneven practice of partnership principle implementation across Member States and programmes implied that there was significant scope for improvements in a range of aspects. Five key challenges related to the implementation of MLG have been identified in previous research:

- **Lack of tradition**: The application of the partnership principle was hampered by a lack of tradition and experience of decentralization and collaborative policy-making, as well as a limited capacity of sub-national actors, especially in the New Member States.
- **Lack of resources**: A general criticism across all Member States is that the extent of involvement and influence of non-public sector bodies in OP decision-making processes remains limited due to a lack of resources, challenges which are compounded by the complexity of Cohesion Policy rules.
- **Shifts in allocations, priorities and EU-domestic relations:** The sustainability of partnership-working can also be questioned owing to declining Cohesion Policy allocations in some Member States and regions as well as the associated rationalisation of partnership-based management arrangements. Another challenge is the growing resentment and conflict between the European Commission and regional authorities as the role of the Commission has evolved over time, from regulatory compliance (1989-93) to financial inputs, monitoring, control and audit (1994-2006) and, subsequently, to the strategic coordination level (2007-2013) - a role that is likely to be strengthened in the post-2013 period. The regions may perceive the enhanced role of the Commission as increasing interference.
- **The high administrative costs of MLG**: The higher the number of actors involved, the more complex the administration behind policy development and implementation.
- **A democratic deficit:** Finally, another strand of the literature on MLG examines the democratic and legitimacy implications of Cohesion Policy implementation. It looks at the possibility that a top–down and technocratic model marginalises the role of democratic institutions.

MLG in the policy cycle – a comparative analysis of the case studies

MLG requirements in Cohesion Policy are codified in the partnership principle. Partnership covers the preparation, implementation, monitoring and evaluation of OPs. Based on an in-depth analysis of the experience of MLG in Cohesion Policy in 2007-2013 in nine ERDF OPs, the actors involved, the mechanisms used to facilitate the cooperation, as well as the main advantages and disadvantages of involving multiple actors across the distinct policy phases are analysed.

The domestic institutional context has been found to be a powerful predictor of MLG in Cohesion Policy for determining which actors are involved in policy-making and to what extent they can influence the processes. Countries with more centralized government structures tend to have more centralized systems for managing Cohesion Policy than federal countries. **The case studies challenge the view** that the pre-existing institutional system of territorial governance determines the extent of MLG in programming as well as in the OP implementation phase. In fact, despite the highly decentralised political system in Spain, the central government plays a strong role in both phases in the regional OPs. Similarly, despite the relatively centralised political system in the UK (with the exception of Scotland and Wales) regions play a very strong role is the programming and management of the English OPs.

Preparation of the OP

In this phase, participation is most integrative. In all of the OPs examined, the preparation process involved close cooperation and consultation with government ministries, departments and agencies at both national and regional levels. **The most autonomous role of the regions** in OP development could be seen in a federal context (OP North-Rhine Westphalia). The development of the North East England OP was also organized at the regional level. While the role of regional-level actors was important in the remaining OPs, there was generally a stronger coordination role **at national level**.

Among the regional OPs, **the strongest national role** could be seen in Castilla y Leon despite the highly devolved political system in Spain. Elsewhere, the main regional programming decisions were taken at the regional level in Languedoc-Roussillon, Silesia and Southern Finland but within a programming framework that was **steered and guided by national actors**. The programming of the national OP in Slovenia and the two ETC OPs was coordinated **at national level** drawing heavily on regional inputs.

In all OPs analysed, local governments, economic and social partners, environmental and gender equality bodies, NGOs and civil society groups were involved in the preparation process. The mechanisms to engage these partners included OP working groups, thematic working groups, targeted meetings for specific actors and/or larger stakeholder events, as well as public consultations of draft OPs. While it is difficult to quantify the relative impact of individual partners through these different mechanisms, the documentary analysis and interviews across the different OPs suggests the following general ranking of participation and influence by the **key actors in programming**: 1) High: Government bodies at national and/or regional level; 2) Medium: environmental and gender equality bodies, local government, economic and social partners; 3) Low: NGOs and civil society organisations.

The **main advantages** of partnership in this phase are the facilitation of buy-in, consensus and collective ownership as well as the additional expertise contributing to improving the quality of the OP. These, however, largely depend and rely on the pre-existence of a culture of cooperation, a clear division of competences and adequate planning.
The **main difficulties** identified were the varied and vested nature of partners' interests; the unrealistic expectations of some partners; diverse territorial challenges; the insufficient strategic dialogue and the lack of flexibility for accommodating partners' opinions; the lack of interest from the public to participate in the programming; as well as administrative capacity and coordination constraints interlinked with the lack of financial and human resources as well as knowledge about EU funds.

Project selection

Project selection is a Member State's responsibility and is not formally regulated by the partnership principle. However, there is a requirement for the OP project selection criteria to be approved by the MC, which includes representation from the key partners. Despite this formal requirement, **OP partnership members** - especially non-state actors – often have **limited influence** on the project selection criteria and are not collectively involved in the selection of projects in most of the cases.

Partnership-working can also occur at the level of individual projects, which may involve multiple partners in the application and implementation of collaborative projects of a public-public, private-private or public-private nature. The projects examined in this study lead to a three main conclusions about MLG in projects: 1) **Multi-partner project approaches**

are not widespread in mainstream ERDF programmes, with the exception of the ETC programmes; 2) Project promoters consider the cooperation with OP management to be **positive but also administratively challenging** because of the lack of clarity in guidance or the burden associated with project applications; 3) **there is evidence of successful multi-partner projects** (e.g. in OP Southern Finland) suggesting that there is potential for MLG to work well at the project level.

Programme Management

The key OP management bodies are the MA, Certification Authority and Audit Authority. Programme management systems must comply with EU Cohesion Policy requirements, but there is flexibility to adapt systems to domestic arrangements, depending on the institutional and administrative context.

The MAs are integrated into government ministries or agencies at national or regional level. MAs at national level are normally responsible for national OPs or multi-regional OPs. However, the MA for the Castilla y Leon and Southern Finland regional OPs are also located at the national level, although in practice the functions are **shared with the regional government or administration**. Both of the ETC OPs have regional MAs as do the Regional OPs (OPs for Languedoc-Roussillon, North Rhine-Westphalia, Silesia and North East England). The North East England MA was initially located at regional level, but it has moved to the national level in 2010. In general, there are variations in management structures, the number of actors involved and the delegation of tasks to intermediate bodies across the OPs, depending on the nature of the OPs and domestic institutional arrangements.

Across the 9 cases, there is a greater degree of centralisation in the functions of the Audit Authority (7/9 OPs), followed by the Certification Authority (5/9 OPs). By contrast, the location of the MA is at the regional level in the majority of cases (5/9 OPs). This suggests a **functional explanation for variations in the extent of MLG** across different management tasks: bodies with responsibility for financial compliance and payments tend to be more centralised than bodies with responsibility for the general management and coordination of substantive policy content issues and project selection.

The interviewees held **mixed views** on the benefits of shared or delegated management in the OP management. Among the **main MLG benefits** identified were the contributions to effective management, policy coordination, and improving commitment and ownership. Actions that are considered to contribute to effective MLG in OP management are regular information exchange and targeted training measures. **Negative features of MLG** were also identified in terms of diffusing or separating management responsibilities and coordination challenges. These challenges are mainly linked to increased administrative burden, a lack of clear guidance and shifts of responsibility.

The interviews with **project lead partners** generally showed that the involvement of different partners in the management of projects was essential and worked well, both in terms of cooperation with the project partners and OP authorities. However, there were financial management, coordination and communication challenges in a number of cases, especially with regards to coordinating the necessary administrative requirements between the various partners involved and the OP administrators.

Monitoring

The main partnership mechanism for the monitoring of OPs is the MC. The composition of the MCs is decided by the Member State and MA. While there is an expectation to include the full list of partners specified in the partnership principle, in practice there is discretion in the type and number of actors that are allocated places in the MCs. Despite the different political and institutional contexts across the OPs, they all include representation from national, regional and local government bodies. This shows the significance of the role of the EU regulations in facilitating MLG in the committees. There is however **room for improvement in the participation of non-state actors**.

The **main benefit** of the MC from a MLG perspective is to support the strategic dialogue among partners and contribute to a shared ownership of the programme. More **negative views** were however expressed about the nature of the dialogue in MC meetings and the decision-making process: Interviewees have reported a lack of strategic dialogue describing the MC meetings as a "platform for presenting information on statistics" rather than a platform for debate. Also, OP partners are reported to have a limited influence on decisions, debating on what seem to be "pre-decided" issues. Finally, organisational challenges arise from the involvement of multiple heterogeneous partners and the subsequent increase in the complexity of the meetings, hampering decision-making processes. The MC outputs - such as implementation reports - are widely appreciated as a valuable accountability tool for exchanging information on OP implementation outcomes. However, there seem to be **other structures and networks outside of the MC** that contribute to MLG goals just as much, if not more, according to the interviewees.

Evaluation

The Cohesion Policy requirements on evaluation have become more flexible for 2007-2013. Obligatory mid-term evaluation was replaced with ongoing needs-based evaluation to assess performance and react to external changes. Operational evaluations are triggered automatically when difficulties are revealed by monitoring systems and in order to justify programme revisions. While evaluations have been undertaken for most of the OPs during the 2007-2013 period, **none have assessed MLG arrangements** or the partnership principle.

Dedicated evaluation committees and networks have been established in several of the OPs reviewed, but the membership of these groups is usually restricted to government Ministries, departments and MAs rather than the broader OP stakeholders.

Outlook, conclusions and recommendations

In preparation of the Partnership Agreements and 2014-2020 OPs, extensive processes of consultation and evaluation are taking place at sub-national, national and transnational levels. Moreover, important changes are planned in the territorial administration in some countries which will have important implications for the management set-up and MLG in some OPs. Also, the thematic concentration of the OPs in 2014-2020 will influence the type and number of partners involved in OP management and implementation.

Lessons learned about MLG in Cohesion Policy from the Member States

MLG implementation is shaped by a number of factors including the contextual arrangements (e.g. historical background and current situation in the implementing institutions), the administrative capacity, the know-how as well as the experience with MLG in the past. Also, the scale and thematic content of OPs can impact on the number and types of actors involved. Another important factor is the political will of the actors and institutions involved. Based on the findings from case study analysis, it is not possible to define a clear-cut formula for effectively implementing MLG. It has been possible however to identify the mechanisms for ensuring an effective application of MLG by policy phase.

An interesting finding from the present analysis is related to the pre-existing institutional system of territorial governance determining, in theory, which actors are involved in policy-making processes and to what extent they can shape policy-making and implementation. Looking at the case studies, neither in OP programming nor in OP management does the relationship between MLG and the domestic institutional system of territorial governance fully hold. This shows that there is enough **flexibility to adapt the Cohesion Policy systems to domestic arrangements**.

Findings and recommendations

Decision-making is in practice still dominated by a **top-down perspective**. The decisions are taken by the key players (EU, government authorities at national and/or regional levels) and are merely informed by the sub-national level with uneven and often limited involvement of civil society actors and NGOs.

1. The European Parliament should encourage the European Commission to offer more technical support to OP authorities in order to facilitate partnerships; possibly through encouraging trainings and disseminating good practices.
2. The European Institutions should ensure that sufficient time is planned for an early engagement with all partners and stakeholders especially at the outset of a new programming period. The European Commission should monitor that these participatory processes remain informative without putting any additional administrative pressure on OP authorities.
3. The EU Institutions should encourage the increase of transparency of partnership functioning. The contributions of the various partners and the division of tasks should be visible and clear in order to avoid responsibility shifting.
4. The EU institutions should seek to promote partnership not merely at OP level but also at project level based on the evidence of successful multi-partner projects. In order to ensure these projects can be implemented effectively, OP authorities should offer specific assistance with regards to administrative work.

An **over-representation of actors** that are not accountable to the groups represented is counter-productive. In other words, the involvement of partners for the sake of implementing the partnership principle should be avoided.

5. The inclusiveness of partnership should be ensured and monitored by the European Commission. The European Parliament should advise the European Commission to make sure that specific partnership is not forced on the OPs. The OP authorities

must be able to target and consult those partners whom they consider to be most relevant for the tasks and issues at stake. Although this will be facilitated through the higher thematic concentration of the programmes in the next programming period, the European Commission must ensure that the heterogeneity of the regions is still respected.

6. Partnership must not be downplayed in the context of the economic and financial crisis and the changing interests and needs of various target groups represented in the OP.
7. More partnership is needed in the OP management phase and evaluation strategies planning, as these phases are currently dominated by the MA. The European Parliament should ask the European Commission to offer enough support for ensuring that active participation is encouraged (offer advice on consultation methods, thematic seminars, etc.).
8. Information and knowledge gaps should be reduced in order for the partners to work with the same type and level of information. The European Parliament and the European Commission should therefore encourage trainings for all partners involved at OP level, possibly by thematic field or technical issue.
9. The European Parliament and the European Commission should moreover advise Member States to carry out evaluations about MLG and the effectiveness and efficiency of partnership in the OP implementation.

The involvement of more partners of different types increases the **administrative burden and bureaucratic complexity** of policy-making.

10. The European Parliament should ask the European Commission to find common solutions together with OP authorities for offering more technical support to partners (coordination and support with administrative tasks based on a needs assessment).
11. The communication between the OP authorities and the OP partners must be improved in order to ensure that all stakeholders develop a sense of familiarity and ownership with the OP. Possible models should be developed by the European Commission based on good practice examples, including e-platforms, e-discussion boards, and methods for keeping the number of partners in check.

Although partnership is welcome by all actors, the case studies show that the **MC is generally not viewed as the best platform** for shaping decision-making processes.

12. The European Parliament should address the issue of the workings in the MC with the European Commission.
13. An 'over-crowding' of the MC should also be avoided as the participation of OP partners has in some cases been qualified as a reflection of vested interests. Therefore, the European Parliament should inform the European Commission of these developments in order for the latter to encourage OP authorities to introduce other channels and platforms in addition to the MC meetings. These platforms should be targeted only at relevant stakeholders and possibly tackle specific topics.

INTRODUCTION

The principle of applying "Multi-Level Governance" (MLG) in Cohesion Policy has increasingly been supported at EU level over the past programming periods. Managing a union of 27 Member States (and, since June 2013, 28 Member States) with different political systems and traditions, implementing 368 European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Social Fund (ESF) programmes relies on a complex system of coordination and cooperation of a large number of different actors at various administrative levels.

Since the original formulation of the concept of MLG in the early 1990s, the MLG literature has mushroomed. The widening definition of the concept and identification of different types of MLG over time has partly been a response to the increased involvement of non-state actors in policy-making. Despite the lack of a commonly agreed definition, the present study defines MLG as the participation of a range of different types of actors (public, private and societal) in policy-making and implementation through formal and informal means.

The purpose of this study is to offer a thorough overview of MLG in Cohesion Policy in the current programming period of 2007-2013 by examining the evolution of the concept in terms of its definition and conceptual framework, analysing the current processes of implementing MLG in the EU27, as well as describing the advantages and disadvantages of partnerships in policy-making. Moreover, the study aims to formulate strategic and operational recommendations in the context of the preparation of the 2014-2020 programming period.

The methodological approach is based on various "tools", namely a literature review and nine case studies based on phone interviews, desk-based analysis as well as several questionnaires. In view of analysing the trade-off between MLG and the effectiveness and efficiency of Cohesion Policy, the case studies help extending the theoretical background by examining the implementation of MLG in nine different ERDF Operational Programmes (OPs) across the various stages of the policy cycle. The findings and concrete examples from these case studies are also used in the narrative or in boxes.

The present study is divided into six chapters. A background chapter describes the origins and the developments of MLG revisiting its definition, conceptual framework and perceived impact on the effectiveness and legitimacy of Cohesion Policy. Next, the application of MLG in Cohesion Policy is described first, in general, based on a literature review and subsequently by policy phase, based on a comparative analysis of the application of partnership in the nine OPs analysed. Finally, the study describes the future developments at Member State level focusing on the nine case studies analysed, followed by a summary of the main findings from this study along with recommendations.

The study primarily addresses EU legislators as well as actors involved in Cohesion Policy at all administrative levels. This includes Members of European Parliament (MEPs) and EU officials directly or indirectly involved in the planning of the 2014-2020 programming period, the authorities involved in the management of European Structural and Investment (ESI-)Funds at national level as well as at OP level, strategic bodies, and other partners involved in Cohesion Policy (civil society, economic and social partners, etc.).

1. METHODOLOGY

KEY FINDINGS

- There is a vast amount of literature on MLG but the concept is still vague.
- The methodology used in the study includes a literature review complemented by nine case studies which have been developed on the basis of questionnaires and interviews with key actors involved in the OP policy cycles and project promoters.

Given the vast amount of literature that has been produced on MLG in general and on MLG in Cohesion Policy in particular, over the past 25 years, and due to the vagueness of the concept itself, a literature review features an essential part of the present study. This theoretical background is complemented by the results of a comparative analysis of nine case studies analysing how MLG is applied in practice in nine different ERDF OPs. The findings and conclusions of this report are informed by the combination of the results from the comparative analysis of the case studies as well as the literature review. This section describes the approaches taken to the single methodological tools in more detail.

1.1 Literature review

An in-depth literature review was carried out to produce a descriptive overview of how MLG is applied in Cohesion Policy, focusing on the questions outlined in the study's Terms of Reference. In view of defining the concept of governance and MLG, the literature review covers academic literature about MLG (theory, application, discussions). The literature review also covers existing publically-available EU-level information on the realisation of MLG, relevant academic literature, and evaluations at Member State and regional level where available. It should be noted that the available material focuses most heavily on the current programme period, and that there is much more material available on some Member States than others. For example, while the EU15 Member States have already been applying MLG in policy-making in the earliest programming periods (since 1988), the EU10+2 Member States have started applying the concept of partnership since accession (in the mid-2000s).

1.2 Case studies

1.2.1 Objective

As detailed in the Terms of Reference, the study involves the selection and analysis of **9 regional/national/European Territorial Cooperation (ETC) OPs**, resulting in the production of nine case study reports which are included in Volume II of this study.

The objective of the case studies is to complement or advance the theoretical literature analysis with real-life examples from ERDF OPs. The main idea has been to identify the patterns of interactions between various actors involved in the preparation, implementation and monitoring/evaluation of an OP at different levels of administration. As a result, it was possible to assess how this interaction helped achieving the goal of sustainable regional development.

The empirical research differentiated between the following phases of policy implementation:

- Preparation/programming of the OP
- Project selection
- Programme management
- Monitoring
- Evaluation

1.2.2 Desk research

The case studies are partly based on desk research using the OPs, Annual Implementation Reports, evaluations, and specific ex ante assessments (when relevant and available), as well as EU-level material.

1.2.3 Field research

The case studies are mainly based on **2 different questionnaires** and **2-3 phone interviews per OP**.

- A generic questionnaire has been sent to a member of the MC
- A phone interview has been carried out with the MA of the national / regional / European Territorial Cooperation (ETC) OP analysed.
- A phone interview has been carried out with a partner of a different horizontal and/or different vertical level, relevant for the respective OP.
- A generic questionnaire has been sent to the lead partner(s) of the project(s) recommended by the OP authorities to be good examples of partnership projects (1-2 projects per OP).

In brief, these aforementioned interviewees have been asked about the following issues:

- The involvement of different partners in each policy phase
- The extent, manner and quality of involvement in each policy phase
- (Self-)assessment of involvement (possibility of gaining ownership of the programme; effectiveness of intervention; efficiency of the process of involvement)
- Quality of governance by the current Cohesion Policy interventions
- Progress in creating long-term partnerships with civil society stakeholders
- Involvement of private partners as well as civil society representatives across policy phases
- Degree of efficiency and effectiveness for MLG management and partnership approaches across policy phases

The project lead partners were similarly asked to express their opinion about the effectiveness and efficiency of the cooperation with their partners as well as the OP authorities in each policy phase.

1.2.4 Selection of case studies

The Annex of this study includes a table with the final case study selection including the interviewees and projects chosen by OP. The approach to the selection of case study OPs has been informed by the need to select a sample which represents:

- a geographic balance,
- different Cohesion Policy objectives (e.g. convergence, competitiveness and employment, territorial cooperation),
- different forms of constitutional frameworks (centralised unitary, decentralised unitary, regional unitary, federal states), and
- various dates of EU accession (3 'new' Member States were to be covered according to the Terms of Reference).

1.3 Comparative analysis of the case studies

A comparative analysis of the case studies was then carried out in order to get a thorough insight about the following factors (where applicable) in each policy phase:

- The actors and government levels involved
- The mechanisms used to involve these various partners
- The influence of these actors on the OP in that particular phase
- The advantages of involving numerous different partners in that particular phase
- The challenges and disadvantages of involving numerous different partners in that particular phase

In order to accentuate the differences between across the case studies, some tables have been developed to graphically illustrate the narrative analysis (e.g. matrix showing the variations in the composition of the MCs; matrix showing the variations of the administrative levels involved in the key OP management bodies). The project level was analysed in the relevant phases (Project selection and Programme management).

The findings from the comparative analysis are accompanied by boxes with illustrative examples from the case studies. Examples from the case studies are moreover used throughout the study to illustrate the narrative and offer good practice examples.

1.4 Drawing conclusions and recommendations

The concluding parts of this study are based on the theoretical background which builds on the literature review and concerns the EU27 in general as well as the findings from the in-depth reviews of the nine OPs. In addition to describing the future plans and lessons

learned 'on the ground', a matrix has been developed to summarise the advantages, disadvantages and challenges as well as the mechanisms of MLG across policy-cycles. The tools used in this study come together this way to draw informed recommendations for the EU institutions.

2. ORIGINS AND DEVELOPMENT OF MULTI-LEVEL GOVERNANCE

KEY FINDINGS

- The concept of MLG has considerably developed since the early 1990s in the attempt to identify the presence and influence of sub-national actors in the EU policy process, which had become a **central feature of decision-making in Cohesion Policy** after the landmark 1988 reform.
- The contributions of MLG to the **effectiveness and legitimacy of policy-making** have become increasingly important issues for EU policymakers. The modes of interaction between the different types of actors and administrative levels involved in policy-making have gained considerable attention.
- The **definition of the concept of MLG** has also evolved in parallel to policy developments at EU level. There is no commonly agreed definition of MLG but it is generally understood as the participation of a range of different types of actors (public, private and societal) in policy-making and implementation through formal and informal means.
- The impact of the **economic and financial crisis should not be underestimated**. The consultation of regions, local authorities as well as non-state actors is essential in a context where the needs and interests of the target groups have changed and need to be addressed. National Reform Programmes are however largely developed by national governments.

The term **MLG originated in the early 1990s**, coined by Gary Marks to capture developments in Cohesion Policy and challenge the dominant theoretical approaches to understanding the nature of the EU as a political system (Marks 1992; 1993). In particular, Marks argued that state-centric theories of European policy-making were unable to recognize or explain the presence and influence of supranational institutions and sub-national actors in the EU policy process, which had become a central feature of decision-making in Cohesion Policy following the landmark 1988 reform.

Looking beyond Cohesion Policy to the EU political system more generally, a more elaborated MLG model by Marks and his colleagues identified three central premises (Marks *et al.* 1996): decision-making competencies are shared by actors at different levels (EU, national, sub-national) rather than monopolized by state executives; collective decision-making among Member States involves a significant loss of control for individual Member States; and political arenas are interconnected rather than nested, meaning that sub-national actors can pursue their interests through EU as well as domestic channels.

To empirically assess MLG in the EU, it was deemed necessary to dissect the different phases of the policy cycle - policy initiation, decision-making, implementation and adjudication – and consider both formal and informal practices. In doing so, the Marks et al. (1996) model of MLG placed particular emphasis on the Commission's agenda-setting power, the erosion of state sovereignty in decision-making, the key role of the Commission as well as sub-national actors in the implementation of some policies (especially Cohesion Policy), and the increasingly activist stance of the European Court of Justice in adjudication.

The sources of the MLG are the twin pressures of European integration and regionalisation (Marks 1996a). The former was driven, in turn, by a combination of political factors (such as the weakened position of European powers in the Cold War, the attempt to anchor Germany), economic factors (the internationalization of markets, the relative decline of European economic competitiveness and demise of national Keynesianism), and socio-cultural factors (intensified demands for peace after two World Wars). The drivers of regionalisation are equally diverse: efficiency of policy provision; overload; fiscal stress; intensified regional competition; unbalanced regional development; nationalism etc.

Since the original formulation of MLG in the 1990s, the literature has mushroomed. Several generations of research have been identified throughout the 1990's and 2000s (Stephenson 2013), including applications to new EU policies (especially Environmental policy), lively scholarly debates about the status of MLG as a theory and the validity of its assumptions, and conceptual development and refinement. Comprehensive conceptual and empirical assessments of MLG can be found elsewhere (Bache and Flinders 2004; Piattoni 2010; Enderlein *et al.* 2012), as can concise summaries of the vices and virtues of MLG theory (Jordan 2001; George 2004). Of particular interest to this investigation are contemporary conceptualisations of different MLG types, the issue of MLG performance and empirical assessments of MLG in Cohesion Policy. Before we examine these strands of MLG literature, it is appropriate to clarify the definitional status of MLG.

2.1 MLG definitions and key terms

The first definition of MLG, put forward by Marks (1993: 401), was:

"*a system of continuous negotiation amongst nested governments at several territorial tiers – supranational, national, regional, and local – as the result of a broad process of institutional creation and decisional reallocation that has pulled some previously centralized functions of the state up to the supranational level and some down to the local/regional level*".

A problem with this definition is that the emphasis on governments and state functions obscures the role of non-state actors, which is the central feature of govern*ance* as opposed to govern*ment*. Equally, the term 'nested' does not sit well with the non-hierarchical and network characteristics of MLG. A more fitting and all-encompassing MLG definition has been formulated by Schmitter (2004: 72):

"*an arrangement for making binding decisions which engages a multiplicity of politically independent but otherwise interdependent actors – private and public – are at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels*".

The usage of the term has become widespread across EU institutions, not least because of its rhetorical appeal and neutrality (Schmitter 2004). Unsurprisingly, the Committee of the Regions has been most proactive in engaging in MLG conceptual thinking and debates on MLG, particularly through its White Paper on Multi-level Governance and launch of an MLG Scoreboard. In its 2009 White Paper, MLG is defined as (Committee of the Regions 2009: 6):

"*coordinated action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies*". This definition has been taken up by the European Commission in its draft Code of conduct on the partnership principle for Cohesion Policy 2014-2020 (European Commission 2012a: 3):

"*Multi-level governance means coordinated action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies*".

A similar definition was put forward in the Committee of the Region's more recent follow-up opinion to the White Paper 'Building a European culture of Multilevel Governance', but including references to subsidiarity and proportionality as well as operational and institutionalised cooperation (Committee of the Regions 2012a: 2):

"*coordinated action by the EU, the Member States and regional and local authorities according to the principles of subsidiarity and proportionality and in partnership, taking the form of operational and institutionalised cooperation in the drawing-up and implementation of the European Union's policies*".

Despite the lack of a commonly agreed definition, MLG is generally understood as the participation of a range of different types of actors (public, private and societal) in policy-making and implementation through formal and informal means. It is this understanding that informs the conceptualisation of MLG used in this study.

2.2 Types of Multi-level Governance

More recent theoretical work on MLG has sought to distinguish different types of MLG. Liesbet Hooghe and Gary Marks (2003) distinguished two types of MLG (see Table 1). In line with the traditional federalist state structures, **Type I MLG** conceives authority as shared across a small number of government levels (local, regional, national, international) based on stable, general-purpose jurisdictions (covering bundles of different policies) with mutually exclusive memberships. In the alternative **Type II model**, MLG is fluid and flexible, based on a larger number of task-specific jurisdictions (such as cross-border cooperation, community development, local housing, schooling etc.) with overlapping memberships, and a much greater presence of private actors.

Table 1: Two Types of MLG

Type I	Type II
General-purpose jurisdictions	Task-specific jurisdictions
Non-intersecting memberships	Intersecting memberships
Jurisdictions at a limited number of levels	No limit to the number of jurisdictions
Systemwide architecture	Flexible design

Source: Hooghe and Marks (2003: 236).

While the two types of MLG are analytically distinct, they are not mutually exclusive. MLG II tends to be embedded in MLG I and the co-existence of the two types offers complementary benefits by providing different strategies for addressing coordination problems: limiting the number of autonomous actors and jurisdictions (MLG I); and limiting interactions among actors by splitting competences into distinct tasks (MLG II).

A different analytical framework for the analysis of MLG types has been elaborated by Arthur Benz (2012), emphasising instead the different degrees of 'coupling' across vertical, horizontal and intra-governmental levels of MLG in comparative perspective (see Table 2). Contrasting with the tightly coupled (connected) German model of federalism, which is prone to decisional gridlock, MLG in the EU is classified as a loosely coupled arrangement, which facilitates decision-making (see also Benz 2000).

Table 2: Types of MLG – different levels and coupling

	Uncoupled	Tightly coupled	Loosely coupled
Vertical intergovernmental	Mutual adjustment in dual federalism	Joint decision-making	Negotiation in the shadow of hierarchy, networks, mutual adjustment by benchmarking, open method of coordination
Horizontal intergovernmental	Autonomy (no coordination between jurisdictions), institutional competition	Institutional homogeneity, multilateral negotiation	Institutional diversity, voluntary negotiations (opt out, enhanced cooperation), limited fiscal relations
Intra-governmental	Executive dominance	Binding mandates of parliaments	Negotiated mandates between parliaments and government

Source: Benz (2012: 224).

2.3 MLG Effectiveness and Legitimacy

Functionalist explanations of the rise of MLG emphasise the effectiveness and legitimacy benefits of this governance technology. According to Marks and Hooghe (2003), the key benefit of MLG is its scale flexibility allowing:

- **externalities** to be internalised
- **economies of scale** to be exploited; and
- **tailoring of policies** to reflect the heterogeneous preferences of citizens.

These benefits are based on political economy and fiscal federalist theory insights on public goods.

By contrast, comparative federalist and organisational theories would point to the process benefits of learning from different territorial jurisdictions on the one hand, and the facilitation of collective decision-making through informal cooperative exchanges among actors on the other (Benz 2012).

However, **effectiveness and legitimacy can also be problematic** in MLG due to complexity, the blurring of responsibilities and joint-decision traps (Benz 2000). At a normative level, MLG may pose a 'Faustian bargain' in which 'core values of democratic government are traded for accommodation, consensus and the purported increased efficiency in governance' (Pierre and Peters 2004). The negative consequences for democratic accountability have been well-articulated by Yannis Papadapoulos (2010):

- a lack of visibility to outsiders (citizens and the media) and difficulty in identifying responsibility when many actors are involved;
- the disconnection from representative institutions (parliaments);
- an over-representation of actors that are weakly accountable to citizens (technocrats, experts, economic and social actors);
- the informal character of cooperation reduces transparency and facilitates blame-avoidance games;
- and a prevalence of 'peer' accountability at the expense of accountability 'at home', which may not address the collective good due to the dominance of insiders and weak mutual scrutiny.

Moreover, the co-existence of different types of MLG can be problematic for accountability in so far as it poses **compatibility and coherence tensions**. These tensions are arguably compounded in the presence of multiple and different Type II MLG bodies – such as voluntary clubs, government agencies and polity-forming bodies - with different legitimacy, consent and accountability practices (Skelcher 2005).

Table 3: Democratic Alignment of Type I and Type II Entities

	Type I	Type II		
		Club	Agency	Polity-forming
Features	Established through constitution building or legislation by higher level of government	Self-generated to deliver benefits to members	Created by government to deliver policies through flexible management under arm's-length political supervision	Established to engage well-defined constituency of users or residents in local formulation and delivery of specific public policy
Legitimacy	Through electoral systems and civic support	On basis of benefits accruing to members	On basis of central government mandate	On basis of popular participation
Consent	By elected representatives	On basis of self-interested assessment	Appointed by board or nominated by government	Through deliberative processes between board and constituency
Accountability	To legislative body of elected representatives and to citizens	To organizational stakeholders in terms of cost-benefit ratio	To government at higher level on basis of policy performance	To constituency on basis of democratic process and policy achievement

Source: Skelcher (2005: 98).

A recent tool created by the Committee of the Regions to improve understanding, assessment and monitoring of MLG effectiveness and legitimacy is the **MLG Scoreboard**. The scoreboard's comparative framework distinguishes several MLG criteria relating to (1) procedures: (i) information and consultation (ii) stakeholders' involvement (iii) responsiveness; and to (2) content: (i) territorial/integrated approach (ii) smart regulation mechanisms; and (iii) innovative instruments for implementation.

Table 4: The MLG Performance Scoreboard

(1) Procedures	(2) Content
(i) Information & Consultation • Information is rapidly available about all stages of the decision-making process. • Public consultations launched with sufficient time and with well-constructed questions • Systematic dialogue with European and national associations of Local and Regional Authorities (LRA) • Effective and transparent decentralised • communication policy using networks, grass roots organisations and LRAs	**(i) Territorial/integrated approach** • Integrated, place-based approach: policy is taking territorial aspects into account and considering the development of other policies and strategies. • Multi-sectorial policy, considering local and regional knowledge and expertise. • A regular monitoring system is in place for evaluating the territorial approach
(ii) Stakeholders' Involvement • Promotion of LRA involvement in transparent and open consultations. High RLA participation rate • The contributions are of good quality and consistent priorities are formulated by LRAs.	**(ii) Smart regulation mechanisms** • Aspects of simplification and reduction of administrative burdens are always considered. • Territorial impact analysis is carried out, in which LRAs are duly involved at the early stages of the cycle. Ex-post evaluation findings relevant for LRAs are considered. • Appropriate subsidiarity and proportionality checks are conducted
(iii) Responsiveness • The EU institutions ensure receptiveness, openness and a real dialogue with LRA. • Contributions from LRAs are taken into account at all stages of the policy process.	**(iii) Innovative Instruments for Implementation** • Promotion of the use of innovative instruments which improve implementation of legislation in partnership • Examples: territorial pacts, other innovative commitments of LRAs related to EU objectives or new approaches for the open method of coordination

Source: Committee of the Regions (2012b).

To date, two editions of the Scoreboard have been produced covering several EU agendas and policy domains: Europe 2020 Strategy, Energy Strategy 2020, Stockholm Programme, Spring Package 2010 (Scoreboard 1); and the Single Market, European Neighbourhood Policy, Structural Funds and Common Agricultural Policy (Scoreboard 2). Overall, marked **variations were found in MLG performance** across EU policies and governance practices. In particular, EU practices relating to procedures (i.e. information, consultation, stakeholder involvement and responsiveness) better respected the objectives of MLG than the practices related to the content of the policies and the use of innovative instruments (the territorial approach, smart regulation mechanisms, innovative instruments).

More generally, the Committee of the Regions has been critical of the **lack of MLG in the Europe 2020 strategy** and the impact of the financial and economic crisis on MLG implementation in EU policies (Committee of the Regions 2012a). For instance, the

preparation of National Reform Programmes is mainly undertaken by national governments, although there is increasing consultation of regions and local authorities in some countries.

The idea for an MLG Scoreboard has its origins in the Committee of the Regions' earlier White Paper on MLG, which included several recommendations to enhance the problem-solving potential and legitimacy-enhancing effects of MLG (Committee of the Regions 2009):

- accompany major strategic reforms with a **regional action plan** agreed between the Commission and Committee of the Regions, setting out the political mechanisms to facilitate the ownership, implementation, evaluation and communication of the policies;
- establish **tools to support participatory democracy**, particularly in the framework of the Lisbon Strategy, social agenda, Gothenburg Strategy and development of "Local Agenda 21" type mechanisms;
- **reinforce partnership practice**, both vertically between "local and regional authorities – national government and European Union" and horizontally between "local and regional authorities – civil society", particularly in the context of social dialogue;
- reform the **Open Method of Coordination** to make it more inclusive, by developing participatory governance indicators and territorial indicators, in conjunction with regional and local authorities;
- **institutionalise territorial impact analysis** through the involvement, upstream of the policy decision, of the various actors concerned ;
- support the use of experimentation at local and regional level in relevant EU policies;
- establish **European Territorial Pacts** to bring together competent tiers of government in order to adapt the implementation of major EU priorities and objectives.

3. MULTI-LEVEL GOVERNANCE IN COHESION POLICY

KEY FINDINGS

- In EU Cohesion Policy, MLG particularly relies on the implementation of the **partnership principle** which became a regulatory requirement under the 1988 reform. The regulations have gradually extended the scope of the partnership principle to the extent that Multi-level *Government* evolved into Multi-level *Governance*.
- In early studies **sub-national influence** was shown to be the greatest during programme implementation/monitoring, followed by the design of plans/programmes, and least influential in negotiations with the Commission.
- Under the right conditions (prior experience of partnership working; institutional traditions) MLG can contribute to **greater policy effectiveness**; to greater **legitimacy and transparency** in decision-making processes; as well as to a greater commitment and **ownership** of programme outputs.
- The key challenges in the implementation of MLG identified were **experience** (lack of tradition of decentralization, limited capacity of sub-national actors), **lack of resources** (combined with the complexity of Cohesion Policy rules), **managerial conflicts** (growing resentment of the increased role of the Commission), **rising complexity of bureaucracy** (the higher the number of actors involved, the higher the administrative costs), **democratic deficit** (top–down model marginalises the role of democratic institutions).

3.1 The partnership principle

The origins of MLG lie in the study of EU Cohesion Policy and especially the implementation of the partnership principle (Marks 1992; 1993). The partnership principle was codified as a regulatory requirement under the 1988 reform, requiring the involvement of regional and local authorities in programme formulation and implementation for the first time. Since then, the regulations have consistently emphasised the importance of involving regional and local authorities, but have extended the scope of the principle by specifying a role for economic and social partners within the framework of national rules and practice (1993 reform), the need to involve authorities responsible for the environment and for the promotion of gender equality (1999 reform) and NGOs and civil society bodies (2006 reform). This evolution is summarised in Box 1. In short, the formal regulatory requirements on the partnership principle have evolved from Multi-level Govern*ment* to Multi-level Govern*ance.*

Box 1: The Evolution of the Partnership Principle: From Multi-level Government to Multi-level Governance

1988 reform

Community operations shall be such as to complement or contribute to corresponding national operations. They shall be established through close consultation between the Commission, the Member State concerned and the competent authorities designated by the

latter at **national, regional, local or other level,** with each party acting as a partner in pursuit of a common goal.

These consultations are hereinafter referred to as the 'partnership'. The partnership shall cover the preparation, financing, monitoring and assessment of operations.

1993 reform

Community operations shall be such as to complement or contribute to corresponding national operations. They shall be established through close consultations between the Commission, the Member State concerned and the competent authorities and bodies - including, within the framework of each Member State's national rules and current practices, **the economic and social partners**, designated by the Member State at national, regional, local or other level, with all parties acting as partners in pursuit of a common goal. These consultations shall hereinafter be referred to as the "partnership ". The partnership shall cover the preparation and financing, as well as the ex-ante appraisal, monitoring and ex post evaluation of operations. The partnership will be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners.

1999 reform

1. Community actions shall complement or contribute to corresponding national operations. They shall be drawn up in close consultation, hereinafter referred to as the 'partnership', between the Commission and the Member State, together with the authorities and bodies designated by the Member State within the framework of its national rules and current practices, namely:

- the regional and local authorities and other competent public authorities,

- the economic and social partners,

- any other relevant competent bodies within this framework.

The partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners (...). In designating the most representative partnership at national, regional, local or other level, the Member State shall create a wide and effective association of all the relevant bodies, according to national rules and practice, taking account of the need to **promote equality between men and women** and **sustainable development** through the integration of environmental protection and improvement requirements. All the designated parties, hereinafter referred to as the 'partners', shall be partners pursuing a common goal.'

2. Partnership shall cover the preparation, financing, monitoring and evaluation of assistance. Member States shall ensure the association of the relevant partners at the different stages of programming, taking account of the time limit for each stage.

2006 Reform

1. The objectives of the Funds shall be pursued in the framework of close cooperation, (hereinafter referred to as partnership), between the Commission and each Member State. Each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as:

(a) the competent regional, local, urban and other public authorities;

(b) the economic and social partners;

(c) any other appropriate body representing **civil society, environmental partners, non-governmental organisations (NGOs)**, and bodies responsible for promoting equality between men and women.

Each Member State shall designate the most representative partners at national, regional and local level and in the economic, social, environmental or other spheres (hereinafter referred to as partners), in accordance with national rules and practices, taking account of the need to promote equality between men and women and sustainable development through the integration of environmental protection and improvement requirements.

2. The partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each partner category as defined in paragraph 1.

The partnership shall cover the preparation, implementation, monitoring and evaluation of operational programmes. Member States shall involve, where appropriate, each of the relevant partners, and particularly the regions, in the different stages of programming within the time limit set for each stage.

Source: Council Regulation 2052/88 (Art. 4); Council Regulation 2081/93 (Art. 4); Council Regulation 1260/99 (Art. 8); Council Regulation 1083/2006 (Art. 11).

A wide range of academic studies have examined MLG and partnership principle implementation in Cohesion Policy across different countries and over time (e.g. Heinelt and Smith 1996; Hooghe 1996; Bache 1999, 2008). There is general consensus in the literature that Cohesion Policy requirements have supported and strengthened multi-level partnership arrangements involving the participation of a broad array of public, private and societal actors in programme design and delivery across the EU. However, it is also argued that **national governments have continued to exert a strong grip on key decisions** and that there has been resistance to EU pressures for sub-national empowerment and inclusive, horizontal partnership-working where this has been against domestic preferences or pre-existing traditions.

3.2 Assessments of MLG across the Cohesion Policy cycle

The first comprehensive study of MLG in Cohesion Policy across several countries was the edited volume by Hooghe (1996). The study assessed the relative influence of different actors (Commission, national, regional and local) across four stages of the policy process: (i) formulating development plans; (ii) negotiating plans with the Commission; (iii) designing programmes; and (iv) monitoring and implementation. Significant variation in sub-national participation was found across the different programming stages. This was explained by the functional characteristics of each stage, particularly the reliance of the central government on information from sub-national authorities (Marks 1996b). Sub-national influence in all countries was **greatest during programme implementation/monitoring**, followed by the design of plans/programmes, and least influential in negotiations with the Commission.

Moreover, variations in the political influence of different actors were **greater across countries than within them**, implying that a country's system of territorial relations was a more powerful predictor of sub-national influence than the functional stage of programming (Marks 1996b). The influence of the Commission, in turn, was greater in those countries receiving greater amounts of Community funding.

Aside from assessing the extent of MLG across the different stages of the Cohesion Policy cycle, the study found evidence of knock-on effects on wider territorial relations in some countries. In Ireland and Greece, in particular, the central government's traditional 'gate-keeping' role had been weakened providing a new source of expectations for sub-national actors. By contrast, in Belgium and Spain the Structural Funds had interacted with on-going regionalization pressures adding another dimension to existing territorial conflicts. Lastly, in France, Germany and the UK, the highly institutionalised nature of territorial relations prevented any significant impact on existing governance arrangements, although Structural Funds implementation in France and the UK had led to increased participation by sub-national actors in the planning of domestic regional policies.

The first major Commission-sponsored evaluation of the partnership principle extended the period of analysis to cover the first (1989-93) and (part of the) second (1994-99) programming cycles, based on a larger selection of 54 case studies across all EU Member States (Kellerher *et al.* 2009). The study found significant differences in the participation of partners at different stages of the programming cycle. The more important role for most partners was in the planning of programmes and project selection. There was a variable role for different partners for various operational tasks, and a less developed role in terms of review and evaluation.

Among the **main positive benefits attributed to partnership** were:

- greater effectiveness in programme development and monitoring;
- more effective project selection;
- greater legitimacy and transparency in decisions and decision-making processes;
- greater commitment and ownership of programme outputs;
- opportunities for reinforcing innovation and learning across organisational boundaries; and
- development of institutional capacity at sectoral and territorial levels.

The **key factors shaping partnership evolution** in the Member States were:

- prior experience of partnership-working;
- an accommodation with national institutional, administrative and cultural traditions;
- regionalisation, decentralisation or deconcentration of public administration; and
- the contribution of the Commission as animators and regulators

Finally, the uneven practice of partnership principle implementation across Member States and programmes implied that there was **significant scope for improvements** in:

- inclusiveness of partnership;
- transparency of partnership functioning;
- MC functioning;
- technical support for participating partners and
- partnership in programme development and evaluation stages.

Some of these findings were echoed in the ex-post evaluation of the management and implementation of the ERDF/CF in the 2000-2006 period (Bachtler *et al.* 2009):

- the extent of partnership differed considerable across the EU25, but MCs provided the main forum for partner participation in all countries;
- partner involvement was dominated by public central and regional actors directly involved in funding/delivery of the programmes;
- the extent of partnership working was influenced by formal administrative practices/traditions and the experience/capacity of regional and socio-economic partners

3.3 Challenges to the introduction of MLG in Cohesion Policy

3.3.1 Lack of tradition

Following the accession of new Member States in 2004/2006, there has been increasing interest in the application of the partnership principle in Central and Eastern Europe. As in the older Member States, academic assessments confirmed the varied nature of regional involvement (Ferry and McMaster 2005), and questioned the notion that Structural Funds build regional structures and competence and necessarily leads to 'stronger regions' (Bachtler and McMaster 2008). Indeed, in EU12 countries, the vast majority of funding is allocated to sectoral programmes that are governed in a centralised way (Bruszt 2008). Similarly, Dabrowski (2013) finds that a **lack of tradition of decentralization** and collaborative policy-making, as well as a limited capacity of sub-national actors, result in uneven outcomes of the application of the partnership principle across Central and Eastern European countries and regions.

3.3.2 Lack of resources

A more general criticism that applies across old and new Member States is that the extent of involvement and influence of **non-public sector bodies** in programme decision-making processes remains limited (Businesseurope 2007, European Parliament 2008, Churski 2008, Ahner 2009, Batory and Cartwright 2011, ECSC 2010). These actors often do not have the resources to actively participate or influence programme design and implementation, challenges which are compounded by the complexity of Cohesion Policy rules (Polverari and Michie 2009; Mendez and Bachtler 2011).

3.3.3 Shifts in allocations, priorities and EU-domestic relations

The sustainability of partnership-working can also be questioned due to **declining Cohesion Policy allocations** in some Member States and regions as well as the associated rationalisation of partnership-based management arrangements (Polverari and Michie 2009). Indeed, the **'Lisbonisation' of Cohesion Policy in 2007-2013 has encouraged centralisation** in some countries due to the greater role of national government in key Lisbon-related policies such as RTDI (Mendez 2011; 2013). Moreover, rising resentment and conflict between the European Commission and regional authorities in the implementation of Cohesion Policy highlight the problem-solving challenges of MLG 'calling into question whether it is an appropriate and sustainable inter-administrative co-

ordination device' (Bauer 2002). This has been compounded in the mid-2000s by the 'audit explosion' in Cohesion Policy and associated payments interruptions and suspensions for financial non-compliance, which has **reduced trust between the Commission and national/regional/local actors** (Mendez and Bachtler 2011).

A longer-term perspective on the evolving MLG relationship between the Commission and Member States is provided by Bachtler and Mendez (2007). In the implementation of the programming principle, it was found that the role of national governments (relative to the European Commission) had been exaggerated in the literature. Contrary to other studies, the 1994-99 period is represented as the "high water mark" of Commission influence over programme orientations and financial allocations. Moreover, the nature of the Commission's influence has evolved (rather than diminished) over time, from regulatory compliance (1989-93) to financial inputs, monitoring, control and audit (1994-2006) and, subsequently, to the strategic coordination level (2007-2013).

In line with this **top-down perspective on MLG**, assessments of programming in the 2007-2013 period found that the Community Strategic Guidelines and earmarking requirements provided a new source of leverage for the Commission to shape the targeting of funding across countries and regions (Mendez 2011). Looking forward to the next period and the new legislation for Cohesion Policy, the **power of the Commission** in programming has been **reinforced in the post-2013** period through ring-fencing and ex-ante conditionality requirements (Mendez 2013). In terms of sub-national participation, the **code of conduct on the partnership principle** and the greater priority placed on community-led local development provides an opportunity for strengthening the regional and local dimensions of MLG in the future (Mendez 2013). These provisions are a Commission response to criticisms about the performance of Cohesion Policy and the lack of a place-based approach (Barca 2009), but it is unclear how they will be implemented in practice and whether MLG will improve.

3.3.4 The administrative costs of MLG

A frequent criticism of Cohesion Policy is the **high administrative costs** of the MLG model. However, a Commission-sponsored study found that, other comparable policy fields have considerably higher administrative costs than EU Cohesion Policy, such as the World Bank's global and regional partnership programmes and a range of other bilateral aid programmes, while The European Bank for Reconstruction and Development (EBRD) has broadly comparable management and implementation structures and roughly similar general administrative expenses. Moreover, various types of management and implementation systems across the Member States did not differ significantly in terms of administrative workload (Böhme 2010). Centralised systems have a somewhat lower median administrative workload than regionalised and mixed systems. The differences are minor though.

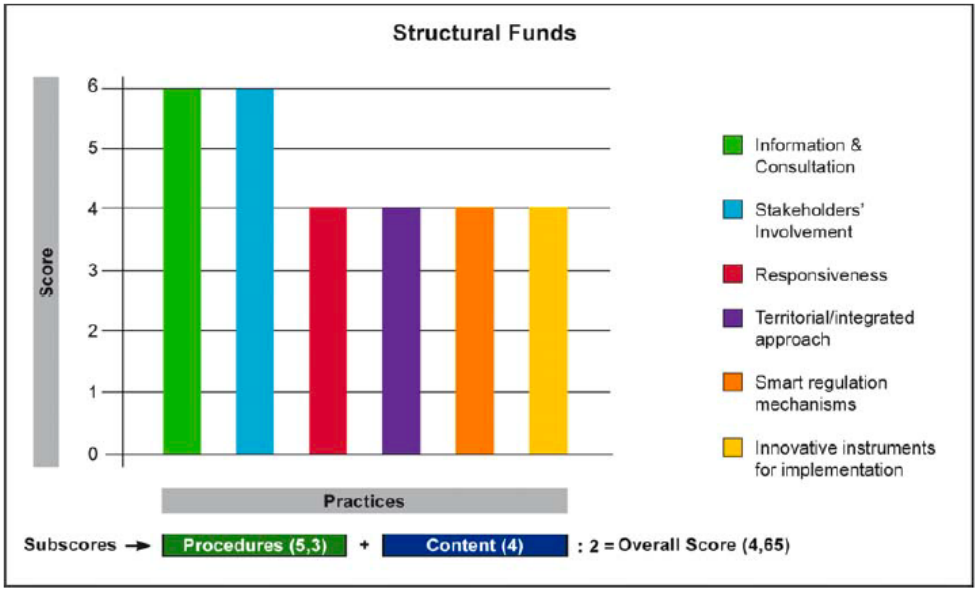
3.3.5 Debating the legitimatisation of Cohesion Policy through MLG

Finally, another strand of the literature on MLG has a more normative orientation by examining the democratic and legitimacy implications of Cohesion Policy implementation. Olsson (2001) identified democracy 'paradoxes' of MLG in Cohesion Policy, particularly the dominance of **a top–down and technocratic model** which marginalises the role of democratic institutions. To 'democratize' MLG in Cohesion Policy, partnerships should be regulated or challenged with the parliamentary principle through a stronger role for popular

elected institutions. Similarly, Bache and Chapman (2008) provide evidence of the dominant role of elite experts and the relative marginalization of elected local politicians in the English regional OP of South Yorkshire. However, they also argue that the Structural Funds provide mechanisms that are located closer to citizens and their concerns than do municipality-wide elections.

An EU-level assessment of the effectiveness and legitimacy of the Cohesion Policy MLG architecture is provided in the Committee of the Regions' MLG Scoreboard. Drawing on a consultation with experts, the **Structural Funds are regarded as a best-practice MLG model** across EU policies with respect to multilevel information and consultation based on open and transparent information exchange across institutions and high levels of stakeholder access and engagement (EIPA 2012). The remaining scores are lower – for MLG responsiveness, territorial-integrated approach, smart regulation and innovative instruments – but still high compared to other policies.

Figure 1: MLG score of Structural Funds



Scoring system: 0-1: the principle has been ignored in practice; 2: seriously neglected and major shortcomings in practice; 3: Insufficient efforts made to satisfy requirements, and principle not satisfied in practice; 4: The principle minimally satisfied, but improvements possible; 5: principle satisfied to a high degree, but gaps exist which could be addressed; 6: Every reasonable effort has been made to satisfy the principle, and the practice is as good as can realistically be imagined.

Source: EIPA (2012: 6).

4. MULTI-LEVEL GOVERNANCE IN THE COHESION POLICY CYCLE – A COMPARATIVE ANALYSIS OF THE 2007-2013 PERIOD

KEY FINDINGS

- The **domestic institutional context** has been found to be a powerful predictor of MLG in Cohesion Policy for determining which actors are involved in policy-making and to what extent they can influence the processes. Countries with more centralized government structures tend to have more centralized systems for managing Cohesion Policy than federal countries. The **case studies show that this relationship does not fully hold neither in the OP preparation phase nor in the OP management phase,** because there are highly devolved countries which grant a stronger role for national ministries (as in Spain) or vice versa (as in England).
- The **preparation of the OP** is the most integrative policy phase across all OPs analysed. Under the right conditions, the **main advantages** of partnership are the facilitation of buy-in, consensus and collective ownership and the additional expertise contributing to improving the quality of the OP. The **main difficulties** identified are the varied and vested nature of partners' interests; unrealistic expectations, diverse territorial challenges, insufficient strategic dialogue and the lack of flexibility for accommodating partners' opinions; the administrative capacity and coordination constraints (lack of financial and human resources, unequal knowledge about EU funds); capacity constraints particularly for smaller stakeholders; as well as a possible lack of interest from the public to participate in the programming.
- **Project selection phase**: While the OP project selection criteria have to be approved by the MC (representing the key partners), OP partnership members - especially non-state actors – often have limited influence on the project selection criteria and are not collectively involved in the selection of projects in most of the cases.
- **Programme management phase**: There are variations in management structures, the number of actors involved and the delegation of tasks to intermediate bodies across the OPs. Bodies with responsibility for financial compliance and payments tend to be more centralised than bodies with responsibility for the general management and coordination of substantive policy content issues and project selection. There are **mixed views** on the benefits of shared or delegated management, which is found to be contributing to effectiveness, improved commitment and ownership on the one hand, but diffusing management responsibilities and increasing administrative burden on the other.
- **Monitoring phase**: All of the mainstream programmes include representation from national, regional and local government bodies. There is however clearly room for improvement in the participation of non-state actors. While the main partnership mechanism for the monitoring of OPs is the MC, this platform is being largely criticised for the lack of strategic dialogue, the limited potential for non-state partners to actually influence decisions, and the organisational challenges

arising from the involvement of multiple heterogeneous partners (complexity of meetings hampering decision-making processes).

- **Evaluation**: Special evaluation committees and networks have been established in several of the OPs reviewed, but the membership of these groups is **usually restricted** to government ministries, departments and MAs rather than the broader partnership of OP stakeholders. No evaluations have assessed MLG arrangements or the partnership principle.
- **Projects**: Multi-partner project approaches are not widespread in mainstream ERDF OPs, with the exception of the ETC programmes. Project promoters consider the cooperation with OP management to be positive but also administratively challenging (lack of clarity in guidance; burden associated with project applications). There is evidence of successful multi-partner projects which shows that there is potential for MLG to work well at the project level.

MLG requirements in Cohesion Policy are codified in the partnership principle. As noted, for 2007-2013 the principle requires the Member States to organise programme partnerships between (a) the competent regional, local, urban and other public authorities (b) the economic and social partners and (c) any other appropriate body representing civil society, environmental partners, NGOs, and bodies responsible for promoting equality between men and women. The highly theoretical concept of MLG in Cohesion Policy cannot be discussed without looking at how it is applied in practice. Distinguishing the different stages of the Cohesion Policy cycle, the following sections review the experience of MLG in Cohesion Policy in 2007-2013 based on the 9 case studies selected for this study.

Partnership covers the following policy phases:

- Preparation of the OP
- Project selection
- Programme management
- Monitoring
- Evaluation

For each policy phase, the following characteristics are compared and analysed:

- Government levels and the actors involved
- Distribution of competences
- Description of the mechanisms used to involve various actors
- The main advantages of involving these actors
- The main challenges and disadvantages of involving various actors

The case studies include 2 ETC OPs (Alpine Space, Austria-Czech Republic), 6 regional OPs (Castilla y Leon, Languedoc-Roussillon, North-East England, North Rhine-Westphalia, Silesia, Southern Finland) and 1 national OP (Slovenia). The case studies provide a mix of 'old' and 'new' Member States, of types of programmes and of levels of development. The selection of case studies also provides for **variations in domestic territorial governance**, covering unitary, decentralised, regionalised and federal contexts with

different levels of sub-national expenditure decentralisation (see Table 5). As noted, the **domestic institutional context has been found to be a powerful predictor of MLG** in Cohesion Policy since it determines which actors are involved in policy-making processes and their capacity to participate in development policy-making and implementation.

Table 5: Varying domestic territorial governance types of the case study OPs

OP characteristics			National territorial context		
OP Name	**Allocation (ERDF, €)**	**Objective**	**MS**	**Political system**	**Sub-national expenditure share, 2010**
OP Alpine Space	97.7m	ETC	AT, FR, DE, IT, LI, CH, SI	n/a	n/a
OP Austria – Czech Republic	107.4m	ETC	AT-CZ	n/a	n/a
OP Castilla y Leon	818.2m	RCE	ES	Regionalised	High (47.9%)
OP Languedoc-Roussillon	270.4m	RCE	FR	Unitary-decentralised	Low (20.5%)
OP North-East England	375.7m	RCE	UK	Unitary-decentralised	Med (27.4%)
OP North Rhine-Westphalia ERDF	1,283.4m	RCE	DE	Federal	High (37.5%)
OP Silesia	1,713m	CON	PL	Unitary-decentralised	Med-High (32.5%)
OP Southern Finland	138m	RCE	FI	Unitary-decentralised	High (37.5%)
OP SRDP (Slovenia)	1,709.8m	CON	SI	Unitary	Low (20.4%)

Source: DG REGIO website; Committee of the Regions website; European Commission (2012b).

4.1 Preparation of OPs

4.1.1 Government levels involved in the preparation of the OP

The formal responsibility for preparing OPs lies with the Member States and MAs of the programmes. In all of the cases examined, the preparation process involved close cooperation and consultation with government ministries, departments and agencies at both national and regional levels in all of the programmes examined. A distinctive feature of this period was the requirement to elaborate a National Strategic Reference Framework to inform or coordinate the programming of the OPs, necessitating a more active coordination role at national level in all Member States than previously.

The most autonomous regional role in OP development could be seen in a federal context, namely in North Rhine-Westphalia where the OP was developed independently from the federal level reflecting the political system where the competencies for structural and regional development lie at regional level (Land). The development of the North East England OP was also organized at the regional level, led by the Regional Development Agency (RDA) and overseen by the region's Government Office, which represented national

government departments and coordinated local authorities but have since been abolished. While the role of regional-level actors was important in the remaining OPs, there was generally a **stronger coordination role at national level**.

Among the regional programmes, **the strongest national role** could be seen in Castilla y Leon where the national MA was responsible for coordinating the process, particularly the programming of the national interventions included in the OP. Despite the highly devolved political system in Spain, the national government retains a substantial share of the ERDF allocation for interventions within its own sphere of economic development competences (notably RTDI measures and business support measures) implemented by national Ministries and agencies. However, the Castilla y Leon regional government is responsible for programming its own regional economic development interventions independently, which are then combined with the national interventions to form the single regional OP. Elsewhere, the main regional programming decisions were taken at the regional level in Languedoc-Roussillon, Silesia and Southern Finland but within a programming framework that was **steered and guided by national actors**.

As one would expect, the programming of the national OP in Slovenia and the two ETC OPs was coordinated **at national level**. However, national actors drew heavily on regional inputs. For instance, the lead role for the preparation of the two ETC OPs was taken by the respective regional MA of both OPs in Austria drawing on contributions from regional actors in all of the partner states.

The pre-existing institutional system of territorial governance plays an important role in determining the extent of MLG in programming across the cases. **However, this relationship does not fully hold.** As noted, Spain has a highly devolved political system and the highest level of decentralisation in expenditure terms, yet the central government plays a strong role in programming. Conversely, regions play a very strong role is the programming of the English OPs, despite the relatively centralised political system (with the exception of Scotland and Wales) and the moderate level of expenditure decentralisation.

Turning to consultation with the broader partnership of OP stakeholders, the general picture of OP preparation in 2007-2013 has been one of **wide consultation and partner involvement**. There are examples of extensive, highly inclusive consultation processes, incorporating a wide range of partners from an early stage. In particular, there seems to have been greater input from non-state actors and environmental and non-discrimination bodies than in previous periods, in line with the new emphasis on these actors in the partnership principle. However, in some cases plan preparation has been restricted to key partners, largely to keep the consultation process within manageable bounds.

4.1.2 Mechanisms used to involve various actors in the preparation of the OP

All programmes involved local governments, economic and social partners, environmental and gender equality bodies, NGOs and civil society groups in programme preparations. However, the extent of the involvement and influence of the stakeholders varied as did the mechanisms used to engage them in OP preparations.

- **Programme working groups** and committees to support OP drafting were formally established in a number of cases (ETC OP Alpine Space, ETC OP Austria-Czech Republic, OP Castilla y Leon, OP Languedoc-Roussillon, OP North-East England, OP Southern Finland), though usually only involving government bodies. For instance, an interviewee from the ETC OP Austria-Czech Republic argued that broader

economic, social and civil society stakeholders lack the knowledge or common vision to contribute effectively to these types of meetings. By contrast, in North-East England the development of the OP was overseen by a steering group made up of partners from central government, the RDA, local authorities and social partners.

- **Thematic working groups** were established involving a broader participation of different actors. In the OP Languedoc-Roussillon, the groups included regional and local authorities, institutional and socio-economic partners, the CESR (Conseil économique, social et environnemental régional – one of the two regional assemblies that exist in each region) and the government departments in specifically established thematic working groups. In Silesia, workshops with social partners were organised in 2005 focusing on four thematic groups to develop project typologies, selection criteria and beneficiaries. In Southern Finland, informal meetings focused on drafting content for individual priorities and were open to non-state partners and experts.
- **Targeted meetings for specific actors and/or larger stakeholder events** were organised. In the OP Castilla y Leon, the meetings targeted economic and social partners, while Languedoc-Roussillon, Nord-Rhine Westphalia, the OP for Strengthening the Regional Development potential (SRDP) in Slovenia and Southern Finland organised larger stakeholder meetings. Similarly, Silesia presented the ROP at stakeholder events towards the end of 2005, involving participation from 283 representatives of local governments, business organisations, schools and higher education or other organisations from the Voivodeship. In Slovenia, the stakeholder meetings were followed up by cooperation activities to increase the exchange of ideas between the representatives of different NGOs and the MA.
- **Public consultations of draft OPs** were organised in all of the cases, sometimes involving several rounds of consultation**.** In Silesia, a public online consultation by the Board of Silesia Voivodeship was held between August-September 2005, collecting information on regional needs and opinions on the measures and projects from 215 institutions. The Board of Slaksie Voivodeship adopted a second draft of the OP incorporating the comments from the social consultations. That draft was again subject to social consultation (over 150 participants from the different sectors). After presenting the new draft OP to the Ministry of Regional Development, in May 2006 the ROP social consultations were held via the PARTNER II internet site. The same was the case for the third version of the ROP. In other cases, successive consultations exercises were focused at the earlier stage, i.e. prior to the first draft of the OP (OP North-East England, OP SRDP Slovenia). In North-East England, a foresight exercise was led by the RDA with a number of expert panels and consultation events and a final programme of dissemination. This drew on the views of all public bodies in the region, business representatives, higher education, unions, voluntary sector etc. 200 stakeholders were initially interviewed, with more participating in dissemination events. The initial OP draft was open to consultation, then reshaped into a formal proposal and subject to a formal written consultation process, leading to the early drafts of the programmes itself, which was again subject to a statutory three month consultation process, a strategic environmental assessment, plus an equalities impact assessment.

4.1.3 Influence of these various actors in OP programming

It is difficult to quantify the relative impact of individual partners through these different mechanisms. Few of the interviewees were able to provide concrete examples of influence,

while OP documents only provided vague statements on their involvement usually ascribing a positive influence to all the partners involved. The Slovenian SRDP OP is more unique in that it identifies specific amendments in response to consultations in an annex although it does not identify the specific actors responsible for most of the changes:

- a list of key projects (indicative financial plan), including the suggestions of the representatives of subregions;
- the instrument (Integrated Subregional Development Programmes) of the co-participation of territorial self-government units in the decision-making process
- selection of projects to be co-financed;
- the allocation for Priority III: Tourism was substantially increased;
- the opportunities of obtaining financial resources by rural municipalities were increased by organizing separate tenders;
- the list of beneficiaries was expanded;
- the subject scope of the Programme was modified.

Nevertheless, the documentary analysis and interviews across the different OPs **suggests** the following **general ranking of participation and influence** by the key actors in programming:

- **High**: Government bodies at national and/or regional level.
- **Medium**: environmental and gender equality bodies, local government, economic and social partners.
- **Low**: NGOs and civil society organisations.

These findings are broadly in line with previous studies reviewed in Chapter 1. Some illustrative examples from the case studies examined are summarised in Box 2.

Box 2: Key OP authorities are most influential in OP preparation: Examples from the case studies

OP Castilla y Leon: The interview with the regional managing body considered the most influential actors to be central and regional government bodies with ERDF coordination and implementation responsibilities, followed by the public bodies/agencies responsible for gender equality and the environment. The influence of economic and social partners - notably the economic and social council CES (Consejo Económico y Social), the Confederation of Business Organizations of Castilla y Leon CECALE (Confederación de Organizaciones Empresariales de Castilla y León) and the Labour Union UGT (Sindicato Unión General de Trabajadores) - was less important but still perceived to be relevant. Finally, the participation and influence of NGOs to programming was limited, although the public consultation did provide an opportunity for participation.

OP Languedoc-Roussillon: According to the MA, the order of influence in the programming phase was, due to the political and administrative system in France, the Government (national level) followed by the Départements, while civil society was least influential.

OP SRDP, Slovenia: The MA considers that a high effort was made to foster close cooperation with the competent regional, local and other public bodies, economic and social

partners as well as other authorities which represent the civil society, environmental partners, NGOs and bodies responsible for the promotion of gender equality. By contrast, an NGO represented on the MC was not satisfied with their involvement as their inputs were not fully taken into consideration in the final documents. In the interviewee's opinion, the comments of non-decision-makers are not likely to be taken seriously in conditions of poor communication culture and time constraints.

OP Southern Finland: According to the interviews, the Ministry of Interior (in this case the MA) was the most influential, followed closely by Regional Councils (which represent the municipalities) and the Regional Centres for Employment and the Economy. There was open and regular consultation with economic and social partners and bodies representing civil society, although there were capacity constraints for smaller organisations to be involved.

Source: case studies (interviews and questionnaires).

4.1.4 The advantages of MLG in the preparation of the OP

Turning to the benefits of MLG in the OP preparation, a commonly identified advantage in most of the cases was the **facilitation of buy-in, consensus and collective ownership.** Box 3 includes illustrative examples from the case studies.

Box 3: Increase of buy-in, consensus and collective ownership: Examples from the case studies

OP ETC Austria-Czech Republic: According to the Czech National Authority, "the programming was accompanied by internal feedback loops at regional and national level on both sides of the border in order to ensure broad regional and sector acceptance as well as participation of social partners and NGOs". The cooperation with partners was considered to be positive and result-oriented.

OP North East England: The long process of preparation and consultation was perceived to have facilitated ownership. As expressed by the MA: "So, you could argue that people had been consulted to death within about 2 to 3 years because they had already had a two to three year process on the regional economic strategy and then had to go through another one (….) which got us to the end in a really strong position in terms of ownership for where exactly we wanted the ERDF operational programme to be."

OP Silesia: The main added value of participating in the programming of the OP is, according to an interviewed MC member, the access to information, the possibility to exchange ideas and "the opportunity to influence the shape of the programming documents and the way the documents will be implemented". Despite the time-constraints related to the large quantity of information material sent by the MA, the MC member interviewed was very satisfied with the way his department had been involved in the programming phase as the final documents had been highly influenced by its opinions.

OP SRDP, Slovenia: The MA concludes that the involvement of different shareholders leads to better understanding, even if the input of the stakeholders is in their own interest. In other words, partnership enhances shared ownership despite the fact that some partners take programming as an opportunity for promoting their interests. In the end, the MA found any input worth consideration.

Source: Case studies (interviews and questionnaires).

A second beneficial effect of MLG on programming was to bring in **additional expertise** and contribute to improving the quality of the OP. Box 4 includes illustrative examples from the case studies.

Box 4: Bringing in additional expertise: Examples from the case studies

OP ETC Alpine Space: In the opinion of the MC Member the participation of national authorities in the programming phase ensures that responsibilities are assumed as needed and coordination with national policy for territorial development is in place. The MC member however finds that an important barrier to the involvement and influence of various partners in the OP development is the multi-country character of the programme with its high number of relevant partners.

OP ETC Austria-Czech Republic: The consulted MC member appreciated the possibility to bring in his experiences especially on formal issues.

OP Castilla y Leon: The experience of partnership over successive periods provided a solid basis for effective implementation according to the ex-ante evaluators, while improving the quality of the programme was cited as an important benefit of partnership by the regional managing body.

OP North Rhine-Westphalia: The feedback and comments received from the partners have been highly valued and helped to address aspects that could otherwise easily be overlooked by the MA (e.g. in the area of rural development).

OP Southern Finland: The involvement of a large group of actors in the programming was deemed to enable the drafting of the OP, which addresses well the development challenges of the region. The wide group of regional actors involved was perceived to improve the quality of the OP through their regional expertise.

OP SRDP, Slovenia: The MA considers that the involvement of partners improved the quality of the OP in three main areas: in defining and implementing the environmental principle; giving a stronger voice to involving NGOs than in the previous period; and drawing attention to the necessity of concentrating on development assets and promoting the preparation of quality projects.

Source: Case studies (interviews and questionnaires).

Factors facilitating the exploitation of these MLG benefits included:

- **A pre-existing supportive culture of consultation and cooperation:** For instance, in Southern Finland, the ability to co-operate and form a joint view among partners was partly driven by the established role of cooperation in the Finnish regional development administration.
- **A clear division of competences in OP management:** In North Rhine-Westphalia, a clear division of tasks is considered very important to the institutionalisation of MLG, which is very well established in Germany.
- **Adequate planning:** Staff from the Slovenia OP MA argued that the administrative effort associated with MLG is manageable if consultations are planned well in advance and carried out in parallel to the programming process. As noted, in North-East England, consultations on the regions development strategy were organised 2 years prior to the programming followed by consultations on the ERDF OP drafts.

4.1.5 Challenges and disadvantages of MLG in the preparation of the OP

Several drawbacks were also noted in achieving the goals of MLG. The **varied and vested nature of partner interests** was considered to be the most problematic issue, which is partly related to unrealistic expectations and the diversity of economic development challenges.

- **Varied interests**: According to the MA of the OP Languedoc-Roussillon, challenges in accommodating the input of social and economic partners were due to the long list of "wishes and comments" based on their own interests. A representative of the Conseil Général des Pyrénées-Orientales considered that political affiliations and agendas played an important role in the orientation of the OP.

  In the OP North East England, whilst there was a strong process of consultation, there was nonetheless a view among some in the local authority sector that their role had been limited and that the strategy that emerged was driven by the interests of the RDA. The resultant strategy tended to focus on the needs and interests of the main Tyne and Wear conurbation, which was diverging from Tees Valley and the more rural areas.

  The MA of the OP SRDP-Slovenia stated that it is difficult to take on board all opinions and suggestions coming from different types of actors in the OP. Rather, it is important that once the main goals are determined that that the programmes/projects follow these goals strictly.

  Finally, OP Southern Finland interviewees noted that organisations commonly view programming as an opportunity to promote their own interests and lack understanding of the 'big picture'. Furthermore, accommodation of the interests of all these social and economic partners and regional development actors make it more difficult to draft a well-focused OP.

- **Unrealistic expectations:** The MC representative of the OP ETC Alpine Space argued that the main disadvantages of involving many partners in the programming phase is the "growing complexity, unrealistic expectations and suggestions linked to insufficient knowhow as well as wishful thinking that is not realisable".

- **Diverse territorial challenges.** The MC member of the OP ETC Austria-Czech Republic argued that the barriers to the effectiveness of the MLG process were due to the size of the programme and the heterogeneity of the programme area's development challenges.

- **Insufficient strategic dialogue** was highlighted as a problem in some cases by non-MA partners. A common criticism by most of the regional environmental authorities in Spain is that there is insufficient opportunity for strategic reflection and dialogue to inform and add value to policy choices. This is partly due to the nature of the Structural Funds regulatory framework, especially the requirement to earmark funds to pre-defined expenditure categories; and, from an environmental perspective, to the Strategic Environmental Assessment (SEA) Directive, which places more emphasis on the minimisation of negative environmental impacts rather than maximising positive ones. More strategic dialogue with the wider partnership (outside of the MA and implementing bodies) prior to the formulation of the draft OP would also be welcomed.

  In a similar vein, a representative of the Languedoc-Roussillon MC committee argued that the regional priorities and the thematic concentration of the OP were not totally aligned with the local needs and challenges.

Finally, an MC member in North Rhine-Westphalia was not entirely satisfied with the approach to partnership. In particular, the formal involvement of the sub-regional level (e.g. regional development agencies) at an early stage of designing the OP was considered inadequate.

- **Administrative capacity and coordination constraints** were highlighted by several interviewees. The OP Languedoc-Roussillon interviewees at national level highlighted three key factors limiting MLG: a lack of human resources, capacity and knowledge about EU funds; lack of financial resources in the crisis and the undermining of the role of Structural Funds and more precisely of evaluation, monitoring and other Technical Assistance activities; and lack of political support for EU funds and the resulting difficulty to coordinate between the French regional development agency DATAR and the Ministries.

  For the OP Castilla y Leon representative, the main perceived challenge is the administrative effort required to coordinate the various inputs of partners, although the process was considered to have worked well in general terms.

  Similarly, the OP North Rhine-Westphalia secretariat argued that main disadvantage of involving numerous different partners is the additional workload that comes with it.

- **Capacity constraints can be a particularly challenging for smaller stakeholders:** In the OP Southern Finland, the main concern was the low capacity of some small regional actors and some social and economic partners/interest organisations to participate in the programming.

- Finally, there may be **a lack of interest from the public to participate in the programming**. For instance, the OP Languedoc-Roussillon public consultation received very few comments on the draft OP.

4.2 Project selection

4.2.1 Influence of partners in national and regional OPs on project selection

Project selection is a Member State's responsibility and is not formally regulated by the partnership principle. However, there is a requirement for the OP project selection criteria to be approved by the MC, which includes representation from the key partners. Despite this formal requirement, OP partnership members - especially non-state actors – often have **limited influence on the project selection criteria** and are not collectively involved in the selection of projects in most of the cases. Box 5 summarizes a few examples from the case studies showing that OP partnership members other than the key OP authorities have little influence on project selection.

Box 5: Limited influence of partners in project selection: Examples from the case studies

OP Castilla y Leon: The MC has responsibility for approving and modifying the OP's project selection criteria formally, but in practice the main decision-making responsibility lies with the individual managers of OP interventions who have their own project selection criteria and select projects autonomously on the basis of certain conditions: alignment with the relevant Priority Axis and expenditure category; conformance with the selection criteria approved in the MC; and compatibility with national eligibility rules. The members of the MC are informed about the project selection criteria – namely, how they have been selected and modified – during the MC meetings and have the opportunity to make observations. According to the regional environment authority, additional criteria may sometimes be taken on board in response to these observations, but normally as second order criteria.

OP Languedoc-Roussillon: The Préfet, the Conseil de la Région and the Départements (local authorities) co-finance the interventions and are the main decision-makers. Although the social and economic partners participate in the MC meetings and the thematic pre-committee meetings, they are not involved in the decisions about project selection.

OP North Rhine-Westphalia: Funding decisions about projects are made by respective technical departments of the Federal Ministry of Economy, Energy, Industry, *Mittelstand* and Crafts of North Rhine-Westphalia, other ministries or funding institutions as Intermediate Bodies in coordination with the MA, taking the overall responsibility. Within the MC, the project selection criteria are defined but no decisions about single projects are made. According to the Federal Ministry of Economics and Technology, the discussion about project selection is more about transparent procedures and prioritisation and less about the selection of single projects. The involvement of different partners is perceived to contribute to more effective project selection in this way, although the MC member does not consider that there is scope to influence these decisions and would welcome a greater role for the OP partnership to contribute.

OP Silesia: The MA is responsible for all aspects of project decision-making, although the MC has the right to comment and change the project selection criteria or the schedule of tenders. According to a representative of the Ministry of Regional Development in Warsaw, who is part of the MC, the involvement of a variety of partners in the project selection process "helps improving the criteria and the adaptation to real needs of potential beneficiaries" (Interview Coordinating Unit at National Authority).

Source: Case studies (interviews and questionnaires).

By contrast, in two of the cases (OP North East England and OP Southern Finland) there is a more significant role for partners to contribute to project decisions through **regional committee structures**. These exceptional cases are described in Box 6. For instance North East England has had a long tradition of involving the wider partnership in project selection decisions. This can be explained by the adoption of a proactive approach to implementing the partnership principle and the setting up of OP management structures outside of existing government structures in previous programming periods, which has provided more scope for experimentation in project selection approaches and partner involvement. In the case of Southern Finland, a key reason for involving partners in project selection is to ensure that the projects supported match the region's needs. The decision may also be related to the fact that Finland does not have directly elected regional councils, thus providing another route for promoting legitimacy.

Box 6: Involvement of partners in project selection: The examples of North-East England and Southern Finland

OP North-East England: The MC agreed on the terms of reference and the selection criteria, but then the actual appraisal and selection decisions were, initially, made within the RDA against the selection criteria agreed by the MC. Due to a separation of functions, the part of the RDA secretariat doing the MA function was separate within the RDA and reported to a Programme Executive Group (PEG), a technical group set up beneath the MC. This changed after the abolition of the RDA and strengthened the role of partners in project decision-making. After 2010 the statutory instrument, which established the delegation of MA functions to the RDA, was rescinded and the staff transferred to the Department of Communities and Local Government (DCLG) as the MA. Thus, the selection decisions were made within the PEG. However, the overarching strategic dimension still exists and the secretariat still had the role of doing the appraisal but their recommendation for endorsement or selection is now made within the PEG itself. The MC meets three times per year. The PEG, however, has been meeting every four to five weeks, depending upon the level of business - even with virtual procedures in place, if needed. The PEG now consists of 11 members with senior representation from: Deputy Chair of Local Management Committee (Chair) (1); Local Enterprise Partnerships (2); Local Authorities (4); Higher Education Sector (1); Voluntary and Community sector (1); Private Sector (2).

OP Southern Finland: The project selection criteria were fine-tuned and approved by the MC, but regional Management Committees (and their secretaries) propose and specify the criteria and play a key role in defining the development strategies which the structural funds programmes implement. Also, the project applications of large and regionally significant projects are discussed and approved by Regional Management Committees (or by their secretary) in addition to Regional Councils. Although, the project selection process may require more time, due to the involvement of Regional Management Committee, it is seen to ensure selection of projects that meet the development needs. Furthermore, it improves the policy ownership and ensures that partners prioritise the funded projects together.

Source: Case studies (interviews and questionnaires).

4.2.2 Influence of partners in ETC OPs on project selection

While the MC Committees in ETC OPs also have the power to approve or reject projects, the role of non-state actors in these committees seems to be limited. The ETC case studies illustrate this finding in Box 7.

Box 7: Influence of non-state actors in ETC MC Committees

OP ETC Austria-Czech Republic: The MC selects projects on the basis of consensus (rather than a majority vote) of the Czech and the Austrian partners, but is not involved in the development of prospective calls for tenders which is the responsibility of a task force. In the view of the MC member, the involvement of different partners contributes to a more effective project selection because different views at regional level are considered as valuable for decision making.

OP ETC Alpine Space: Project proposals are selected by the Programme Committee on the basis of a technical assessment and recommendations made by the Joint Technical Secretariat (JTS) and the Alpine Space Contact Points (ACPs) in each member country. Projects are selected in a two-step application procedure and the MA informs project applicants about the results of the selection process. Between the two steps, the JTS and

ACPs give technical support to the applicants. In order to support the project selection process, national representatives are invited to bring in the opinion and outcome of discussions in national coordination committees. This interactive process is considered to have a positive impact on the effective project selection by the MA interviewee. However, in the opinion of the MC member, some stakeholders tend to defend their own project which leads to a conflict of interest affecting the partnership process.

Source: case studies (interviews and questionnaires).

4.2.3 Cooperation amongst various partners at project level

Partnership-working can also occur at the level of **individual projects**, which may involve multiple partners in the application and implementation of collaborative projects of a public-public, private-private or public-private nature. Illustrative project examples from the cases are provided in Box 8 based on interviews with project promoters and documentary analysis, including differing views on the effectiveness and efficiency of partnership-working with different project partners and OP administrators.

Box 8: Mixed experiences in cooperating with OP authorities and project partners: Examples from the case studies

OP ETC Alpine Space: With regards to the project preparation, the interviewed representative of the project "Climate Change Adaptation by Spatial Planning in the Alpine Space (CLISP)" criticised the hierarchic system in the OP arguing that the MA had not been able to give clear guidance on the eligibility of one partner institution until a few days before submission. In the project selection phase all project partners were involved. According to the project lead partner 1, a non-involvement of some partners in the preparation phase is neither desirable nor, in fact, feasible. The main workload is taken up by the lead partner, but in particular also all Work Package Leaders were required to take an active role and to share responsibilities.

OP Castilla y Leon: All OP projects are led and managed by single project promoters. Nevertheless, the OP's flagship 'Palencia Urban Project 2007-2013' is a participative project involving a range of organisations and civil society groups in the regeneration of two neighbourhood districts ("El Cristo" and "el Barrio del Ave María") through a range of actions (the renovation of buildings, the abolition of architectural barriers, the establishment of cycle lanes, an indoor sports hall, solar energy street lighting etc). The project application was informed by a consultation with over 20 public, private and NGOs which committed to participate and cooperate in the project during implementation. A key forum for this is the Municipal Environment Council which includes representation from all of the key stakeholders and meets on a quarterly basis to monitor and review project implementation.

OP Silesia: The project "e-Myszkovia. Rozwój elektronicznych usług publicznychw Powiecie Myszkowskim" led by the district Myszkow (Starostwo Powiatowe w Myszkowie) between 2007 and 2010, with a total budget of PLN 3,085,624 (approximately €735,951) aims to strengthen the implementation of e-administration in its district to increase the efficiency of the local administration. In the project application and selection process phase the project manager solely cooperated with the Marshall Office of the Silesia Voivodeship. The project leader qualified this cooperation as highly effective as well as efficient (not time and resource consuming, but with some administrative burden).

OP SRDP, Slovenia: The project selection phase was considered as very inefficient concerning financial and time-related costs within the project partnership (Interview project lead partner). Regarding the effectiveness and efficiency of cooperating with the OP authorities, the rating is similarly bad. According to the project lead partner, the project application has been very time- as well as resource-consuming in the preparation phase because of the intensive planning and presentation requirements.

OP Southern Finland: The OP's Priority 5 finances thematic umbrella projects crossing regional borders which are selected jointly by the regional Management Committees of Southern Finland. The project partners assess this networking and two stepped application process as good in terms of increasing the number of projects and their effectiveness. The improved co-operation between regions has increased also future prospects for generating new projects.

Source: Case studies (interviews and questionnaires).

The main conclusions to be drawn are four-fold. First, **multi-partner project approaches are not widespread** in mainstream ERDF programmes, with the exception of the ETC programmes. This can be explained by the fact that ETC programmes by definition involve and require multiple partner projects that cross borders, while this is not a requirement for mainstream programmes. Indeed, some OPs do not have any multi-partner projects (OP Castilla y Leon and OP North Rhine-Westphalia). Second, project promoters consider the cooperation with OP management to be positive but also **administratively challenging** because of the lack of clarity in guidance or the burden associated with project applications. This may in turn explain the limited number of multiple partner projects in the mainstream programmes. Finally, there is **evidence of successful multi-partner projects** (as in Southern Finland) suggesting that there is potential for MLG to work well at the project level.

4.3 Programme management

4.3.1 Government levels involved in OP management

Programme management systems must comply with EU Cohesion Policy requirements. However, there is **flexibility to adapt systems to domestic arrangements**, depending on the institutional and administrative context. Countries with more centralized government structures tend to have more centralized systems for managing Cohesion Policy than federal countries. As noted earlier, however, **this relationship does not fully hold** because there are highly devolved countries which grant a stronger role for national ministries (as in Spain) or vice versa (as in England) (see Table 6).

Table 6: Main bodies involved in centralized, shared management and decentralized systems across the case study OPs

	Centralised	Shared management	Decentralised/ devolved
Main bodies	Central ministries, national agencies	Central government/deconcentrated state services in cooperation with regional authorities	Regional ministries and intermediate bodies
Case Study OPs	OP SRDP (Slovenia)	OP Castilla y Leon, OP Southern Finland, OP Languedoc-Roussillon, OP Silesia	OP North East England, OP North Rhine-Westphalia.

Source: Case studies (interviews and questionnaires).

The OP ETC Alpine Space and OP ETC Austria-Czech Republic have been excluded from Table 6 given that the division of competences in the OP is not necessarily related to the administrative set-up. For instance, in the OP ETC Austria-Czech Republic, the negotiation counter-part of the Austrian regions MA is the Czech Ministry for Regional Development in Prague. In case of any challenges arising during OP implementation, the representative from the Czech Ministry therefore has to deal with the Austrian regional authorities.

4.3.2 Key actors in OP management

Disaggregating OP management arrangements further, the key bodies are the MA, Certification Authority and Audit Authority. MAs are formally responsible for the key programme management tasks including complying with EU rules, financial management and control, interacting with the Certification Authority, guiding the MC, commissioning evaluation etc.

The MAs are integrated into government Ministries or agencies at national or regional level (see Table 7). MAs at national level are usually responsible for national OPs or multi-regional OPs, such as in Slovenia's SRDP OP and the Southern Finland ROP**.** However, the MA for the Castilla y Leon and Southern Finland regional OPs are also located at the national level, although **in practice the functions are shared with the regional government** or administration. Both of the ETC OPs have regional MAs – as well as Joint Technical Secretariats that are specific to ETC OPs - as do the Regional OPs (ROPs for Languedoc-Roussillon, North Rhine-Westphalia, Silesia and North East England. The North East England MA was initially located at regional level during the start of the programming phase, but has since moved to the national level following the abolition of the RDAs in England during 2010.

The Certification and Audit Authorities are responsible for certifying/paying funds to beneficiaries and auditing systems and expenditure respectively. The Certifying Authorities and Audit Authorities are usually located at the **same level as the MAs.** The exceptions are the OP Languedoc-Roussillon which has an Audit Authority at national level and the ETC programmes (Audit Authorities at national level; Certifying Authority at national level in the OP Austria-Czech Republic).

Across the 9 cases, there is therefore a greater degree of centralisation in the functions of the Audit Authority (7/9 OPs), followed by the Certification Authority (5/9 OPs). By contrast, the location of the MA is at the regional level in the majority of cases (5/9 OPs). This suggests a **functional explanation for variations in the extent of MLG** across different management tasks: bodies with responsibility for financial compliance and payments tend to be more centralised than bodies with responsibility for the general management and coordination of substantive policy content issues and project selection.

Table 7: Territorial location of the key management bodies

OP Title/area	Type of OP	Managing Authority	Certification Authority	Audit Authority
OP Austria-Czech Republic (specific regions along common border)	ETC	Regional	National	National
OP Alpine Space (Germany,	ETC	Regional	Regional	National

OP Title/area	Type of OP	Managing Authority	Certification Authority	Audit Authority
France, Italy, Austria and Slovenia)				
OP Castilla y Leon	Regional	National	National	National
OP Languedoc-Roussillon	Regional	Regional	Regional	National
OP North East England	Regional	National	National	National
OP SRDP (Slovenia)	National	National	National	National
OP North Rhine-Westphalia	Regional	Regional	Regional	Regional
OP Silesia	Regional	Regional	Regional	Regional
OP Southern Finland	Regional	National	National	National

Source: Case studies (interviews and questionnaires).

There are also **variations in the management structures, number of actors involved and the delegation of tasks to intermediate bodies** across the programmes. This finding is not particularly surprising because of the **flexibility in the regulations** to adapt management arrangement to domestic institutional contexts. The scale and thematic content of programmes will clearly also impact on the number and types of actors involved. Box 9 includes examples of each type of OP (1 ETC OP, 2 regional OPs and 1 national) examined in the case studies in order to illustrate the diversity of management structures.

Box 9: Varying management structures: Examples from the case studies

OP SRDP Slovenia: The main management bodies are located at national level: the MA is represented by the Government Office for Local Self-Government and Regional Policy. The Certifying Authority is represented by the Ministry of Finance, National Fund. The Audit Authority is represented by the Ministry of Finance. Intermediate Bodies carry out tasks by the MA. The Certifying Authority has to cooperate with the MA on a daily basis with regards to controlling and reporting on the financial progress of the OP and the projects. Given that the MA has delegated the task of submitting claims for the reimbursement to Intermediate Bodies, the Certifying Authority also cooperates with the latter.

ETC OP Alpine Space: The Austrian MA and Certifying Authority responsibilities have been assigned to bodies within the Government Office of the Land Salzburg. The Audit Authority is represented by the Federal Chancellery of Austria, assisted by a group of auditors from each Member State. A JTS was set up to provide expertise and assistance to the MA, the MC and, where appropriate, the Audit Authority (Land Salzburg 2007). Each partner state set up an ACP "securing a link between the transnational and national/regional level in programme implementation and serving as a contact point for project applicants and partners in the respective country" (Land Salzburg 2007). Furthermore, the partner states are represented by one national coordinator in the MC who safeguards a continuous coordination among partner states.

OP Languedoc-Roussillon: The MA's functions are assumed by the Préfet which cooperates with the General Secretary for Regional Affairs at the Regional Council. The function of Certifying Authority is also carried out by the Préfet. The tasks are delegated to the Accountant General of the region (Trésorier Payeur Général de la région Languedoc-Roussillon). The Audit Authority is the "Commission Interministérielle de Coordination des Contrôles portant sur les opérations cofinancées par les fonds structurels européens - CICC". The role of the MA in 2007-2013 is shared between the Préfet (i.e. the national

level), the Region, and an Intermediate Body (IB): The Conseil de la Region held 28% of the MA competence; 30% were held by the IB, which was an agency of the government and was responsible for financing; the rest of the MA competence lies within the Préfet, i.e. the government, which is coordinated by the DATAR. More precisely, the Préfet and the Conseil de Région divide their tasks by sectoral competences (e.g. the Region is responsible for regional competencies such as economic development, energy, maritime ports, etc.).

OP Castilla y Leon: The MA for the Castilla Leon ERDF ROP is the central government's DG for EU Funds (Ministry of Economy and Finance), although this responsibility is shared with the EU Funds secretariat of the regional government of Castilla y Leon which is designated as an IB for the OP. The EU Funds secretariat and the central MA are both responsible for the MA functions and tasks with respect to interventions within their own territorial remit and competences. The MA has designated a further 18 intermediate bodies at national level to carry out MA tasks (Ministerial departments or agencies responsible for Research, Technology, Development and Innovation - RTDI - and business support and three local authorities for the local development priority). At the level of the regional government, there are nine implementing bodies within the different departments of the regional government. The Certification Authority and Audit Authority are also located at the national level.

Source: Case studies (interviews and questionnaires).

4.3.3 Main benefits of shared and delegated management

Regarding the assessment of MLG in OP management, there were mixed views on the benefits of shared or delegated management. Among the main MLG benefits identified were the contributions to:

- **Effective management.** The Slovenian MA considers the involvement of IBs in the OP management to improve the effectiveness of OP implementation as these bodies bring in the necessary expertise for developing new instruments and supporting the selection process. In North Rhine-Westphalia, the high number of intermediate bodies allows direct contact with many potential project partners (but also increase complexity). In Silesia, the cooperation between the MAs and national Ministry works well, although it is the high level of independence in implementation by the MA which is regarded as the main source of effective management**.**
- **Policy coordination.** Coordination between the departments responsible for different EU Funds in North Rhine-Westphalia strengthens the complementarity and coherence between the respective objectives of the programmes. Further, institutionalised arrangements and meetings between the different MAs of different regional OPs and joint participation in the MCs at national level ensure the consistency of the implementation process of each OP.
- **Improving commitment and ownership.** In Southern Finland, the delegation of MA tasks closer to regional level is perceived to be advantageous. First, empowerment of regions improves their commitment and the shared ownership of the programme. Second, regional coordination facilitates closer cooperation with the intermediary bodies. This enables the regional coordination to advise intermediaries on project selection and to monitor their financial progress closely. Third, the better knowledge of the region helps the coordination "to see behind the numbers" i.e. to know the issues behind the financial progress of the programme, which is useful when writing the Annual Implementation Reports.

4.3.4 Main challenges related to MLG in programme management

Negative features of MLG were also identified in terms of diffusing or **separating management responsibilities** and **coordination challenges.** These challenges are mainly linked to increased administrative burden, a lack of clear guidance and shifts of responsibility. Box 10 illustrates these findings with examples from the case studies.

Box 10: Difficulties resulting from separating management responsibilities: Examples from the case studies

OP ETC Austria-Czech Republic: The MA notes that some OP preparation tasks were carried out by the JTS but in general the MA backs the opinion that tasks, and especially the responsibility, cannot be shared as the signing institution is liable. Moreover, the representative of the MA does not find 'sharing the responsibility of OP management with the JTS' particularly effective: "It is rather an administrative burden as the JTS is located far away from the MA. It would be much more effective and efficient if the JTS was incorporated in the MA in the form of a new organisational structure. In my opinion the regulation is not consistent since the MA already fulfils the whole competence by itself." (Interview MA)

OP Languedoc-Roussillon: Sharing the competences between the national and regional level is a complex process according to the MA. Although the role of DATAR was clearly specified, there were often coordination problems between the Ministries due to blurred political competences which resulted in "responsibility shifting". One possible solution could consist in designating a single Ministry responsible for all EU funds. According to a representative of the Conseil Général des Pyrénées-Orientales, another difficulty lies in the differences of interpretation of the documents and tasks. A possible solution would be for the MA to delegate certain tasks to MC members and to intensify the exchanges.

OP SRDP, Slovenia: the MA and CA have recently been separated into different Ministries, which results in coordination challenges.

Source: Case studies (interviews and questionnaires).

4.3.5 Mechanisms needed for ensuring the effectiveness of MLG

Actions that are considered to contribute to effective MLG in OP management or implementation are regular information exchange and targeted training measures.

- **Information exchange:** In the ETC OP Alpine Space, the representative of the CIPRA (International Commission for the Protection of the Alps) finds the regular involvement, consultation, and information of NGOs essential. The Alpine Space programme and the CIPRA International institutions share common information channels for the dissemination of newsletters and public relations in general. Additionally the ACPs of the Alpine Space programme and their own delegations regularly exchange information. The MC member mentioned that the role of national contact points most importantly consists in ensuring that the partner-countries actively contribute in the programme. They cooperate with the MA on specific tasks such as disseminating information to potential beneficiaries. In addition they contribute to the eligibility check of partners and provide opinions on the coherence of the projects with national and regional strategies.
- **Training:** A measure that supports the diffusion of knowledge about OP objectives and requirements among the managers of OP intervention in Castilla y Leon at the regional level is the annual programme of training. The training lasts a week and is

given by experts from the regional government and central government covering administrative tasks (such as financial monitoring and control, compliance with EU rules on State aid, environment and gender equality, information and publicity etc.) as well as information sessions on the future of Cohesion Policy programming.

4.3.6 Partnership in management at the level of projects

Turning to the project level, experiences of partnership working in project management were reviewed in several programmes. In general, the interviews with project lead partners showed that the **involvement of different partners in the management of projects worked well**, both in terms of cooperation with the project partners and OP authorities.

Box 11 includes examples of summary statements of project lead partners who were highly satisfied with cooperation between project partners as well as with the OP authorities.

Box 11: Effective cooperation between partners and OP authorities in projects

OP ETC Alpine Space: Interestingly, the opinions of both projects examined in the Alpine Space OP were similar. In the project "CLISP – Climate Change Adaptation by Spatial Planning in the Alpine Space" (dealing with spatial development within regions vulnerable to climate change), the project leader considered the cooperation with OP authorities to be "good and helpful". The main challenges did not result from the partnerships per se but rather to the administrative issues related to the sudden changes in the interpretations of the OP rules and new monitoring and reporting instruments. Furthermore, many partner institutions outsourced financial management tasks to subcontractors, which considerably increased the number of persons and institutions involved and caused communication and steering challenges.

The same was true for the project "ACCESS – Improving accessibility of services of general interest – organisational innovations in rural mountain areas" which aims at improving the accessibility to Services of General Interest (SGI) in sparsely populated, mountainous areas by finding new forms of organisation of SGI using Information and Communication Technologies (ICT) and fostering demand oriented, integrated mobility systems. The lead partner delegated the tasks related to financial management to the partner from the Lombardy region. The project lead partner considered the project partnership to be very efficient in all phases of the policy cycle. Similarly, the cooperation with the OP authorities was considered to be effective and efficient. No cooperation problems were encountered thanks to regular project steering meetings with high transparency, clear communication structures and good relations with early and frank information to the JTS and ACPs.

OP Languedoc-Roussillon: The ALOGEA project is a housing energy saving project. In the implementation phase, the lead partner worked together with five different contracted service providers (architects, economists, label certification). For the financial management tasks, ALOGEA worked together with four different service providers and eight different institutional actors. The project leader reports that in general the partners have shown a strong will for cooperation. Given that ALOGEA is a small enterprise, there is however a very small number of staff foreseen for administrative work and financial management. The company does not have sufficient resources to finance a permanent team or service contractor for financial management and monitoring tasks. Nevertheless the project lead partner describes the efficiency of the partnership as satisfactory although not always perfectly coordinated. The project lead partner is also satisfied with the cooperation with the OP authorities except for the difficulty of reporting and financial management compared to the resources available.

Source: Case studies (interviews and questionnaires).

Nonetheless, there were **financial management, coordination and communication challenges** in a number of cases, especially with regards to coordinating the necessary administrative requirements between the various partners involved and the OP administrators. Box 12 includes various explanations of project lead partner accounts on how the administrative burden increased as a result of involving many different partners.

Box 12: Administrative burden hampering the cooperation with partners and OP authorities in projects: Examples from the case studies

ETC OP Austria-Czech Republic: The objective of the "European Region Danube Vltava" project was to assess the existing cross-border networks of key players in the regional development system in three ETC programmes. While the lead partner was generally satisfied with the involvement of a large number of partners, a number of difficulties arose in the cooperation with the Czech partner regions mainly with regards to financial management, monitoring and evaluation. This is mainly due to the different administration structures and eligibility rules between the partners. There were also communication problems due to language barriers, although this was tackled by the involvement of translators. The project lead partner was satisfied with the effectiveness of the cooperation with the OP authorities in the project implementation phase and the monitoring and evaluation phase, as well as with the opportunity to discuss arising issues with the MC members on an annual basis in the MC meetings. In all other phases however, the lead partner found the cooperation with the OP authorities (concerning time, costs, possible administrative burden and delays) rather ineffective. The project application process is excessively formal and administratively complex. Each IB requires different descriptions of goals and milestones. The complex eligibility rules discourage project applicants, and the administration was hampered by the existence of three parts in the project, each tied with different timings and common costs that had to be split between the three ETC-programmes. Furthermore, the interests of the partners do not always coincide with the overall transnational project ideas. Finally, some partners were unable to provide the necessary information for each reporting period in time in sufficiently good quality. Poor financial management on the part of a few partners led to a delay of the finalisation of the project, which, in turn, delayed the transfer of the last tranche of the project budget by almost a year.

OP SRDP, Slovenia: The project "WEP – Water is Environmental Pearl" has the objective of improving flood protection and revitalising watercourses. Except for financial management tasks, the three partners, West-Transdanubian Directorate for Water Management from Hungary, the Municipality of Lendava and the lead partner (Eko-park d.o.o. Lendava, Slovenia), were all involved in all phases of the project cycle (application, selection, implementation, monitoring and reporting). The project lead partner found the overall cooperation with the project partners to be very efficient. In contrast, the cooperation with the OP authorities was rated as rather ineffective because it was highly time-consuming due to the number of administrative requirements. Of all OP representatives however, the cooperation with the MA was considered to be most efficient by the Project lead partner. The MA was available and helpful for the project representatives. According to the interviewee, the Project partners got all the support and advice needed while at the same time the MA was strict when it comes to abiding by the rules and regulations.

OP Southern Finland: The project "Tetraedri - Technology transfer edges in regional innovations", aims at supporting the adaptation of eco-efficient building and transportation models in urban planning. The project "ESYLEP" promotes environmental business in St. Petersburg and Northwest Russia for enterprises based in Southern Finland. Both projects

involved partners from more than one region in the OP area. In both projects, the participation of a group of partners had advanced the achievement of the project goals. In contrast, the participation of these partners did not facilitate the project preparation and monitoring stages which were rather considered burdensome by the lead partner. One way to improve this would be to plan and budget co-operation activities already when preparing the projects.

Source: Case studies (interviews and questionnaires).

4.4 Monitoring

4.4.1 Composition of the MCs

The main partnership mechanism for the monitoring of programmes is the MC. The composition of MCs is decided by the Member State and the MA. While there is an expectation to include the full list of partners specified in the partnership principle, in practice there is **discretion in the type and number of actors** that are allocated places in the MCs. As illustrated in Table 8, the OPs do not always include formal representation from all types of partners. For instance, in the OP North-Rhine Westphalia, the environmental and gender equality bodies as well as NGOs and civil society representatives are not present in the MC meetings according to the interviewees. The analysed ETC OPs are most striking in this respect as the representatives of thematic priority bodies, economic and social partners as well as representatives of the civil society are not present at all in the MCs.

However, all of the mainstream programmes include representation from national, regional and local government bodies. In the light of the different political and institutional contexts across these programmes, this suggests that EU regulations can be ascribed a significant role in facilitating or driving MLG in the committees, although there is clearly **room for improvement in the participation of non-state actors.**

Table 8: Composition of Monitoring Committees

	Public			Thematic priority bodies		Other		
OP	**Central**	**Regional**	**Local**	**Environmental**	**Gender**	**Economic**	**Social**	**NGO's/ civil society**
ETC OP Austria-Czech Republic	√	√	√	X	X	X	X	X
ETC OP Alpine Space	√	√	X	X	X	X	X	X
OP Castilla y Leon	√	√	√	√	√	√	√	X
OP Languedoc-Roussillon	√	√	√	√	√	√	√	X
OP North East England	√	√	√	√	X	√	√	√
OP North Rhine-Westphalia	√	√	√	X	X	√	√	X
OP Silesia	√	√	√	√	X	√	√	√
OP SRDP (Slovenia)	√	√	√	√	√	√	√	√
OP Southern Finland	√	√	√	√	√	√	√	√

Source: Own elaboration based on case studies (interviews and questionnaires).

Box 13 includes a few representative examples from the case studies to illustrate the aforementioned findings.

Box 13: Composition of Monitoring Committees: Examples from the case studies

OP ETC Alpine Space: The MC is composed of 2-3 representatives of each partner state's programme authorities. It includes a representative of the MA as a full member; a representative of the European Commission as a member with advisory capacity; a representative of the JTS for technical support; representatives of transnational organised NGOs; and Alpine organisations and networks (specifically the Alpine Convention as irregular member with an advisory capacity).

OP Castilla y Leon: The internal rules of the MC provides for the participation of 'permanent' members (National and regional managing bodies, the evaluation unit, and environmental and gender equality bodies) and 'advisory' members (the Certifying Authority, representative from other EU Funds, the Commission, economic and social partners). The MC rules allow other civil society organisations and NGOs to be invited to the meetings, but this has not occurred in practice.

OP North East England: The MC is chaired by the MA, with Commission advisors, government departments and representatives from all partners from various sectors: public, private, voluntary, trade union, environmental. Also, observers from the rural programme were included. The MA allocated one or two places to partner types and then asked them to nominate a representative of that sector to act as a delegate. It was then incumbent upon the sectors to organise themselves into electing somebody or select the processes that led to a person acting as their representative. In the case of the private sector, the Northern Business Forum is the acknowledged representative in the North East, because it brings together the Federation for Small Business, Confederation of British Industry (CBI) and the Chamber of Commerce. They were invited to nominate their two representatives. Similarly there is an umbrella organisation for the voluntary sector for the North East, VONNE. The regional Trade Union Congress (TUC) represented the trade unions. From 2010, the representation from the private sector was strengthened and the representation from Local Economic Partnerships (LEPs) was added, which meant more private sector members. The local authorities from the outset were allocated 4 places but each of the 4 allocated members (elected councilors) was allowed to bring an officer to assist them.

OP Southern Finland: The partners represented in the MC are Ministries (Ministry of Employment and the Economy, chair), Regional Councils, State regional authorities (ELY centres of Kaakkois-Suomi, Uusimaa), NGOs and interest organisations. The MC has a secretary with representatives of the Ministry of Employment and the Economy, all regional councils of Southern Finland and state administration. Compared to the programme period 2000-06, the committee has a stronger regional representation.

Source: Case studies (interviews and questionnaires).

4.4.2 Decision-making in the MCs

The main tasks of the MC are specified in the General Regulation (Article 65):

- approve project selection criteria and revisions;
- review progress made towards achieving OP targets on the basis of documents submitted by the MA;

- examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations;
- approve the annual and final reports on implementation;
- be informed of the annual control report;
- propose revision or examination of the programme; and
- approve OP amendments.

The decisions taken in the Committee are usually **adopted consensually** rather than through formal voting procedures. For instance, while the Member States in the Alpine ETC OP have 'one vote' for all decisions, in practice they are taken by 'consensus'. In Castilla y Leon, decisions are taken by consensus among the 'permanent' members. There is no formal voting system, but permanent and advisory members can express views on OP decisions and revisions during the meetings. Similarly, the Languedoc-Roussillon MC members do not having voting rights, but participate in the discussions. In the Southern Finland MC, the partners have a voting right although, in practice, the committee makes joint decisions by consensus without voting.

By contrast, in two of the programmes analysed for this study, voting does take place: In Slovenia, the members of the MC have voting rights when it comes to changes of the OP, reports and plans, while in North Rhine-Westphalia formal votes are restricted to the annual decision approving the OP implementation report.

4.4.3 Advantages of the MC Structure for supporting MLG

The main benefit of the MC from a MLG perspective is to support **strategic dialogue** among partners and contribute to a **shared ownership** of the programme. This has been facilitated by providing clear guidance (North East England) and requirements (North Rhine-Westphalia), by encouraging or allowing presentations from different partners (North-East England, Silesia) and by improving the flow of information between the Commission and beneficiaries (Southern Finland). A few examples from the case studies are described in Box 14 to illustrate this statement.

Box 14: Involvement of numerous partners in the MC increases shared ownership: Examples from the case studies

OP North East England: One of the lessons learnt from previous MCs was to avoid the scenario where people just come together and moan about their sectoral representation. From the outset in the terms of reference it was made clear that MC members had a strategic obligation to the programme to make this work – a joint and shared responsibility for the strategic delivery of the programme. The intention of the MC/Local Management Committee (LMC) is to be discursive and strategic. Presentations are made to facilitate discussion and ownership of the programme.

OP North Rhine-Westphalia: The level and quality of the debate and information about the performance of the OP is considered satisfactory by the Federal member. Active contribution to the monitoring process is possible and required – the ideas are taken on board as long as they are not judged to be individual, personal interests.

OP SRDP, Slovenia: According to the MA, the MC meetings facilitate a better understanding and shared ownership of the OP objectives. It is also a widely appreciated opportunity for partners to voice their opinions and perspectives on the debated topics.

OP Silesia: In the opinion of the Ministry of Regional Development, the participation of different partners facilitates a better understanding and increases the shared ownership of the OP objectives. Project beneficiaries are often part of the MC and make presentations in the meetings, which helps beneficiaries to understand the background of certain requirements. The Strategic and Spatial planning Department considers the meetings to be a good platform for acquiring and exchanging information as well as giving all involved partners (also social and economic partners) the possibility for sharing their views. The meetings are not perceived to be dominated by the members' own interests and agendas.

OP Southern Finland: The involvement of partners in the MC enables information exchange between the European Commission and partners and thus facilitates the information flow in the regions. The OP has broad objectives, which require a broad range of expertise in the MC. Further, the strong representation of the regions in the committee has improved the commitment of the regions.

Source: Case studies (interviews and questionnaires).

4.4.4 Critical views of the partnership principle in the MC

More negative views were also expressed about the nature of the dialogue in MC committees and the decision-making process:

- **Lack of strategic dialogue and technical focus.** A member of the Languedoc-Roussillon MC criticised the meetings for being a "platform for presenting information on statistics" rather than a platform for debate. More fruitful exchanges often take place in the informal discussions proceeding the official sessions. According to the Languedoc-Roussillon MA, the participants in the MC often seem to be present because they are obliged to since "active participation is lacking". In the opinion of the MA, this is because the issues discussed in the MC meetings are too technical and too complex. Respondents from Southern Finland also noted that most of the issues discussed are of a technical nature.
- **Limited influence on decisions.** A MC member in Slovenia noted that the MC serves as a platform for approving pre-decided issues or addressing compliance problems rather than facilitating a better understanding and shared ownership of OP objectives. The interviewee argues that most important issues are in any case decided outside of the monitoring meetings and the MC members cannot actually influence decision outcomes. Similarly, in Castilla y Leon and Southern Finland, there are some doubts over the actual capability of the MC to influence OP implementation because the EU and national regulations set a tight framework for the content and delivery of programmes. In North Rhine-Westphalia, the secretariat noted that decisions are taken at the political level while the MC merely endorses these formal decisions.
- **Organisational challenges.** The involvement of a large number of partners can increase the complexity of the meetings and hamper decision-making processes because of the heterogeneity of MC members and interests (OP ETC Austria-Czech Republic, OP ETC Alpine Space, OP Languedoc-Roussillon, OP North Rhine-Westphalia, OP Silesia).

4.4.5 The role of the MC in increasing communication between partners

The MC meetings and outputs - such as implementation reports - are widely appreciated as a valuable accountability tool for exchanging information on OP implementation outcomes. Information is widely disseminated and the minutes of meetings are usually available to

members, although the minutes are not usually disseminated to other stakeholders that are not represented in the committees or available to the public online. A few examples from the case studies are described in Box 15 to illustrate this statement.

Box 15: Disseminating information through the MC - Examples from the case studies

OP ETC Austria-Czech Republic: The programme website contains many important pieces of information, but the outcomes of the MC meetings are not published. In the words of the representative of the MA: "transparency in Austria is not as high as in Sweden". The MC meetings are held at least three times a year. After the MC meetings, the JTS writes up the draft minutes and disseminates it to the participants. All participants have the right to send any comments on the document. After the revision, the final minutes are available in the internal programme database. The interviewee from the Control Body states that since the outcomes of the MC meetings are not publically accessible, there is a lack of information dissemination about difficult projects which hampers the Control Body's work.

OP Castilla y Leon: According to the regional secretariat and environmental body, a large amount of information is shared with all participants, which contributes to improving the understanding of the OP and improving relations with the management bodies, e.g. when seeking information from the implementing bodies for reporting purposes.

OP North Rhine-Westphalia: In the view of the Secretariat, all partners are satisfied with the process. The reporting and delivery of data is well established and works to the MA satisfaction. The minutes of the MC meetings as well as the dissemination of the AIRs and the evaluations are valuable instruments as they offer detailed information about the implementation of the OP and single projects. The representative of the MC points out that the minutes of the MC meetings are only distributed to the MC members and not published online. In his opinion, debates could be improved by providing information earlier and more coherently. Not all information about the performance of the OP and the project selection results are available in a transparent way. According to an interviewee, the participation in the MC meetings contributes to an improved knowledge of the partners that they can then forward on to clients.

Source: Case studies (interviews and questionnaires).

Nevertheless, there are challenges in collecting monitoring data in a MLG setting. For instance, the Castilla y Leon regional managing body noted that national and regional bodies sometimes used different indicators for the same priorities which cannot therefore be aggregated and leads to a proliferation in indicators. There are also variations in the effort placed on monitoring and the interpretation of indicators by different implementing bodies and beneficiaries, a challenge also faced in the Southern Finland OP.

Finally, there are **other structures and networks outside of the MCs** that can also contribute to MLG goals. In Languedoc-Roussillon, there is more active participation from OP partners in thematic seminars and trainings (e.g. training on JEREMIE with representatives of the banking and financial sector) than in MC meetings. In the Alpine ETC OP, there is regular consultation and interaction between the different partners through annual events organised by the programme authorities. In Spain, there are several thematic networks which operate at the national level and include representation from all of the regions. The gender equality and environmental networks already existed in the previous period, but additional networks have been created for 2007-2013 on the themes of local/urban development, R&D and innovation and social inclusion.

4.5 Evaluation

The Cohesion Policy requirements on evaluation have become more flexible for 2007-2013. Obligatory mid-term evaluation was replaced with ongoing needs-based evaluation to assess performance and react to external changes. Operational evaluations are triggered automatically when difficulties are revealed by monitoring systems and in order to justify programme revisions. While evaluations have been undertaken for most of the OPs during the 2007-2013 period, none have assessed MLG arrangements or the partnership principle.

The main forum for the involvement of partners in evaluation is the MC. As noted in the previous section, one of the tasks of the MCs is to examine the evaluations during the implementation of the programme. Evaluation reports are often discussed in the meetings and must be summarised in the annual implementation reports, which keep the partnership informed about evaluation developments and provide a forum for discussing OP achievements (OP ETC Austria-Czech Republic, OP Castilla y Leon, OP Silesia, OP SRDP Slovenia). However, some of interviewees consider these discussions to be limited or superficial (OP North Rhine-Westphalia, OP SRDP Slovenia).

Dedicated evaluation committees and networks have been established in several of the OPs reviewed, but the membership of these groups is usually restricted to government Ministries, departments and MAs rather than the broader partnership of OP stakeholders. For instance, in Spain, a Strategic Reporting and Evaluation Advisory Committee is responsible for the coordination of the evaluation and strategic reporting activity for all Spanish OPs. It is composed of the national and regional programme managers, enjoys European Commission representation and covers the the ERDF, CF and ESF. Economic and social partners or civil society/NGO groups are not represented in the committee. Similar evaluation committees at national or regional level can be seen in various other cases (e.g. OP SRDP Slovenia, OP Southern Finland, OP Languedoc-Roussillon).

In a minority of cases there are committees with a wider management remit and a broader partnership composition that discuss the evaluations undertaken. In North East England, evaluations are discussed with partners through the PEG and LMC committees, while the Southern Finland regional management committees play a similar role.

Additional tools for disseminating evaluation results are:

- **Internet sites:** Evaluation reports are published and disseminated online in most cases through the OP and MA websites, as well as through online blogs (OP ETC Alpine Space) and newsletters (OP Languedoc-Roussillon).
- **Evaluation events:** The Southern Finland OP MA organises 'evaluation days' in which all relevant partners involved in the programme implementation can discuss evaluation reports and results.

5. OUTLOOK, CONCLUSIONS AND RECOMMENDATIONS

KEY FINDINGS

- Extensive **processes of consultation** and evaluation are taking place at sub-national, national and transnational levels in the context of preparing the Partnership Agreement and future OPs. Major changes are planned in the **territorial administration** in some countries which will have important implications for the management set-up and MLG in some OPs. Also, the thematic concentration of the OPs in 2014-2020 will influence the type and number of partners involved in OP management and implementation.
- MLG implementation is shaped by **a number of factors** including the contextual arrangements (e.g. historical background and current situation in the implementing institutions), the scale and thematic content of the OPs, the administrative capacity, as well as the know-how and the experience with MLG in the past. However, the domestic institutional system of territorial governance has been shown to influence the OP set-up but the exceptions to the rule make it hard to generalize its applicability.
- The partnership requirement is respected and implemented consistently across the policy phases in the OPs examined. However, the **key OP authorities tend to only "formally" involve non-state partners**.
- The challenges and lessons learned in this study are summarised and accompanied by recommendations addressed to the European Parliament, the European Commission and the European institutions and OP authorities in general.

5.1 Future Plans for Multi-Level Governance in Cohesion Policy in the Member States

Preparations for the future round of 2014-2020 Partnership Agreement and OPs are underway across all EU Member States. **Extensive processes of consultation** and evaluation are taking place at sub-national, national and transnational levels. For instance, the ETC OP Alpine Space has organised a series of workshops in all languages spoken in the Alpine Space as well as an online survey. A report was published under the responsibility of a team of six experts from different alpine countries in May 2013, showing a broad participation process which was judged as very successful. At the regional level, the North East England MA has put aside money for local partners to bid into post-2014 preparatory work. This has allowed local partners, universities and the financing institutions to support significant research, helping to shape their proposals for the new programme. A public consultation on the draft OP for Languedoc-Roussillon has been launched to seek the views of the départements and civil society.

Major shifts in the policy architecture are planned in some cases with **important implications for the national-regional balance of MLG in Cohesion Policy**.

In fact, the French regions will gain in independence from the government and the role of the préfectures is still under discussion. In the future, the Conseil Régionaux will be fully responsible for managing the ERDF. Moreover, in order to pursue a more strategic

approach, the regions are considering the option of creating a multi-fund approach combining the ESF, ERDF and EAFRD (European Agricultural Funds for Rural Development) at regional level. As MA responsibilities will be fully devolved, the national government will only have a coordinating role. From then on, the Region will be corresponding with the European Commission and the DATAR.

Poland is also taking a further step towards the decentralization of programming: around 60% of the financial allocation will now be transferred to the regional programmes, which seems to be a new challenge for the national Ministry as well as for the regions.

By contrast, in Finland a more centralised approach is planned. There will be only one national multi-fund programme combining the ERDF and ESF and it will be implemented in two regions (Northern and Eastern Finland, Western and Southern Finland). There are concerns about this leading to a centralised model with less involvement from other actors in the design and implementation of the programme: economic and social partners have expressed strong concerns; the way regional plans will be feeding into the OPs is unclear; and there will be only one single MC.

Shifts in the thematic orientation also have implications for partnership. Given the higher concentration of the OPs in the next programming period 2014-2020, the MC member interviewed in the ETC OP Austria-Czech Republic expects that there will be fewer difficulties in accommodating and managing partner expectations. In Languedoc-Roussillon, the MA argued that in order for the partners to be better involved, the thematic concentration of the OP must be precise enough to clarify which partners are most relevant to the development of the programme. On the other hand, a representative of the MC committee argued that thematic concentration will make it difficult to take on board the opinions and interests of a large number of partners, especially given the stark differences between the territories of the region. This, in turn, will result in a misrepresentation of the region. Similarly, in Southern Finland there is concern about how to ensure that the cooperation between counties and the shared development vision, having formed under Priority 5, will continue in the next period as similar projects are not possible in the new programme. The Priority 5 has been considered very progressive and successful and the projects beneficiaries see this co-operation as very beneficial.

Thus, divergence in MLG implementation is to be expected to remain considerable in the coming years.

5.2 Lessons learned about Multi-Level Governance in Cohesion Policy from the Member States

5.2.1 Factors influencing the implementation of MLG

The analysis has shown that the **implementation of MLG is shaped by a number of factors.** One factor is the scale and thematic content of OPs which can impact on the number and types of actors involved. Another factor is related to the contextual arrangements (e.g. historical background and current situation in the implementing institutions). Moreover, the administrative capacity, the know-how and the experience of the implementing institution in applying MLG in the past can impact on the extent of MLG. The implementation of MLG also largely depends on the financial capacity and the political will of the actors involved. Based on the findings from case study analysis, it is however not possible to define a clear-cut formula for effectively implementing MLG, given that such

conclusions would be based on merely nine OPs. It has been possible however to identify the mechanisms for ensuring an effective application of MLG by policy phase. These mechanisms are summarized in Table 9.

An interesting finding from the present analysis is related to the **pre-existing institutional system of territorial governance** which plays an important role in determining the extent of MLG in programming and OP management. The administrative territorial structure determines which actors are involved in policy-making processes and their capacity to participate in development policy-making and implementation.

However, **neither in OP programming nor in OP management does the relationship between MLG and the domestic institutional system of territorial governance fully hold.** While Spain has a highly devolved political system and the highest level of decentralisation in expenditure terms, the central government plays a strong role in programming. Conversely, regions play a very strong role in the programming of the English OPs, despite the relatively centralised political system (with the exception of Scotland and Wales) and the moderate level of expenditure decentralisation.

The above-described miscorrelation is of course based on a selection of nine case studies and cannot be generalized. However it shows that there is enough **flexibility to adapt the Cohesion Policy systems to domestic arrangements** depending on the institutional and administrative context, historical background, type of programme, and so forth.

The variations in the extent of MLG across different management tasks however boil down to a **functional explanation**. In fact, there is a greater degree of centralisation in the functions of the Audit Authority, followed by the Certification Authority in contrast to the MA which is located at the regional level in the majority of cases. It can be concluded therefore that bodies with responsibility for financial compliance and payments tend to be more centralised than bodies with responsibility for the general management and coordination of substantive policy content issues and project selection**.**

5.2.2 Involvement of numerous and various partners across the policy phases

The partnership requirement is respected and implemented consistently across the policy phases in the OPs examined. Wherever the involvement of the various types of partners is handled "well" (according to the interviewees), the impact on policy implementation is generally effective. However, it can also be noted that across all policy phases, the key OP authorities (government bodies at national or regional level) do not only take the final decisions as required, but they tend to only "formally" involve other partners, such as the civil society.

In the **preparation of the OP, participation is most inclusive**. In the preparation phase a very large number of different partners have been consulted in complex processes in all OPs examined in this study. This is also in line with the findings from previous studies as described in Chapter 4.3.. Still, while in the opinion of the OP authorities other partners were effectively involved, the interviewed OP partners usually disagreed, arguing that their opinions and ideas were not sufficiently integrated in the final documents.

In the **project selection phase as well as OP management** phase, the case study analysis reveals that the key actors are the OP authorities and the tasks are carried out exclusively by the MA and the Certifying Authority (at national or regional level). This finding differs from those of previous studies (e.g. Hooghe 1996), which have not assessed

the distribution of competences in the financial management, audit and control functions, suggesting that there is greater centralisation than is assumed in the literature with respect to MA, Certifying Authority and Audit Authority tasks.

When it comes to **monitoring and evaluation**, the MC should – by definition – include all relevant partners in order for them to influence the decisions through their active participation. However, the case studies have shown that **those partners are not always represented in the MC meetings** in practice (e.g. the ETC OPs Alpine Space and Austria-Czech Republic). In certain OPs some specific bodies are missing in the MC (e.g. the MC of the OP North-Rhine Westphalia lacks environmental and gender equality bodies; and the MC of the OP Castilla y Leon does not include civil society groups). While in the majority of the OPs these bodies and partners are formally given different opportunities to participate in the meetings (discussions, voting, etc.), many interviewed MC members described their real influence as being limited and the reason for their presence merely a "formality". The discussions in the MC meetings are considered to be superficial because the key issues seem to be often pre-decided.

5.2.3 The trade-off between MLG and the effectiveness and efficiency of Cohesion Policy

The theoretical advantages of MLG in the existing literature have been empirically confirmed by the findings from the case studies carried out in this study. These generally include: perceived increases in legitimacy of the policies as they are increasingly tailored to reflect the heterogeneous preferences of the partners involved; a better informed policy-making process through the participation of numerous partners (additional expertise, innovation and learning); increased commitment and ownership; more transparent decision-making processes and overall increased effectiveness in OP development and project selection.

The problems and difficulties affecting the trade-off between MLG and the effectiveness and efficiency of Cohesion Policy reported in the literature are – in general terms – in line with the findings from the case studies. In general, MLG has been criticised for increasing the complexity, blurring the responsibility and creating joint decision-traps. The critiques resulting from the existing literature about MLG are also largely in line with the problems analysed from the case studies carried out for this study – with the exception of the criticism that in Central and Eastern European countries the partnership principle is applied to a lesser extent compared to other EU Member States. In fact, in comparison to the other OPs examined in 'older' Member States, the OP Silesia in Poland and the OP SRDP in Slovenia seem to have internalised the partnership principle well and – at least according to the interviewees – have contributed to the effectiveness of Cohesion Policy.

Table 9 summarises the positive and negative features of MLG in each policy phase as well as the instruments and methods used for ensuring the effective application of partnership.

Table 9: Summary of the positive and negative features of MLG across policy phases resulting from the case studies

Policy phase	Positive features	Mechanisms for ensuring the effective application of MLG	Negative features
Preparation of the OP	• Buy-in, Consensus • Collective ownership • Additional expertise	• Pre-existing culture of cooperation • Clear division of competences • Adequate planning	• Vested interests of partners • Unrealistic expectations • Diverse territorial challenges • Strategic dialogue insufficiently possible due to existing structures • Administrative capacity and coordination constraints • Capacity constraints particularly for smaller stakeholders • Lack of interest from public to participate in programming
Project selection	• Formal requirement for MC to allow for key partners to discuss project selection criteria • At project level, the preparation of the project must be informed and supported by various partners (expertise, additional resources, etc.)	• Ensuring that MC gives sufficient space for discussions and participation	• Limited influence of partners (especially NGOs and civil society) in project selection • At project level, large partnerships can cause additional administrative burden (formal bureaucratic requirements causing delays) • Some OPs do not include or prioritise multi-partner projects
OP management	• Contribution to effective management and policy coordination • Improving commitment and OP ownership • Ensuring the representation of all partners • At project level, the support of	• Information exchange • Training	• Diffusing/separating management responsibilities • Coordination challenges • Responsibility shifting • Administrative burden • At project level, the involvement of a large number of heterogeneous partners increases difficulties in financial

Policy phase	Positive features	Mechanisms for ensuring the effective application of MLG	Negative features
	various partners and OP authorities is essential and effective		management, coordination and communication
Monitoring	• Support strategic dialogue among partners in the MC • Increase of shared ownership through active participation, voicing of interests and opinions • Information exchange	• Formal representation of partners in committees • Dissemination of information material about the OP (AIRs, evaluations, minutes of the meetings	• Uneven representation of partners, sometimes do not include the key partners highlighted in the partnership principle • Lack of strategic dialogue and strong technical focus in MC meetings (no active debates; presentation of complex technical content) • Limited influence on important decisions in MC ("discussing pre-defined issues") • Organisational challenges due to heterogeneity of multiple partners • Other platforms are often more appreciated than MC
Evaluation	• More flexible Cohesion Policy requirements for evaluations compared to the past tailored to need	• Presentation and discussion of evaluations at MC meetings • Dedicated evaluation committees and networks • Internet • Events	• Discussion about evaluations in the MC are limited and superficial • Evaluations rarely assess MLG arrangements or the partnership principle

Source: Case studies (interviews and questionnaires).

5.3 Findings and recommendations

In this final section, the main challenges identified from this study are summarised and form the basis for recommendations to policy makers:

- **Despite the perceived intensification of the partnership principle in the OPs, decision-making is in practice still dominated by a top-down perspective**.

The role of the European Commission has evolved over time from regulatory compliance to the strategic coordination level. In the next period, the influence of the Commission in programming has been reinforced in the post-2013 period through ring-fencing and ex-ante conditionality requirements. Also, in the OPs the decisions are made by the key players (government authorities at national and/or regional levels) and are merely informed by the local level. These top-down processes arguably marginalise democratic institutions and reduce the legitimacy of MLG in Cohesion Policy rather than the other way around.

At the same time, the European Commission should pursue its role as a supporting and advising entity by **closely following the developments on the ground.** In the OP North-East England, there is close collaboration between the MA, local partnerships and departments at the national level but also with Commission desk officers. The MA felt that the link with the Commission was a very important relationship and that it would be important to find a way to preserve that in the future programme. The link with the Commission was important for understanding what they were looking for from a programme, but also making the DG REGIO staff aware of the needs of the region and how things work on the ground. Whenever desk officers visit, the partnership makes a point of showing them some projects and creating time for informal discussions between the Commission and partners. Looking forward, an interviewee in Languedoc-Roussillon argues that the Commission could place more effort on the sharing of good practices on MLG and the involvement of partners across countries and OPs.

In order to avoid a further strengthening of top-down approaches, there is a need to plan sufficient time for **early engagement with all partners and stakeholders**. As argued by the regional environmental authority of the OP Castilla y Leon, a greater level of strategic dialogue is needed with the wider partnership in the preparatory phases of programming prior to the formulation of draft OPs and selection of priorities and interventions. In North-East England, the MA took the view that the engagement of partners from the outset has been absolutely critical to the operation of the programme. The programme seems to be broadly on track, despite the upheavals in the region. There seems to be indeed a strong relationship across the partnership. There is a strong feeling of ownership in the programme. Similarly, in North Rhine-Westphalia, the MC representative holds the view that improvements are needed in terms of communication at an early stage of the programming process. A more dialogue-oriented OP preparation phase upon the initiative of the MA is needed, including round table meetings with regional and local practitioners to share the day-to-day experiences with existing programmes and rules at an early stage.

Interestingly, the research has shown that **multi-partner project approaches are not widespread** in mainstream ERDF programmes, with the exception of the ETC programmes. In fact, the OP North Rhine-Westphalia and OP Castilla y Leon MAs were not able to identify projects involving collaboration with more than one partner. This shows that

the partnership principle is not taken to all levels of programme implementation, although this is not a regulatory requirement of the partnership principle. Project promoters consider the cooperation with OP management to be positive but also administratively challenging because of the lack of clarity in guidance or the burden associated with project applications.

Recommendations:

1. The European Parliament should encourage the European Commission to offer more **technical support to OP authorities** in order to facilitate partnerships – possibly through encouraging trainings as well as disseminating good practices. In order to do so, the key is for the European Commission to continuously follow the developments "on the ground" in order to truly understand the circumstances and the difficulties of involving numerous, different, partners in the OPs. Eventually, this will help the European institutions to develop comprehensive solutions to ensure that MLG contributes to the effectiveness of Cohesion Policy diminishing any trade-off.

2. The European Parliament should ensure that sufficient time is planned for an **early engagement with all partners and stakeholders** especially at the outset of a new programming period. The European Commission should monitor that these participatory processes remain informative without putting additional administrative pressure on the OP authorities.

3. The EU Institutions should encourage the **increase of transparency of partnership functioning**. The contributions of the various partners involved should be visible and it should become possible to understand on what basis decisions in the OPs are being made. The OP structure and divisions of tasks should be decided in the OP preparation phase in order for all partners to have a clear understanding of the structures and avoid responsibility shifting.

4. The EU institutions should seek to promote partnership not merely at OP level but also at **project level** based on the evidence of successful multi-partner projects (e.g. OP Southern Finland). These partnerships should go beyond Community-Led Local Development and the Territorial Cooperation initiatives. In order to ensure these projects can be implemented effectively, OP authorities should offer specific assistance with regards to administrative work.

- While MLG is key to increasing the effectiveness of Cohesion Policy, **an over-representation of actors which are not accountable** to the groups represented, **is counter-productive.**

For the future programming period of 2014-2020, the focus in some of the OPs analysed in this study will be on **ensuring that partnerships remain manageable**, focused and informed. The ETC OP Austria-Czech Republic interviewees were satisfied with the programming process overall and would prefer to keep the number of partners to a necessary minimum, although involving wide consultation. Similarly, the OP ETC Alpine Space MA is satisfied with the current arrangements and does not see any need for future improvements.

There are "mixed" opinions on the involvement of numerous (and different) partners in the OP. While the benefits of MLG are acknowledged, discussions with uninformed partners can be "tiring and inefficient". The Languedoc-Roussillon MA agrees that partners must be

better informed about the functioning of EU funds in general as well as the functioning of the ERDF and the OP in specific. This can be achieved through specific trainings for social and economic partners.

While partnership should continuously be encouraged and supported, there is a need to avoid unclear structures, diffusing management responsibilities and responsibility shifting.

Recommendations:

5. The inclusiveness of partnership should be ensured and monitored by the European Commission. However, the European Parliament should advise the European Commission to make sure that specific partnership is not forced on the OPs. The OP authorities should be able to **target and consult those partners whom they consider to be most relevant for the tasks and issues at stake**.

This will be facilitated through the higher thematic concentration of the OPs in the next programming period 2014-2020. The European Commission must however ensure that through the thematic concentration the heterogeneity of the regions is still respected and the varying opinions are taken on board.

6. Partnership must not be downplayed in the context of the **economic and financial crisis**, where the interests and needs of various groups of actors must be taken into consideration (e.g. in terms of youth unemployment).

7. There is a **need for more partnership in the OP management phase and with regards to planning evaluation strategies**, as these phases are currently dominated by the MA. The European Parliament should ask the European Commission to offer enough support for ensuring that active participation is encouraged in the Member States. The European Commission should present models and methods of how to effectively carry out a **targeted consultation** of relevant stakeholders for specific topics or issues. The OP authorities could for example organise thematic seminars gathering merely stakeholders who are actively involved in the particular field. Another example includes electronic consultations approaching merely experienced stakeholders from the particular field.

8. In order to facilitate the active participation of various actors in the OP implementation, the level of knowledge about the ESI-funds in general and the OP in particular should be comparable for all relevant stakeholders involved. Information and knowledge gaps should be reduced in order for the partners to work with the same type and level of information. The European Parliament and the European Commission should therefore **encourage trainings for all partners involved at OP level, possibly by thematic field** (e.g. environment, innovation, etc) **or technical issue** (e.g. regulations, eligibility rules, etc.).

9. The European Parliament and the European Commission should moreover advise Member States to carry out **evaluations about MLG and the effectiveness and efficiency of partnership** in the OP implementation.

- The involvement of more partners of different types increases the **administrative burden and bureaucratic complexity** of policy-making**.** In combination with the lack of resources experienced by many partners (especially for the civil society and NGOs, most importantly at project level), this hampers an effective participation or influence on OP design and implementation.

From a management perspective, there is a tension between involving a wide number of delivery bodies and administrative efficiency. In North Rhine-Westphalia, there are plans to reduce the number of Intermediate Bodies to facilitate OP administration as well as improving quality management at the MA level. The number of Intermediate Bodies has been a central part of the debate on the discussions of administrative structures and MLG in Finland. There have been discussions about whether regional councils should have the role of Intermediate Bodies in addition to the state regional administration. A recent evaluation of the administrative system of the Finnish ERDF programmes in 2012 found that the cooperation between different actors involved in the programme works well generally, although there are variations in funding decisions, guidance, procedures and requirements of intermediate bodies. In France, one of the interviewees has called for a single Ministry to be responsible for the Funds in order to minimise blame and responsibility shifting.

Effective communication is clearly important for successful OP administration. According to the MA of the ETC OP Austria-Czech Republic, the OP's success is based upon the confidence and familiarity of the actors involved, which is why communication is a key aspect. The process must be output-oriented, constructive within a restricted timeframe and allow for flexible adaptations over time. In Silesia, a project leader considers that OP authorities should better communicate the rules and procedures, especially the eligibility rules to beneficiaries.

Recommendations:

10. The European Parliament should ask the European Commission to find common solutions together with OP authorities for offering more **technical support to partners**. Possible solutions include focusing increasingly on the coordination within the OP partnership as well as an increased assistance with administrative tasks. There is **no one-size-fits-all solution** for assisting OP authorities with handling administrative tasks more efficiently. First, the OP authorities should be asked to voice these types of difficulties in a precise manner for the European Commission to carry out a **detailed needs assessment** in order to consequently develop adequate solutions.

11. The **communication** between the OP authorities and the programme partners must be improved in order to ensure that all relevant stakeholders develop a familiarity with the programme and get a feeling of ownership. The European Commission should develop concrete models of communication and cooperation based on good practice examples such as the OPs described throughout the present study. This could include short descriptions of success stories on a **common web-platform**, the introduction of **electronic discussion boards** at European level as well as at OP level to exchange knowledge and experience, and encouraging OP authorities at any occasion to **keep the number of partners in check** in order to truly develop a sense of familiarity and partnership.

- Although partnership is welcome by all actors involved, the case studies show that the **MC is generally not viewed as the best platform** for shaping decision-making processes.

MCs play an important accountability role in the use of the Structural Funds but the composition of the committees is not always representative of all types of partners and the quality of debate and information provided on programme performance varies. In terms of composition, there is **little representation of the civil society** and NGOs in some cases.

More intensified partnership-working is planned or would be welcomed for different types of partners and through various channels. The MC representative in the Alpine ETC OP calls for the improvement in the involvement of socio-economic partners and representatives of civil society in OP implementation, e.g. through regular web consultations, invitation to meetings, specific monitoring and surveys, etc. The DATAR representative in France argues that public consultations should become obligatory and systematic and should therefore be more flexible for involving partners. While there was overall satisfaction in Silesia and Slovenia, both MAs wish to intensify efforts in 2014-2020 based on the lessons learned. This would be welcomed by the Slovenian MC member, an NGO that hopes to be taken "more seriously" in the future and wishes for a closer cooperation with the MA. In Castilla y Leon, differentiated working arrangements are considered useful for involving different partners in accordance with their responsibilities and needs, but it seems that targeted measures may be needed for involving non-governmental actors and civil society. Regional environmental bodies, in turn, should be granted a greater role in the SEA process.

Recommendations:

12. The European Parliament should **address the issue of the workings in the MC** with the European Commission. Although formally the partnership is highly inclusive, decisions cannot be influenced. It thus seems that there is little space for active participation for partners aside from approving completed documents (AIRs, evaluations, etc).

13. An **'over-crowding' of the MCs** should also be avoided as the participation of programme partners has been qualified as a deposition of vested interests. Therefore, the European Parliament should inform the European Commission of these developments in order for the latter to encourage OP authorities to **introduce other channels and platforms in addition to the MC meetings**. These platforms should be targeted only at relevant stakeholders and possibly tackle specific topics (e.g. thematic trainings or seminars).

6. REFERENCES

- Ahner, D. (2009), *Keynote speech at the Civil Society Forum organised by ECAS in the framework of the Open Days,* 7 October 2009.
- Bache, I. (2008), *Europeanization and Multilevel Governance: Cohesion Policy in the European Union and Britain.* Rowman & Littlefield.
- Bache, I. & Chapman, R. (2008), *Democracy through multilevel governance? The implementation of the structural funds in South Yorkshire.* Governance, 21 (3), pp.397–418.
- Bache, I. & Flinders, M.V. (2004), *Multi-level governance.* Oxford University Press.
- Bache, I. (1999), *The extended gatekeeper: central government and the implementation of EC regional policy in the UK.* Journal of European Public Policy, 6 (1), pp.28 – 45.
- Bachtler, J., Polverari, L., Oraže, H., Clement, K. & Tödtling-Schönhofer, H., with Gross, F., McMaster, I. & Naylon, I. (2009), *Ex post evaluation of the management and implementation of Cohesion policy, 2000-06 (ERDF),* Report to the European Commission, DG Regio, Brussels.
- Bachtler, J. & McMaster, I. (2008), *EU Cohesion Policy and the role of the regions: investigating the influence of Structural Funds in the new member states. Environment and Planning C-Government and Policy,* 26 (2), pp.398–427.
- Bachtler, J. & Mendez, C. (2007*), Who Governs EU Cohesion Policy? Deconstructing the Reforms of the Structural Funds.* Journal of Common Market Studies, 45 (3), pp.535–564.
- Barca, F. (2009), *An Agenda for a Reformed Cohesion Policy: A place-based approach to meeting European Union challenges and expectations.* Report to Commissioner for Regional Policy, DG Regio, Brussels.
- Batory, A. & Cartwright, A. (2011*), Re-visiting the Partnership Principle in Cohesion Policy: The Role of Civil Society Organizations in Structural Funds Monitoring*, Journal of Common Market Studies, 49(4), pp.697-717.
- Bauer, M.W. (2002), *The EU "partnership principle": still a sustainable governance device across multiple administrative arenas?* Public Administration, 80 (4), pp.769–789.
- Benz, A. (2012), *The European Union as a loosely coupled multi-level system,* in Enderlein, H., Walti, S. & Zurn, M. (eds.) Handbook on Multi-Level Governance. Edward Elgar Publishing.
- Benz, A. (2000), *Two types of multi-level governance: Intergovernmental relations in German and EU regional policy.* Regional & Federal Studies, 10 (3), pp.21 – 44.
- Böhme, K. (2010), *Regional governance in the context of globalisation: reviewing governance mechanisms and administrative costs,* Final Report, SWECO, DG Regio, European Commission, Brussels.
- Bruszt, L. (2008), *Multi-level Governance—the Eastern Versions: Emerging Patterns of Regional Developmental Governance in the New Member States.* Regional & Federal Studies, 18(5), 607-627.

- Businesseurope (2007), *Implementation of the Partnership Principle in preparation of National Strategic Reference Frameworks (NSRFs) and Operational Programmes (OPs) for 2007-13.* Results of a survey among business federations, Brussels.
- Churski, P. (2008), *'Structural Funds of the European Union in Poland - Experience of the First Period of Membership',* European Planning Studies, 16(4), 579-607.
- Committee of the Regions (2012a), *Building a European culture of Multilevel Governance: follow-up to the committee of the regions' white paper,* Opinion of the Committee of the Regions, Brussels.
- Committee of the Regions (2012b), *Scoreboard for monitoring Multilevel Governance (MLG) at the European Union level, MLG Fact Sheets 2011-2012,* Committee of the Regions, Brussels.
- Committee of the Regions (2009), *The Committee of the Region's White Paper on Multilevel Governance,* CoR 89/2009, Committee of the Regions, Brussels.
- Dabrowski, M. (2013), *EU Cohesion Policy, horizontal partnership and the patterns of sub-national governance: Insights from Central and Eastern Europe. European Urban and Regional Studies.*
- ECSC (2010), *Opinion of the European Economic and Social Committee on how to foster efficient partnership in the management of Cohesion Policy programmes, based on good practices from the 2007-2013 cycle,* ECO/258, 14 July 2010, Brussels.
- EIPA (2012), *Scoreboard for Monitoring Multilevel Governance (MLG) at the European Union Level: Is the principle of MLG being encouraged throughout the EU policy cycle?* Methodology, Scoring and Executive Summary, Second Edition, November 2012, Committee of the Regions.
- Enderlein, H., Walti, S. & Zurn, M. (2010), *Handbook on Multi-Level Governance.* Edward Elgar Publishing.
- European Parliament (2008), *Governance and partnership at a national, regional and project basis in the field of regional policy.* Non legislative resolution, INI/2008/2064, Committee on Regional Development, 21 October 2008.
- European Commission (2012a), *The partnership principle in the implementation of the Common Strategic Framework Funds - elements for a European Code of Conduct on Partnership,* SWD(2012) 106 final Commission Staff Working Document, Brussels.
- European Commission (2012b), *Report Public Finances in EMU 2012,* European Economy 4/2012, European Commission, Brussels.
- European Communities (1993), Council Regulation (EEC) No 2081/93 of 20 July 1993 amending Regulation (EEC) No 2052/88 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments OJ L 193 , 31/07/1993.
- European Communities (1988), Council Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments OJ L 185, 15.7.1988.

- European Union (2006), Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, *OJ L 210/25, 31.7.2006.*
- European Union (1999), Council Regulation (EC) No 1260/99 of 21 June 1999 laying down general provisions on the Structural Funds, OJ L 161, 26.6.1999.
- Ferry, M. & Mcmaster, I. (2005), *Implementing structural funds in polish and Czech regions: convergence, variation, empowerment?* Regional & Federal Studies, 15 (1), pp.19–39.
- George, S. (2004), *Multilevel Governance in the European Union.* In Bache, I. & Flinders, M. (eds.) Multi-level governance. Oxford University Press.
- Heinelt, H. & Smith, R. (1996), *Policy networks and European structural funds.* Aldershot, Avebury.
- Hooghe, L. & Marks, G. (2003), *Unravelling the Central State, but How? Types of Multi-level Governance.* The American Political Science Review, 97 (2), pp.233–243.
- Hooghe, L. (1996), *Cohesion Policy and European Integration: Building Multi-Level Governance.* Oxford, Clarendon Press.
- Jordan, A. (2001), *The European Union: an evolving system of multi-level governance... or government?* Policy & Politics, 29 (2), pp.193–208.
- Kelleher, J., Batterbury, S., Stern, E. (1999), *The thematic evaluation report of the partnership principle,* Final Synthesis Report, Tavistock Institute, DG Regional Policy, European Commission, Brussels.
- Marks, G. (1996a), *An actor-centred approach to multi-level governance.* Regional & Federal Studies, 6 (2), pp.20–38.
- Marks, G., Hooghe, L. & Blank, K. (1996), *European Integration from the 1980s: State-Centric v. Multi-level Governance*. Journal of Common Market Studies, 34 (3), pp.341–378.
- Marks, G. (1996b), *Exploring and Explaining Variation in EU Cohesion Policy*. In Hooghe, L. (ed.) Cohesion Policy and European Integration: Building Multilevel Governance (Oxford: Oxford University Press).
- Marks, G. (1993), *Structural Policy and Multilevel Governance in the EC.* In Cafruny, A.W. & Rosenthal, G.G. (eds.) The State of the European Community (Boulder: Lynne Rienner).
- Marks, G. (1992), *Structural Policy in the European Community.* In Sbragia, A. (ed.) *Europolitics.* Institutions and policymaking in the new European Community, (Washington DC: Brookings Institute).
- Mendez, C. (2013), *The post-2013 reform of EU Cohesion Policy and the place-based narrative.* Journal of European Public Policy, 20 (5), pp.639–659.
- Mendez, C. (2011), *The Lisbonization of EU Cohesion Policy: A Successful Case of Experimentalist Governance?* European Planning Studies, 19 (3), pp.519–537.
- Mendez, C. & Bachtler, J. (2011), *Administrative reform and unintended consequences: an assessment of the EU Cohesion Policy "audit explosion."* Journal of European Public Policy, 18 (5), pp.746–765.

- Olsson, J. (2001), *Democracy paradoxes in multi-level governance: theorizing on structural fund system research.* Journal of European Public Policy, 10 (2), pp.283–300.
- Papadopoulos, Y. (2010), *Accountability and Multi-level Governance: More Accountability, Less Democracy?* West European Politics, 33 (5), pp.1030–1049.
- Piattoni, S. (2010), *The Theory of Multi-level Governance: Conceptual, empirical, and normative challenges.* Oxford University Press.
- Pierre, J. & Peters, B.G. (2004), 5. *Multi-level Governance and Democracy: A Faustian Bargain?* In Bache & M. Flinders (eds.) Multi-level Governance. Oxford University Press.
- Polverari, L. and Michie, R. (2009), *New Partnership Dynamics in a Changing Cohesion Policy Context*, IQ-Net Thematic Paper, 25(2), European Policies Research Centre, University of Strathclyde , Glasgow.
- Schmitter, Philippe C. (2004), *Neo-neofunctionalism.* In Diez, T. and Wiener, A. (eds.) European Integration Theory, Oxford: Oxford University Press.
- Skelcher, C. (2005), *Jurisdictional Integrity, Polycentrism, and the Design of Democratic Governance.* Governance, 18 (1), pp.89–110.
- Stephenson, P. (2013), *Twenty years of multi-level governance: "Where Does It Come From? What Is It? Where Is It Going?"*. Journal of European Public Policy, 20 (6), pp.817–837.

ANNEX: LIST OF INTERVIEWEES FOR THE CASE STUDIES

Table 10: Selection of case study OPs, projects and interviewees

OP Name	MS	Objective	Interviewees
OP North Rhine-Westphalia ERDF	DE	RCE	• **MA:** Objective 2 Secretariat North Rhine-Westphalia, Claudia Schulte, head of department, conducted on 17.07.2013 • **Vertical Partner - national department for EU Cohesion Policy and EU Funds:** Federal Ministry of Economics and Technology, Karin Scheffel, head of division EU Cohesion Policy and EU Funds for Regional Development, conducted on 04.07.2013 • **MC member:** Region Köln/Bonn e.V. (Regional Development Agency) Dr. Reimar Molitor, Managing Director and MC member, questionnaire from 31.07.2013 *For this case study it was not possible to find appropriate interview partners on the part of projects. Neither the Secretariat nor the interviewed MC member could help out by forwarding contacts. Additionally, every attempt to contact a project directly via contact information on the objective-2 website was not successful.*
OP North-East England	UK	RCE	• **MA:** Iain Derrick, Department of Communities and Local Government, 15.7.2013 • **Vertical partner:** Heather Smith, European Funding Officer, Northumberland County Council (Observer at LMC and member of PEG) 26.8.2013 • **Project lead partner:** Jo Thornton, Deputy CEO, Generator, 2.9.2013.
OP Southern Finland	FI	RCE	• **MA:** Harri Ahlgren, Senior Inspector, Ministry of Employment and the Economy. Phone interview 12.08.2013. • **Vertical Partner:** Mari Kuparinen (2013) Coordinator of Southern Finland OP, Regional Council of Päijät-Häme. Phone interview 3.07.2013. • **MC member:** Juha Haapaniemi (2013). Mayor of Kymenlaakso Region and a member of Southern Finland OP Monitoring Committee. Phone interview 8.08.2013 • **Project Leader 1:** Vesa Ijäs, project Leader of project "tetraedri", Ladec oy. 21.8.2013 • **Project Leader 2:** Carola Wictorsson, project

OP Name	MS	Objective	Interviewees
			leader of project ESYLEP, Culminatum Oy. 22.8.2013
OP Castilla y Leon	ES	RCE	• **MA:** Francisca Fernandez, Administrator, DG EU Funds, Castilla Leon regional government, intermediate body (IB) with some delegated managing authority responsibilities 19.7.13 • **Horizontal partner:** Jesús Ángel Diez Vázquez, Programme Director of the Natural Heritage Foundation of Castilla y León, environment authority 6.18.13 • **MC member:** Sonia Martinez, Member of a business sector confedration (Confederación de Organizaciones Empresariales de Castilla y León - CECALE) 30.09.13 *For this case study, it was not possible to identify any multi-partner projects in the OP.*
OP Languedoc-Roussillon	FR	RCE	• **MA:** Stéphane Nguyen, MA OP Languedoc-Roussillon, Conseil Régional Languedoc-Roussillon, 17.07.2013 • **Vertical Partner - DATAR:** Mickael Vaillant, French Regional Development Policy Agency DATAR, National Coordination of Structural Funds OPs, 18.07.2013 • **MC member:** Florent Martiche, MC member, Conseil Général des Pyrénées-Orientales, Pôle Europe / Affaires transfrontalières, 2.08.2013 • **Project lead partner :** David Spanghero & Baptiste Raymond, ALOGEA, Responsible for the Management Service of the Energy, sustainable development and rehabilitation services, Aude (Languedoc-Roussillon), 21.08.2013
OP Silesia	PL	CON	• **MA:** Malgorzata Stas, Managing Authority, Director of the Regional Devalopment Department, Marshall Office Silesia Voivodeship, 19.07.2013 • **Vertical Partner - Coordinating Unit at National Authority:** Kinga Nowopolska, Chief specialist at the Department of Coordination of the regional programmes, Ministry of Regional Development, 12.08.2013 • **MC member:** Mariusz Raczek, MC member, Vice-Director of the Strategic and Spatial planning Department, Marshall Office Silesia Voivodeship, 19.07.2013

OP Name	MS	Objective	Interviewees
			• **Project lead partner :** Magdalena Ciuk, project leader of the project "e-Myszkovia. Rozwój elektronicznych usług publicznych w Powiecie Myszkowskim", Powiat Myszkow (Starostwo Powiatowe w Myszkowie), 26.07.2013
OP Strengthening the regional development potentials, Slovenia	SI	CON	• **MA:** Ministry of economic development and technology, Iba Zupancic, Head of Department, Managing Authority, interview conducted on 09.08.2013 • **Horizontal Partner – Certifying Authority:** Ministry of Finance, Mateja Mahkovec, Head of Certifying Authority, interview conducted on 19.07.2013 • **MC member:** Focus Association for Sustainable Development, NGO, Lidija Živčič, Senior Expert in Focus, MC member, Questionnaire from 17.07.2013 • **Project lead partner:** Eko-park d.o.o. Lendava, Branka Bensa, project manager of the project "WEP – Water is Environmental Pearl, Protection and management of natural water resources through revitalization, land development and stimulation of public awareness", questionnaire from 06.08.2013
OP Austria – Czech Republic	AT-SK/ AT-CZ	ETC	• **MA:** Amt der niederösterreichischen Landesregierung/ department of state government Lower Austria, Managing Authority of the AT-CZ cross-border cooperation programme, Bernhard Köhle, Head of Managing Authority, 05.07.2013 • **Vertical Partner - Czech National Authority**: Ministry of Regional development of the Czech Republic, Czech National Authority of the AT-CZ cross-border cooperation programme, Věra Korkischová, Officer, 04.07.2013 • **Horizontal Partner - Control Body:** Viennese Government, Municipal Department 27 – European Affairs, control of expenditure, Control Body, Gabriele Springinklee, vice-chair department control of expenditure (FLC), 11.07.2013 • **MC member**: Regional Management Upper Austria, MC Member Wilhelm Patri, representative of the region, 19.07.2013 • **Project lead partner:** Office of State

OP Name	MS	Objective	Interviewees
			Government of Upper Austria, Department for Regional and Spatial Planning, Günther Knötig, project lead partner European Region Danube Vltava, 23.07.2013
OP Alpine Space	AT, FR, DE, IT, LI, CH, SI	ETC	• **MA:** Land Salzburg, Managing Authority of the OP Alpine Space, Christian Salletmaier, Head of Managing Authority, 15.07.2013 • **Horizontal partner (NGO)**: CIPRA International, autonomous non-governmental, non-profit umbrella organisation to the protection and sustainable development of the Alps since 1952, Wolfgang Pfefferkorn, project partner or sub-contractor, 19.07.2013 • **MC member**: Department for Development and Cohesion Policy, Rossella Rusca, MC member, 19.07.2013 • **Expert opinion**: Pfefferkorn, Wolfgang, Consultant at Rosinak & Partner, 19.07.2013 • **Project lead partner 1:** Umweltbundesamt, Jochen Bürgel and Wolfgang Lexer, project lead partner CLISP – Climate Change Adaptation by Spatial Planning in the Alpine Space, 19.07.2013 • **Project lead partner 2:** Swiss Center for Mountain Regions, Peter Niederer, Project Manager ACCESS – Improving accessibility of services of general interest – organisational innovations in rural mountain areas, 06.08.2013

EUROPEAN PARLIAMENT

CATALOGUE QA-04-14-137-EN-C

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT B
STRUCTURAL AND COHESION POLICIES

Role

The Policy Departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Agriculture and Rural Development
- Culture and Education
- Fisheries
- Regional Development
- Transport and Tourism

Documents

Visit the European Parliament website:
http://www.europarl.europa.eu/studies

PHOTO CREDIT:
iStock International Inc., Image Source, Photodisk, Phovoir, Shutterstock

ISBN 978-92-823-5396-7
doi: 10.2861/53068

Publications Office