



Local & Regional
Europe

Cohesion policy

**Planning of EU structural funds:
Is Local Government treated as a
real partner?**



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About CEMR

The Council of European Municipalities and Regions (CEMR) is the broadest organisation of local and regional authorities in Europe. Its members are 57 national associations of municipalities and regions from 41 European countries. Together these associations represent some 150 000 local and regional authorities.

CEMR's objectives are twofold: to influence European legislation on behalf of local and regional authorities and to provide a platform for exchange between its members associations and their elected officials and experts.

Moreover, CEMR is the European section of United Cities and Local Governments (UCLG), the worldwide organisation of local government.

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Foreword



Since January 2014, Member States have the legal obligation to create a working partnership with local and regional governments during all the programming cycle of cohesion policy, from the preparation of Partnership Agreements and the Operational Programmes, to the delivery and monitoring of the structural funds.

Promoting the principle of governance in partnership for many years, the Council of European Municipalities and Regions has therefore decided to monitor the respect of this new binding EU rule. According to Member States' decision on the EU budget 2014-2020, the new cohesion policy will make available up to € 352 billion for regions and municipalities to create jobs, reduce social exclusion, tackle climate change, and stimulate research and innovation among other priorities. We believe that these objectives can only be achieved in close working partnership with local and regional government.

The purpose of this report is thus to offer an overview of the involvement of local and regional authorities across the European Union, according to the point of view of CEMR's member associations. And the evidence shows that there is still plenty of room for improvement and that the degree of involvement greatly varies from one Member State to another. To that purpose, CEMR will continue monitoring the evolution of the respect of the partnership principle in the coming months and years, in the remaining phases of cohesion policy, the implementation of the structural funds and the monitoring phase.

We invite the European Commission and the European Parliament to consider the findings of our report, and we call upon the Member States to fully respect this new legal partnership principle. To this end, CEMR is particularly interested to act as a partner for a dialogue with the European institutions, and to discuss how this could be better organised and applied.

This report was made possible with the active contribution of CEMR's member associations and their experts, and we are grateful for their contributions.

A handwritten signature in black ink, which appears to read 'Annemarie Jorritsma'. The signature is written in a cursive style and is positioned above a horizontal line.

Annemarie Jorritsma

CEMR President

Executive summary

CEMR welcomes the existence of a European Code of Conduct on Partnership Principle (ECCP) in the framework of the European Structural and Investment Funds (ESIF) which binds Member States and Managing Authorities to work in close cooperation with local and regional authorities as full partners throughout the whole programming cycle: preparation, implementation, monitoring and evaluation of Partnership Agreements (PAs) and Operational Programmes (OPs).

This is the result of nearly two years of negotiations, in which CEMR and its members have been particularly active in trying to make the ESIF more integrated and effective on the ground. We, however, regret that some of the potential of close collaboration will be missed as the ECCP will not have a retroactive effect. We then urge Member States to make full use of the Partnership provisions in the Regulations so that local and regional authorities are fully involved in the delivery and monitoring phase of the funds.

On the basis of the experience of 18 CEMR members (national associations of local and regional authorities), we can highlight that barely 4 out of 18 Member States had fully applied the Partnership Principle. A majority of Member States have put in place channels of discussion and cooperation with local and regional authorities. Nevertheless, Member States implement the partnership principle in very different ways and there is room for improvement everywhere.

The degree of involvement of local and regional authorities through their national associations goes from consultation or mere stakeholders' involvement, to deep cooperation with the signing of an annual partnership agreement between the central government and local and regional authorities' representatives. Therefore the most complete implementation of the partnership principle would imply signing a tripartite partnership agreement between the Commission, the central government and the national associations of local and regional authorities. At present there is no formal mechanism by which the draft PAs and OPs submitted to the Commission can be endorsed by local and regional authorities involved in the Partnership.

Local and regional governments should be involved in regular (workable size) working groups with the central governments, and be part of the drafting team of the PA and OPs. The drafting process of the PA and the OPs should be transparent and laid out in advance. Managing authorities should strengthen the institutional capacity of relevant partners through technical assistance, in particular as regards small local authorities.

We invite the European Commission and the European Parliament to draw upon this CEMR report to prepare their own forthcoming assessments and to persuade Member States that more work is still to be done before partnership with local and regional authorities is a tangible reality.

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Introduction

In the framework of the new programming period 2014-2020 of cohesion policy which provides financial support to invest in regions all over Europe through structural and investment funds, Member States (MS) and Managing Authorities now have to establish a closer cooperation with local governments and relevant stakeholders, as regards the preparation and implementation of Partnership Agreements (PAs) and Operational Programmes (OPs), as well as the ongoing monitoring and evaluation of projects throughout the period. *“In accordance with the multi-level governance approach, the partners [...] shall be involved by Member States in the preparation of Partnership Agreements and progress reports and throughout the preparation and implementation of programmes, including through participation in the monitoring committees for programmes”* (CPR, Article 5).¹

For the first time the Partnership Principle is not only enshrined in the Regulations, but it will have for the 2014-2020 period a set of detailed legally binding implementing provisions: the European Code of Conduct on the Partnership Principle (ECCP). This ECCP was formally tabled as a Delegated Act (DA) by the European Commission on 7 January 2014, and then adopted by the European Parliament and the Council. The DA defines the objectives and criteria to allow Member States to implement this type of collaboration, but leaves them some flexibility for the practical modalities of implementation of the Partnership Principle. It entered into force with the launch of the new cohesion policy (2014-2020). As it does not have a retroactive effect, and as the negotiations started much earlier in 2012, some Member States may have not involved the relevant partners² and stakeholders at an early stage in the preparation of the PAs. However the Council of European Municipalities and Regions (CEMR) believes that, as most Partnership Agreements were not submitted by the time it entered into force, and certainly no Operational Programmes were, Member States remain bound to respect it.

Crucially for CEMR, the role of "umbrella organisations" is now formally recognised in the CPR and in the ECCP as essential intermediaries to articulate the views of municipalities and regions in both the design and the delivery of the 2014-2020 programmes. According to CEMR members, a formalised and legally binding central-local partnership is fundamental to improve the effectiveness of cohesion policy and the impact of the programmes. Objectives set up at EU level cannot be achieved without the active involvement, commitment and ownership of local and regional governments. Partnerships between different levels of government and relevant stakeholders should help:

- Meet the needs of territories and local partners and stakeholders, since the priorities and needs are identified in tandem: this should give clearer objectives to the programme;
- Provide access to information to more partners and stakeholders that may be interested in projects financed by structural funds and thus facilitate the funds' absorption (better application / more demand);
- Strengthen citizens' participation and help them better understand what is done with EU funds;
- Make the decision-making process more transparent and democratic;

¹ Common Provisions Regulation (CPR), for the five European Structural and Investment Funds (ESIF)

² *“For the PA, MS shall identify the relevant partners among at least the following: competent regional, local, urban and other public authorities: including regional authorities, national representatives of local authorities and local authorities representing the largest cities and urban areas, whose competences are related to the planned use of the ESIF”* (DA Article 3 a. i).

- Facilitate the dialogue and coordination across different sectors and stakeholders in the long term, and therefore ensure the implementation of more innovative and integrated projects.

In April 2013, CEMR issued a first survey on the “Involvement of national associations of local and regional authorities (LRAs) in the Partnership Agreement preparations”. This earlier survey already described how the Partnership Principle, as defined in the draft CPR, was being applied in the Partnership Agreement negotiations.

The subsequent tabling of the ECCP now offers the opportunity, in this second report, of a more detailed assessment. And just as they actively worked on the draft European Structural and Investment Funds’ (ESIF) Regulations proposed by the Commission, CEMR and its members contributed to the content of the Delegated Act. CEMR also participated in the two structured dialogues organised by the Directorate-General for Regional Policy (DG REGIO) in 2013 on the topic.

Following the adoption of the Delegated Act on the ECCP at the beginning of 2014, CEMR members have committed to analyse to what extent the ECCP was being respected by Member States in the preparation of the Partnership Agreements and Operational Programmes, and the extent to which local and regional authorities were genuinely involved.

The purpose of this present new CEMR report is thus to offer an overview of the situation across the European Union, according to the point of view of CEMR members: officers of CEMR national associations of local and regional authorities³ who are involved in the negotiations of the Partnership Agreement and have reported on the situation in their country (detailed responses in Annex).

The report is divided into three main parts: first of all, the typology and the degree of involvement of CEMR national associations in the preparation of the PAs and OPs according to the criteria of the DA. The second part deals with the procedures and format of the consultation, and the third part is on the involvement of local regional authorities in the PAs and OPs in terms of content.

³ 18 Member States – 21 associations of LRAs surveyed/reported: **Austria** (Austrian Association of Municipalities), **Belgium** (Association of Flemish Cities and Municipalities, and Association of the City and the Municipalities of the Brussels-Capital Region), **Bulgaria** (National Association of Municipalities), **Czech Republic** (Union of Towns and Municipalities of the Czech Republic), **Cyprus** (Union of Cyprus Municipalities), **Denmark** (Local Government Denmark), **Estonia** (Association of Estonian Cities), **Finland** (Association of Finnish Local and Regional Authorities), **France** (French Association of the Council of European Municipalities and Regions), **Germany** (German Association of Cities), **Latvia** (Latvian Association of Local and Regional Governments), **Lithuania** (Association of Local Authorities), **the Netherlands** (Association of Netherlands Municipalities), **Romania** (Romanian Municipalities Association), **Slovenia** (Association of Municipalities and Towns of Slovenia), **Spain** (Spanish Federation of Municipalities and Provinces), **Sweden** (Swedish Association of Local Authorities and Regions), **UK** (Local Government Association - England, Convention of Scottish Local Authorities, Welsh Local Government Association).

I. Typology and classification

Three levels of involvement

The report is based on five questions that were sent to CEMR members:

- *Who has the responsibility of drafting / coordinating the PA in your MS?*
- *How is the involvement of local governments to date? Through working (drafting) groups or only information sessions?*
- *Do you receive the document in due time as well as feedback after sending remarks or a follow-up?*
- *Best practices / suggestions on how partnership is working in your MS?*
- *Do you encounter any other difficulty so far?*

This report is based on the same typology as developed in 2013, which reflects the degree of involvement of CEMR national associations in the preparation of PAs and OPs. The situation varies considerably both between and within Member States. It is therefore very difficult to classify an entire Member State into only one category of involvement level, especially when we look at all the criteria of the Delegated Act.

The **first level** of partnership working is the ideal situation where all the criteria of the Delegated Act are fully respected by Member States and Managing Authorities (MA): local and regional authorities through their national associations were well involved in the process at all stages (discussion and drafting with national civil servants, and exchange with stakeholders) and their input and comments were taken into account in the content of PAs and OPs. In this case, local and regional authorities are full partners of the central government and of Managing Authorities.

In the **second level** of partnership working, the situation is satisfactory, national associations were invited to submit input to the content of PAs and OPs and they participated to some sessions of discussion, but their involvement was more limited and less regular. In general, they did not receive any feedback as regards if or how their contribution was taken on board.

The **third level** of partnership working consists only in the participation of local and regional partners in information days run by the MAs once in a while; so local and regional governments are mixed with many other partners and stakeholders.

Results and analysis

The results of the responses are in the table below:

Involvement in PA and OP drafting:

Level 1 (full partner involvement) - 4 Member States: DK, FI, LT and NL (22% of MS)

Level 2 (partial partner involvement) - 10 Member States: AT, BG, CZ, DE, ES, FR, LV, RO, SE and UK (56% of MS)

Level 3 (stakeholder level only involvement) - 4 Member States: BE, CY, EE and SI (22% of MS)

[No response: EL, HR, HU, IE, IT, LU, MT, PL, PT, SK]

The classification shows that the degree of involvement of local and regional authorities through their national associations, members of CEMR, goes from information sessions or mere stakeholder level involvement (CY, SI), through to very strong cooperation with the signing of an annual agreement to work in partnership between the central government and local and regional authorities' representatives (DK).

Out of the 18 MS involved in the report, there is evidence that in 14 (78%) of them the European Code of Conduct on the Partnership Principle is fully or at least partially applied. Nevertheless, partial application of the partnership provisions is far more common than full partnership: 56% versus 22% of MS respectively. There is therefore significant room for improvement in the next programming period (2020-2027) before all MS can be considered to have full partner involvement.

A majority of Member States have put in place channels of discussion and cooperation with local and regional authorities: these may be working groups, email groups, 'shadow' programme monitoring committees, or various other discussion fora. Nevertheless Member States implement the partnership principle in very different ways; and the participation of partners was often not based on a selection by MS: **many national associations had to proactively lobby their central government in order to ensure a meaningful partnership was in place.**

The situation also greatly differs from one MS to another, but also from the regional to the local level, from the PA to the OP, or from one fund to another (ESF/ ERDF/ EARDF/ EMFF/ Cohesion Fund). For instance, in a federal MS such as Belgium the three administrative regions are subnational governments and they are in charge of the process of drafting the regional section of the PA. So, as in other MS, the Regions were quite well involved in the process, but local authorities were less recognised as significant partners compared to regional ones.

There is thus still a long way to go before there is a full partnership between all levels of government, as now made compulsory by the Delegated Act. Many elements have been identified for improvement.

II. Procedures and format of consultation

Centralised/decentralised partnership process

In most Member States, the process of drafting the Partnership Agreement is led by a Ministry of the central government.

In the Czech Republic for instance, it is the Ministry for regional development which is responsible for the coordination of the PA process. In Finland it is “*the Ministry of Employment and the Economy as managing authority (which) has the responsibility to coordinate the preparations and draft the text*”⁴. In Germany, it is the Federal Ministry of Economy which is in charge of coordinating at a national level; and in Lithuania, it is the Ministry of Finance which is responsible. In Slovenia, at first this was the responsibility of the Ministry of Economic Development and Technology. But since 1st March 2014 a new Government Office for Development and European Cohesion Policy took over the responsibility of drafting and coordinating the PA.

In several cases, the responsible Ministry organises meetings with other ministries: in Estonia for instance, “*the Ministry of Finance coordinated several talks and discussions with other ministries for the PA*”. In Finland, concerning the coordination of funds in the PA, the Ministry of Employment and Economy works in close cooperation with the Ministry of Agriculture and Forestry, and, concerning programme issues, with the other sectoral ministries involved. In France a “College of national ministries” has been set up.

However, there are quite unique cases among Member States in which the process for the drafting of the PA is devolved down to the level of Regions or ‘home nations’ as in Belgium and the UK where each administration has its own chapter to better reflect the governance structure of the Member State.

First of all in Belgium, “*the PA is highly regionalised. The negotiations in relation to cohesion policy occur in several thematic working groups involving civil servants of the relevant departments at regional level. When there is a political agreement at regional level, the inter-institutional dialogue takes place at federal level and a final decision or compromise is taken*”. So the Flemish Region, Brussels-Capital Region and Wallonia Region, first decide internally and then negotiate at federal level.

In the UK, the PA “*is a collection of four national chapters*” (England, Northern Ireland, Scotland, and Wales). The four administrations “*agreed on how to organise the drafting of the UK partnership agreement*”. Associations of Local Authorities gave some input into their respective national chapter and, less commonly, to the UK-wide provisions in the draft PA as well. For the English chapter, the “National Growth Programme” which will bring ESF, ERDF, and some Rural Development Fund into a single approach, is led by the Growth Programme Board which includes four local government representatives (out of around 25 board members including European Commission, Ministries in charge of each Fund, horizontal issues’ representatives, trade union, etc.). In Scotland, the Scottish PA aimed to be co-produced by the Scottish government and local governments. The strategic involvement was in fact undertaken through a high-level group which included the Convention of

⁴ Quotes in italic are taken from the annex of the report “Highlights and best practices by Member State”.

Scottish Local Authorities and other bodies. In Wales, the Welsh European Funding Office (Managing Authority) and officials in the Welsh government were leading on drafting the Welsh chapter of the PA.

Finally the Danish case is the most complete as an **annual agreement to work in partnership** is signed between the central government and the Regional Growth Forums which are composed of “*representatives from the private business (6), knowledge and higher education institutions (3), labour market policy organisations (2), the municipalities (6 mayors) and the Regional Councils (3)*”. The responsibility and commitment of all partners and stakeholders are clearly recognised.

However, at present there is no formal mechanism by which the draft PAs and OPs submitted to the Commission can be endorsed by those participating in the Partnership. This is a shortcoming of the implementation of the Partnership Principle.

Recommendations

1. Regardless of which level is responsible for the drafting of the PA and OPs, local and regional authorities must be involved in the decision-making process, as they are directly responsible for the implementation of the Funds on the ground: full use should be made of the ECCP when drafting PAs and OPs.

2. The most complete implementation of the Partnership Principle would imply signing a ‘tri-partite’ partnership agreement between all three parties: the Commission, the central government and the national associations of local and regional authorities⁵. This would mean direct representation of local and regional governments in the negotiations with the Commission, and a formal commitment towards the programmes and the formal recognition of the responsibility of local and regional authorities in the success of the programmes. This is of utmost importance, as remarkable amount of the activities included in the PAs and OPs are implemented at local and regional level.

Involvement in working groups

The Common Provisions Regulation Article 5 and the resulting Delegated Act on the ECCP show that there is an agreement at EU level that local and regional authorities have a key role to play in addressing local and regional challenges and in implementing the Europe 2020 Strategy.

CEMR members were, in most cases, involved in the discussion with central government. This is consistent with ECCP Article 3 on the basis that they represent competent LRAs and as national organisations they represent the largest number of partners. In particular for smaller regions and municipalities, CEMR members enable them to participate as otherwise these authorities would find it difficult to contribute to the PAs and OPs alone.

Regarding the preparation of PAs and OPs, in 2014, most national associations of local and regional authorities were taking part in working groups with their central governments for the drafting of the

⁵ In federal MS, this would mean signing a partnership agreement between the Commission, the regional/Lander governments, and the regional/Lander national associations of local authorities.

Partnership Agreement, as experts, like in Austria with *“stakeholders and expert-meetings to help shape the PA”*, and in Bulgaria where the association *“acts as partner to the State”*. As well, in France, *“the draft PA (...) is the result of this collaboration (...) between the State, the Regions and other levels of local government”*. In the UK, the PA is coordinated by the *‘Business, Innovation and Skills’ ministry and also involves the Communities, Environment, and Work and Pensions ministries*”.

For England, the national association (LGA) is represented on the national ‘Programme Growth Board’ (in effect the Programme Monitoring Committee for ERDF and ESF). The 39 Local Enterprise Partnerships are also represented through four members on the Board. In Scotland, *“strategic involvement is undertaken through the High Level Group of which COSLA is the representative of local government, the CAP Stakeholder Group and the Maritime Funds Group. As discussions moved from strategic to operational, COSLA role focused on outstanding issues such as legal arrangements for sub-delegation and facilitating wider engagement of Councils”*. In the Netherlands, *“regions, cities and municipalities have been closely involved in the drafting process”* through working groups as well. In Lithuania, the Association of the Local Authorities in Lithuania (ALAL) is a member of the Inter-institutional Commission on the Structural funding for the period of 2014-2020, and is involved in its daily work.

In general, the working groups meet on a regular basis in most of the Member States: Austria, Bulgaria, Czech Republic, Denmark, Finland, France, Latvia, Lithuania, the Netherlands, Romania, Spain, Sweden and England, Scotland and Wales (UK).

A positive aspect of these working groups for the PAs, is that some of them have been created from the beginning of the process, that is to say in 2012 like in Bulgaria, France, the Netherlands, Romania, Spain, or for instance in Austria where *“the whole process (...) started in April 2012”*. Other MS began formal central-local partnership meetings only at a later stage.

However, several issues linked to the degree of involvement can be raised. In some MS national associations of local and regional authorities were involved at the beginning of the discussion on the PAs in small working groups, and then they only received invitations to attend large meetings when the draft was published, more based on general political representation than technical experts who can really give input (SE).

Moreover, even in Member States where local and regional authorities can have their say in the working groups through their associations, it can sometimes be hard to have their voice heard as the working groups are too large. In Romania for instance, the members of the Inter-institutional Committee for the preparation of the PA *“reported to find it difficult to engage as the CIAP has 62 members, thus making it more a useful format for exchange of information than for decision-making purposes”*. In Bulgaria, the working group in charge of drafting the PA is quite large as well (53 members); however the major issues are discussed in advance with the national association of municipalities.

Furthermore, in some cases, local governments were only invited to participate in consultative session together with other stakeholders (NGOs, trade unions, etc.). They were clearly considered as mere stakeholders. *“The participation of local governments’ associations in the drafting procedure at national level mainly takes place through a number of information sessions”* in Germany; or in the Flemish Region, *“the association of cities and municipalities was invited to general information sessions for all stakeholders”*. Likewise, in Estonia, the *“Association of Estonian Cities and the Association of Rural Municipalities of Estonia [...] were mainly invited to attend info days and*

seminars". In Cyprus, "local governments were involved in the whole procedure only through information sessions at which they were asked to hand in their needs and priorities concerning the new programming period. Local governments' representatives could not participate in any working groups". In Slovenia, "local authorities and the Association of Municipalities and Towns of Slovenia were involved only through information sessions".

CEMR strongly believes that mixing local and regional authorities with a wide range of civil society stakeholders at all stages may well undermine the role of local and regional authorities, as key delivery partners. They are democratically elected public institutions with legal competence for economic development and social integration and often being the bodies that provide the co-financing, so they have a fundamentally different role from other local civil society stakeholders who are likely to simply be funding beneficiaries. Local and regional authorities should be clearly involved, not only in the overall framework, but also in the process of defining available expenditure, consistency with domestic plans as well as in the implementation phase.

Last but not least, in most of the cases, when a draft for comments is sent, local governments' associations were not given enough time to contribute to the draft PA. The practice of sending documents out at least ten days in advance of meeting is most of the time not respected, contrary to what is required by the ECCP for the monitoring committee for instance: "the notice given of meetings and the transmission of documents, which, as a general rule, shall not be less than 10 working days" (ECCP Article 11). For instance in England, the national association had a very limited opportunity of a couple of working days to provide one round of comments on the draft Partnership Agreement. This was often the case for several CEMR members (Belgium, Latvia, Sweden, etc.).

A co-construction of the PA and OP would help choose investment priorities better adapted to local and regional socio-economic and environmental conditions. To improve the situation, local and regional associations must be more systematically involved in the process to ensure that the decisions taken in the PAs and OPs better fit with the investment needs on the ground.

Recommendations:

3. Local and regional governments should be involved in regular working groups with the central governments, and be able to be informed of the contribution provided by the other partners and stakeholders.
4. Working Groups need to be of a limited and workable size as to enable LRAs representatives to actively input. To ensure ownership, LRAs could co-host some of the sessions.
5. Furthermore, local governments' representatives should also officially be part of the PAs' drafting team, including seconded national experts. Similar working groups should also be organised for the preparation and follow-up of Operational Programmes.
6. The Central government and the managing authorities must provide a medium term calendar of meetings and indicative agenda items in order to give the partners the opportunity to provide relevant input, as required by the Delegated Act on the European Code of Conduct on the Partnership Principle.

7. The drafting process of the PA and the OPs should be transparent and laid out in advance from the outset (timescales, working arrangements, Commission guidance).

8. Finally the DA Article 3 blurs the distinction between competent local and regional authorities and other local stakeholders which is, however, clearly marked out in the CPR and is an issue that CEMR successfully campaigned for. We therefore call on Member States to respect the provisions of CPR Article 5 and reflect in the negotiations the fact that local and regional authorities, as competent public authorities, are responsible for the programme, even sometimes financially responsible, whereas knowledge institutions and enterprises are mainly beneficiaries of the funds.

III. Involvement of the partners in the content of the PAs and OPs

Opportunity to provide input to the content of PAs and OPs

Through the working groups, when they exist, local and regional authorities had the opportunity to provide their input on specific thematic questions, but also to contribute to the analysis and diagnosis of disparities, to the social-economic analysis and to the selection of investment priorities.

For instance in Austria, *“representation in Focus Groups, dealing with concrete subjects such as tourism, climate change or social services was possible”*.

In Belgium, *“the financial allocations are negotiated between the Regions, Communities and the federal State (still competent for some issues) at the highest level”*, so the regional governments can not only choose the priority but also influence the financial allocation. But in this case, *“the role of local authorities remained more limited compared to the important role played by regional authorities”* in the Brussels-Capital Region. A more limited opportunity local authorities had was the possibility offered to the 13 centre cities in the Flemish region to provide input on the urban dimension of ERDF.

In Denmark, each Regional Growth Forum which gathers representatives from different areas, including Municipalities and Regional Councils, *“prioritises the investments and the use of both European Structural Funds (ERDF, ESF) and the region’s own Development Funds”*.

In Finland, working to five thematic objectives, the content of the programme is based on preparatory work done by two regions, namely North-East and South-West Finland, with significant involvement of municipalities in the content discussions. Discussions and work concerning programme contents started well before PA preparations. Overall, the partnership principle was rather well applied. However, more recently, some important decisions were adopted without any consultation in advance, especially on the funding schemes of the programmes (how much municipal co-financing is expected) or on the role and tasks of the intermediate bodies, which is contrary to the article 5 of the Delegated Act: *“MS and managing authorities [...] shall keep (relevant partners) fully informed of (the PA and OPs) content and any changes thereof”*.

In France, the territorial consultations organised by each managing authority (mainly regions) *“identify the needs of the territory and emerging projects that fit into the strategic orientations of the future programming, but also pre-identifying the national co-financing which can be mobilised”*. In the Netherlands, *“the four regional ERDF programmes have been developed by local and regional government; the national EAFRD has four regional parts which have been developed by regional government. Between the national government and local and regional governments had been agreed that the thematic objectives and investment priorities in the PA would be decided bottom-up, which meant that local and regional government were closely involved from the beginning in the principal part of the drafting process of the PA”*.

In Romania, *“several consultative committees and working groups on both territorial and sectorial issues were created in order to involve stakeholders and provide input for the Inter-institutional*

Committee for preparation of the PA works. The committees and working groups provided input on the social economic analysis and investments proposals”.

In Slovenia, *“the Association of Municipalities and Towns was only informed after documents have been forwarded for approval to the Government and to the European Commission, ‘for informal coordination’. The Association didn’t receive any feedback on its remarks either”.*

In Spain, local and regional governments could also express their needs and challenges.

In Sweden, *“regional political representatives formed a small group acting more frequently in the dialogue, calling national representatives for meetings and stating their views on thematic priorities, implementation structures etc.”*

In England, *“each LEP (Local Enterprise Partnership) has submitted to Government a ‘local ESIF investment plan’ for their area, as well as a general economic development strategy”.* However local and regional authorities’ associations had to be very proactive in order to be involved at all stages of the discussion and for all the funds. For instance in the UK, each national chapter was discussed in each home nation, but *“there has not been a **public** consultation on the actual text of the draft PA”.* In England the involvement in the draft ESF OP was mostly informal. Only in April 2014 was there a public consultation on the draft ESF OP and a date for a public consultation on the draft England ERDF OP is still unknown.

Finally, in general, local authorities were quite often less represented than regional authorities in the discussion with central government and managing authorities and in the drafting of PAs and OPs. In some cases, like in Belgium for instance, *“the Association of the City and Municipalities of the Brussels-Capital Region (AVCB) and the municipalities were invited to participate to conferences, seminars, workshops organised by the Region in order to prepare the diagnostic of the problems and the priority axes of the programme”.* However, the participation is much more limited: the local level was invited late to participate and to send its comments, or was invited late to small ad-hoc meetings when the political decision on investment priorities was already taken. In Cyprus, *“both national associations, Union of Cyprus Municipalities representing cities and Union of Cyprus Communities representing villages in rural areas, were not directly involved in the discussion at national level”.*

Many associations representing local and regional authorities have had to impose themselves in order to provide input on the content of the PAs and OPs. Even in MS where partnership is strong, critical decisions were made by central governments without consulting or informing LRA partners.

Recommendations:

9. Local and regional authorities have to be involved in all stages of the process, in order for them to provide relevant input on the analysis and identification of needs, on the definition and selection of priorities and objectives, on the allocation of funding, on the monitoring, etc.

10. It is worth noticing that in several cases, local authorities’ involvement has been lower than the regional one. Participation in the process should be ensured at all competent levels of government and be consistent with their future responsibilities in delivering the programmes. Likewise, the regional level when managing authorities, should create the right conditions for the implementation of the Partnership Principle.

Results of the consultation with partners

A crucial indicator to assess the involvement of local and regional authorities in the content of PAs and OPs is related to the feedback they received from their comments, the follow-up of the meeting and the analysis of their contribution.

Indeed, as mentioned in Article 5.2 c) of the Delegated Act, *“As regards the consultation of relevant partners, MS shall take account of the need for: [...] available channels through which partners may ask questions, may provide contributions and will be informed of the way in which their proposals have been taken into consideration”*.

In Denmark for example, *“before every meeting in Regional Growth Forum the six municipality members have a pre-meeting in order to coordinate mutual interests. After each meeting in Regional Growth Forum the six municipality members report back to the Local Government of Denmark where the overall politics is settled”*. Or in Lithuania, no major problems for receiving feedback on their comments on the draft PA were faced by regional governments.

However, in most MS, the PA was submitted to the Commission before any previous endorsement by local and regional authorities' associations. In Sweden for example, *“how well the opinion and representation of the local and regional level is in the dialogue and in the implementation structures is yet not known”*. Likewise, in the Flemish Region, *“the associations of local government (both from the local authorities and from the provinces) were invited to provide comments on the draft partnership agreement in the beginning of 2014, but the main political decisions were already taken. To date they have not received any feedback on their comments nor is there any clear information how the process further develops”*. Very often it was found that the work with the central government is a one-way communication, in which local and regional authorities provide input but were not even informed whether their remarks have been really taken into account in the draft PAs and OPs.

Moreover, local and regional authority representatives have a crucial role to play in the Partnership Agreements and Operational Programmes, but very often they have less resources than those available to national governments for the same purpose. Of the 18 cases reported, none of them received any technical assistance to strengthen their institutional capacity and support their action. This runs contrary to the provisions on Thematic Objective 11 of the Common Provision Regulation as some of its provisions apply to all Member States. Technical assistance should not be overlooked, as it is a way to guarantee efficient input from local and regional authorities. Central governments should thus take advantage of the relevant provisions in the structural funds to offer technical assistance and promote institutional capacity-building for local authorities in order to enhance the overall outcome of the preparation process. According to article 17 of the ECCP, *“the managing authority shall examine the need to make use of technical assistance in order to support the strengthening of the institutional capacity of partners, in particular as regards small local authorities, [...] in order to help them so that they can effectively participate in the preparation, implementation, monitoring and evaluation of the programmes”* (DA Article 17.1). *“The support referred to in paragraph 1 may take the form of, inter alia, dedicated workshops, training sessions, coordination and networking structures or contributions to the cost of participating in meetings on the preparation, implementation, monitoring and evaluation of a programme”* (DA Article 17.2).

However, we can highlight that one of the main topics which local and regional authorities were involved in was the integrated and multi-fund approach. Many MS will use the new integrated

territorial development instruments such as the Integrated Territorial Investment (ITI) or the Community Local-Led Development (CLLD), as key parts of delivery of the funds⁶.

An interesting point of the new programming period is also the possibility to use a multi-fund approach in PAs and OPs. In Scotland for instance, “*COSLA and local government officials worked hand in hand with civil servants to identify synergies across funds*”. Despite the in-depth debate which was conducted, it might not eventually lead to a full multi-fund approach but to an alignment of the interventions.

Likewise in the Netherlands, “*in 2012, a special working group has been established with representatives of the involved ministries, and local and regional government for drafting the PA and developing synergies between the different EU funding programmes (ERDF, ESF, EAFRD and EMFF)*”.

However a lack of clear guidance on the use of the new territorial development instruments and of the multi-fund approach makes it difficult for some MS to implement them and too complicated, like in Belgium where it will not be applied. Some central authorities also fear accounting and audit difficulties. In several cases, the multi-fund approach has been prevented by the conflicting directions given by different Directorates-General of the Commission.

Only in Sweden, this multi-fund strategy will be used in the CLLD instrument, with the use of ERDF, ESF, EMFF, and EARDF. However, no discussion took place with the association of local and regional authorities: it was decided by central government.

In most of the MS, contrary to article 5 of the Common Provision Regulation, no endorsement of the final version of the PA was done before its submission to the Commission. Likewise, receiving feedback from comments on the PAs, is currently not happening in any systematic way for most national associations of local and regional authorities. Regarding the multi-fund approach and the use of the new territorial development instruments (ITI and CLLD), CEMR will encourage its members to go further in this direction by providing more case studies on the arrangements for ensuring a multi-sectorial, multi-fund and integrated approach for territorial development.

Recommendations:

11. Local and regional authorities must be informed in which way their proposals have been taken into consideration in the PA and OPs drafts, respecting the ECCP.

12. A continuity of the consultation process in terms of content is necessary in order to ensure a coherent contribution of partners at all stages including the selection of priorities, delivery instruments, and financing.

13. Managing authorities should strengthen the institutional capacity of relevant partners, in particular as regards small local authorities.

14. Managing authorities and Member States should use more the multi-fund opportunity provided in this new programming period to have more synergies between the five Funds (ERDF, ESF, EARDF, EMFF, and Cohesion Fund).

⁶ CEMR will soon issue a study on the use of ITIs by Member States.

Conclusion

As evident throughout this report, the involvement of associations of local and regional authorities has so far been irregular in the preparation of PAs and OPs. Moreover, this involvement was often secured only through active demands from the associations of local and regional governments and not initiated by central government. Better recognition on the part of central government of the added-value of local and regional authorities' involvement in this process is necessary so that their participation becomes easier in the future.

While in many Member States there has been progress compared to the previous period, there is still a lot of room for improvement. Indeed only in little over three-quarters of the Member States are the legally binding provisions on partnership fully or at least partially applied.

Most regional authorities have been able to participate in the process, but by contrast it has not been the case for many associations of local authorities. For some Member States, the participation of associations of local authorities was very limited, or none at all. The capacity of the associations of local authorities may be an additional reason to explain why they couldn't also "push the door" of the central government's ministries to be at the table of negotiations, contrary to other local and regional authorities' associations. Access to Technical assistance must be commensurate to the role that in many Member States LRAs play in developing and implementing the programmes. Likewise, in order to set up their own territorial consultation, many managing authorities and associations of local and regional authorities had to organise meetings, workshops, etc. in order to involve local stakeholders, with no or limited support from the Managing Authority.

Even in cases with the best reported practices many strategic decisions were taken without the involvement of LRA representatives. Equally access to information and opportunity to input were quite restricted by central government practices in both practical terms and in terms of timescales, thus undermining the quite unambiguous provisions of the ECCP.

Moreover, for CEMR members, the Delegated Act does not sufficiently recognise the particular competences and responsibility of local and regional authorities and blurs the differences between local and regional authorities and civil society stakeholders who are beneficiaries of the funds at local level. We then urge Member States to implement a closer cooperation with local and regional authorities for the success of the programmes on the ground. The objectives set up at EU level cannot be achieved without the active involvement, commitment and ownership of local and regional governments.

Therefore CEMR will monitor the evolution of the respect of the Partnership Principle during all the phases of cohesion policy 2014-2020: in the preparation, with this report, in the implementation and in the monitoring phase. The implementation of cohesion policy will now start and some local and regional authorities' associations are for instance already part of the Programme Monitoring Committee: this is crucial for the efficiency of the programmes.

This report is a first step and a call to already think about the control of the implementation of the ECCP by Member States and Managing authorities (see progress reports). Control and evaluation for an improved cooperation over the years and the programming periods are crucial. Cross-checking the information received from one party is therefore essential. Thus EU institutions will not only received the state-of-play of the implementation of the ECCP by Member States but also by CEMR national

associations' members (local and regional authorities' point of view). CEMR will also make sure that the new European Parliament will closely follow the implementation of the ECCP and make a real review of the reports submitted by Member States and Managing Authorities. Lastly, CEMR is ready to work closely with the Commission to develop and put in place a central-local partnership monitoring scoreboard for the cohesion policy purposes, maybe via Eurostat.

We believe that the European Commission and European Parliament must draw upon this ambitious CEMR report to prepare their own forthcoming assessments and to persuade Member States that more work is still to be done before partnership with local and regional authorities is a tangible reality.

Annex

Highlights and best practices by Member State⁷

Austria

The two Associations of Local Government were represented in discussions at federal level. The Austrian Conference for Spatial Planning was the responsible institution for drafting the Partnership Agreement and for merging 9 regional programs into one national Operational Programme. During the whole process, which started in April 2012, the Conference for Spatial Planning organised different stakeholder and expert-meetings to help shape the Partnership Agreement. Both the Association of Municipalities and the Association of Cities and Towns were represented on the highest and medium-level of these meetings, where general directions of the PA and the Austrian Program were discussed.

Representation in focus groups, dealing with concrete subjects such as Tourism, Climate Change or Social Services was possible but depended upon the availability of experts within the associations.

The involvement of local government associations on regional level, where the real contents of the Operational Programme were shaped, was differing from Land to Land and depending to a large extent on the pro-activeness of the regional local government associations.

Unfortunately there will be no ITI at all, CLLD will be tested as a pilot-project in one region only.

Belgium

The Partnership Agreement is highly regionalised in Belgium. The negotiations in relation to cohesion policy occur in several thematic working groups involving civil servants of the relevant departments at regional level. When there is a political agreement at regional level, the inter-institutional dialogue takes place at federal level and a final decision or compromise is taken.

Brussels Region

Belgian federal structure and the exclusive competences of the Regions and Communities in most of the fields covered by structural funds imply a joint elaboration of the Partnership Agreement (still ongoing). In practice, the Brussels Region is elaborating its operational programme in parallel to its contributions to the Partnership Agreement. The financial allocations are negotiated between the Regions, Communities and the federal State (still competent for some issues) at the highest level (still ongoing).

The draft for the Region's operational programme was drafted with the help of a consultant. Within this framework, the municipalities and the Association of the City and Municipalities of the Brussels-Capital Region (AVCB) were invited to participate in conferences, seminars, workshops organised by the Region in order to prepare the needs' analysis and the priority axes of the programme. The municipalities could also reply to the public consultation on the draft OP (not covering however the financial allocation). The offices responsible for social policy at communal level ("CPAS") and the AVCB "CPAS section" were associated with the negotiation of a specific partnership framework with the management authority for the European Social Fund.

⁷ Responses of CEMR member associations.

All in all, the implication of local authorities remained more limited compared to the important role played by regional authorities.

Flemish Region

In Flanders, local government as a whole is more involved as a stakeholder than as a partner. They are invited to general information sessions for all stakeholders. Only the group of 13 so-called core cities were involved in a discussion on investment priorities in the framework of ERDF for Flanders. The associations of local government (both from the local authorities and from the provinces) were invited to provide comments on the draft partnership agreement at the beginning of 2014, but the main political decisions were already taken. To date they have not received any feedback on their comments nor is there any clear information how the process will develop further. The draft agreement contained three ITI's, but apparently there was a discussion with the services of the Commission on the proposal. Local government is not involved in the selection of the ITI's nor in the ongoing discussion. The decision by the Flemish government to apply the CLLD only in the framework of rural development still stands.

Bulgaria

The Working Group (WG) on drafting the Partnership Agreement (PA) with the European Commission was set up in spring 2012. Its major objective is to ensure the compliance of the PA with the principles of partnership, multilevel management, promoting equality of men and women and sustainable development, to guarantee the avoidance of overlapping of the measures under the different programmes and to monitor the fulfilment of the general preliminary terms and conditions. The WG consists of 53 members, representatives of the state authorities, regional authorities, National Association of Municipalities (NAMRB), socio-economic partners and NGOs.

The Vice Prime Minister in charge of EU funds management coordinates the WG's activities and all major issues are discussed in advance with NAMRB before being submitted to the WG. From this perspective NAMRB acts as a partner with the State. The WG had 9 meetings up until now (April 2014). Four versions of the PA were elaborated. The positive developments are connected with the use of the ITI approach for the poorest NUTS II Region in EU: the North-Western Region. CLLD will be applied through the Rural Development Programme and the Programme for maritime sector and fisheries; also via a multi-fund approach. Two public discussions of the draft PA were organised and attended by approximately 1000 participants. The second one was held at the end of February 2014. Public presentations of PA and OP drafts were also organised in all 28 Bulgarian district centres (NUTS III level). According the time frame for PA preparation, at the beginning of April 2014 it should be officially submitted to the European Commission. In March the Vice Prime Minister presented the PA draft at the General Assembly of NAMRB in front of more than 300 mayors and councillors. NAMRB's involvement in the process of PA preparation was highly appreciated with a special emphasis on the fact that the local authorities are and will be the key partner of the State in the process of EU funds management. On March 12 the Bulgarian Council of Ministers officially approved the PA.

In the process NAMRB submitted a wide range of comments and proposals after broad consultation with the local governments. Most of them were taken into consideration and reflected in the PA but NAMRB still advocates in favour of:

- legal arrangement of the most important rules which guide the EU supported funds such as financial corrections, common procedures for all OPs, e-application and e-management etc.

- equal access of all settlements and Bulgarian citizens to the future EU funds support. The current demarcation between the OPs poses a high risk for more than 1000 settlements around big and mid-size municipalities with total number of 600,000 inhabitants to be isolated from funds support.
- open issues are also the amount of the financial support and the number of inhabitants from the EAFRD to CLLD. NAMRB insists to double the support from 5% to 10% of total and in line with of the depopulation trends, to lower the minimum inhabitants covered by the CLLD from 10,000 to 5,000.

Cyprus

The responsibility of drafting / coordinating the PA lies with the Directorate General of European Programmes, Coordination and Development of the central government. The official PA proposal is going to be submitted to the Commission on 22nd April. There will be two OPs. One concerning the funding through ERDF and Cohesion Fund and the other concerning the funding through ESF.

Local Governments were involved in the whole procedure only through information sessions at which they were asked to hand in their needs and priorities concerning the new programming period. Local governments' representatives did not participate in any of the working groups. Both national associations, Union of Cyprus Municipalities representing cities and Union of Cyprus Communities representing villages in rural areas, were not directly involved in the discussion at national level. Neither in the drafting of the PA nor in choosing the investment priorities. The draft PA was sent to national associations among other stakeholders and their opinion was asked with a very restricted time period for responding (4 working days). After that they were invited to participate in a Consultative Committee together with other stakeholders (NGOs, trade unions, etc.) in order to present their views on the draft PA but had no real input on the decision making process.

The Union of Cyprus Municipalities informed its members about the regulations concerning the new programming period as well as about the new integrated approach of urban policy, so that they prepare their proposal along these lines. One consultation session was organised during summer 2013 but was not effective enough since there was no national strategy onto which local governments could have concrete views.

As mentioned above, the document of PA came very late and no feedback has been sent to the association yet, after its remarks. During the whole preparation period of the PA we tried without success to contact the Managing Authority in order to get some information but without any success. We had no information and no input at all during the whole process despite our attempts.

Czech Republic

The ministry for regional development is responsible for coordinating the Partnership Agreement in the Czech Republic. Working groups have been established at fund-specific OP level and the horizontal approach advocated in the Partnership Agreement builds over work at OP level. The rationale for integration is to bring it forward for those priorities where it makes sense, and the existing structure for individual Ministries responsible for national level programmes is likely to continue.

Local and regional partners are involved in negotiation at both Partnership Agreement and fund specific OP levels. Territorial and Urban issues are considered as a horizontal issue. A decision has been taken to apply ITIs in 7 metropolitan areas of Czech Republic. A further 6 areas will use other integrated development instruments. CLLD will be applied broadly in rural areas. A difficult part of the

debate is the amounts to be allocated for local authorities for their integrated strategies and individual projects.

Denmark Regional Growth Forums

The Local Government Denmark (LGDK) is constituted by five Local Government Regional Councils (LGRC) – one in each Danish region. The LGRC include mayors from the municipalities in the region and a number of local council members. The aim of the Local Government Regional Council in each region is to: promote the common interests of the municipalities in the region; strengthen the influence of the local councils regarding regional development; and attend to tasks of common interest to the municipalities in the region.

One Regional Growth Forum is established in each of the five Danish regions (Northern Jutland, Central Jutland, Southern Denmark, Zealand, and Capital Region) and additionally one Growth Forum in the regional community of Bornholm.

Representatives from the private business (6), knowledge and higher education institutions (3), labour market policy organisations (2), the municipalities (6 mayors) and the Regional Councils (3) constitute the Regional Growth Forum. The six chosen mayors represent all municipalities in each Regional Growth Forum. The municipalities are the key players both as a service unit and as an authority on almost all subjects of the Danish Welfare State.

Before every meeting of the Regional Growth Forum the six municipality members have a premeeting in order to coordinate mutual interests. After each meeting of the Regional Growth Forum the six municipality members report back to the Local Government of Denmark where the overall politics is settled.

Partnership Agreements on growth and business development are signed annually between each Regional Growth Forum and the central government.

Each Forum prioritises investments and the use of both European Structural Funds (ERDF, ESF) and the region's own Development Funds. The secretaries' salaries are covered by the Regional Councils.

Estonia

The Estonian Ministry of Finances facilitated several talks and discussions with other ministries for the development of the PA.

The involvement of local governments in Estonia was quite formal: the Association of Estonian Cities and the Association of Rural Municipalities of Estonia were informed about the preparation process, and were invited to attend information sessions and seminars. They also participated in some meetings with the European Commission members when they came to Estonia. On the other hand, some consultations were held but the associations of cities and rural municipalities did not receive the information in due time.

The Association of Estonian Cities were asked for proposals and expressed opinions but they were not given enough time to negotiate with local authorities before responding. The given period of time for responding was too limited.

The head of The Association of Rural Municipalities of Estonia says they were given a possibility to give opinions and make amendments and they received some feedback from the Ministry of Finance. However, they do not know to what extent these amendments influenced the decision making process.

So, the involvement of associations in the process has not been sufficient.

Finland

In Finland, the Ministry of Employment and Economy as MA had the responsibility to coordinate the preparations of the PA and draft the text. At ministry level they worked in close cooperation with the Ministry of Agriculture and Forestry. The Association of Finnish Local and Regional Authorities (AFLRA) was a member of the national working group, which was created according to the partnership principle. The responsibility of the working group was to coordinate and give input at the national level on the programming process and discuss the content of the PA. The preparations of one national multi-fund programme as well as drafting the content of PA were carried out more or less simultaneously.

Based on 5 thematic objectives, the content of the programme was based on preparatory work done by two regions, namely North-East and South-West Finland. In regions the Regional Councils were responsible for coordinating the work and municipalities have been strongly involved in content discussions. The implementation of the multi-fund programme will be strongly on the regional level. There will be only one ITI defined in the Operational Programme covering the six biggest cities in Finland. There is an option to create and implement other ITIs based on regional needs during the programme period.

France

The French authorities put in place in December 2012 a National Authority for the Preparation of the Partnership Agreement (INPAP) driven by the Delegation for Spatial Planning and Regional Action, from the side of the State, and the Association of French Regions. This body was composed of 69 members divided into three colleges: the College "national ministries", the College "local authorities", the College "economic and social partners, and the College "Civil Society". The College "local authorities" brought together national associations of elected representatives, including AFCCRE. The draft PA transmitted to the European Commission on 31 December 2013, is the result of this collaboration, particularly between the State, the Regions and other levels of local government, the main co-financiers of future programs.

Regarding the Operational Programmes (OPs), the situation in France is different in that the regions that request it will be designated management authorities of most of the ESIF (almost all ERDF and EAFRD, and 35% of ESF). Also other levels of local government, especially the Departments and intercommunal structures can have management delegations of the funds as intermediary organisations managing global grants. Most of the ESIF will thus be activated as part of regional programmes, except for the ESF which 65% of it will come under the national programme "job – inclusion" and the national program "Youth Employment Initiative", as well as all the EMFF which will be managed by the State.

Then it is up to Regional Councils, rather than to the State to ensure compliance with the principle of partnership with other levels of local government. To do this, the regions have established a territorial consultation early in the development work of OPs, in particular identifying the needs of the territory and emerging projects that fit into the strategic orientations of the future programming, but also pre-identifying the national co-financing which can be mobilised. All French OPs must be submitted to the European Commission before 14 April 2014.

Germany

In Germany, the Partnership Agreement and the operational programs are discussed at the same time at different governmental levels. Due to Germany's federal system, the situation differs slightly from state to state. According to representatives of several local governments, the possibility to participate in the process has improved since the last period 2007-2013. However the levels of partnership with local government are diverse with North Rhineland-Westphalia reported having the better performance levels of partnership. At national level, the participation of local government associations in the drafting procedure on a national level mainly takes place through a number of information sessions organised by the Federal Ministry of Economics.

Latvia

In Latvia, the Ministry of Finance has the responsibility of the Partnership Agreement and is the Managing Authority for the Operational Programme on the ERDF, ESF and Cohesion Fund (the Ministry of Agriculture is responsible for the Operational Programme on the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund). The Latvian Association of Local and Regional Governments (LALRG) is a member of the EU Structural Funds and Cohesion Fund Temporary Monitoring Committee that has been created for the period 2014-2020. Therefore it is involved in the preparation of the Partnership Agreement by providing comments to discussion documents for the thematic consultations between the Latvian ministries and the European Commission. Moreover, various meetings have been organised for discussion, gathering local authorities, NGOs, LALRG, along with ministries. In particular a three-day event was organised in order to discuss the amendments provided on the PA by the LALRG, employers' associations, cities, as well as line ministries. Several informal meetings were also organised with the Managing Authority. Likewise, the Prime Minister, representatives of the Managing Authority and ministries participated several times in the Council meetings of the LALRG providing the opportunity to discuss directly the needs and interests of Latvian municipalities in the planning period of 2014 – 2020. It can be concluded, that compared to previous experience, the evolution of the partnership with the central government has evolved in the right direction, even if the late notice on the meetings and the submission of documents for comments just several days before the meeting still remain sometimes. In order to improve the partnership, the LALRG suggests that the partnership should really be a three-party partnership, namely, the negotiations with the European Commission should directly involve the representatives of municipalities and the Partnership Agreement should be signed among the Commission, the Member States and local and regional representatives. Taking into consideration, that considerable part of activities included in the PA and OPs are to be implemented at municipal level, it would be of utmost importance to involve municipalities already in the planning stage and thus ensure a strong commitment to achieve of results both at local level and subsequently also at national level.

Lithuania

In Lithuania, the Ministry of Finance is responsible for the drafting of the PA. It was submitted to the Commission on 4 February 2014.

The regional governments are represented by the Association of the Local Authorities in Lithuania (ALAL). One person is a member of the Inter-institutional Commission of the Structural funding for the period of 2014-2020. ALAL is involved in the daily work of the Commission. Besides that, the Ministry of Interior, as the government institution, which is also responsible for the regional development in Lithuania, was working with the municipalities (by organising the information sessions and sending drafted documents for their amendment). The Ministry of Interior reserved more competence for itself excluding the Regional councils from the decision-making process on the investment of the structural funding in the cities or municipal centres with population between 6,000-100,000 inhabitants (smaller ones). This was the main concern expressed by the smaller municipalities. Regarding the time to provide comments to documents, no major problems on the drafting of the PA were faced by the regional governments. Finally, all the municipalities were involved in the process.

The Netherlands

The Ministry for Economic Affairs is as coordinating ministry for Structural Funds and Rural Development responsible for coordinating the Partnership Agreement (PA) in the Netherlands. At the beginning of 2012 the Ministry appointed a programme manager for the drafting process and coordination of the PA. Regions, cities and municipalities have been closely involved in the drafting process. In 2012 a special working group was established with representatives of the involved ministries, and local and regional government for drafting the PA and developing synergies between the different EU funding programmes (ERDF, ESF, EAFRD and EMFF). Local and regional government were also involved in the drafting processes of the different EU funding programmes. The four regional ERDF programmes have been developed by local and regional government, the national EAFRD has four regional parts which have been developed by regional government. Between the national government and local and regional governments had been agreed that the thematic objectives and investment priorities in the PA would be decided bottom-up, which meant that local and regional government were closely involved from the beginning in the principal part of the drafting process of the PA. The final draft of the PA has been presented in March 2014 to the public in combination with the OPs of ERDF and ESF in order to show the linkage between the PA and the Structural Funds programs.

Romania

The Ministry of European Funds is the authority responsible with the preparation of PA and the negotiation of the above with the European Commission services. According to the Memoranda of Understanding approving the necessary actions towards the preparation of programming documents for 2014-2020, an Inter-institutional Committee for preparation of the PA (CIAP) was set-up since June 2012. CIAP is the institutional fora insuring programming coordination at the national level. Several consultative committees and working groups on both territorial and sectorial issues were created in order to involve stakeholders and provide input for the CIAP works. The committees and working groups provide input on the social economic analysis and investments proposals. National associations of local authorities were asked to appoint representatives in CIAP, committees and working groups. Members are well informed about the agenda and receive the minutes in due time from CIAP secretariat. However, CIAP members are reported to finding it difficult to engage as the CIAP has 62 members, thus making it more a useful format for exchange of information than for decision making purposes. Therefore, from local authorities' point of views, CIAP format could evolve further to facilitate further collective working and decision making. There is also a reported need to

have a better understanding of the new CPR and the CSF requirements in order to improve the quality of the partnership discussions.

Slovenia

At the beginning it was the responsibility of the Ministry of Economic Development and Technology to draft the Partnership Agreement. Since 1st March 2014, a new Government Office for Development and European Cohesion Policy took over the responsibility of drafting and coordinating the PA. The draft PA was submitted to the European Commission for formal assessment on 11th April 2014. The Government plans to send the final version of the document in June 2014.

The Government of Republic of Slovenia has decided to prepare a single operational program for the two cohesion regions, which is really controversial: in eastern Slovenia the development challenges are quite specific (high unemployment) and differences in the GDP of the developed western region compared to the less-developed eastern Slovenia have been increasing in recent years.

Local authorities and the Association of Municipalities and Towns of Slovenia were involved only through information sessions. In fact there is no formal format that involves national associations of LA. The Association of Municipalities and Towns of Slovenia is trying to be cooperative, but is not successful in promoting its needs. Furthermore, partners in Slovenia are not adequately and equally involved in the preparation of documents. The Association is only informed after documents have been forwarded for approval to the Government and to the European Commission, "for informal coordination". The Association didn't receive any feedback on its remarks either.

The Association notes with regret that the partnership principle in the preparation of the programming documents in Slovenia unfortunately is not well respected. It believes that national authorities must ensure higher participation of partners in various stages of implementation of the CSF Funds EU.

Spain

In Spain, preparation of Partnership Agreement has been a complex process that has lasted nearly two years and has had an extensive involvement of the most representative agents involved with the implementation of the Funds, such as Government, private sector, economic and social partners and non-profit entities, with the hope that Partnership Agreement would reflect the needs and challenges of Spain and presents a view shared by the majority.

Partnership Agreement involves three kind of agents: public (through all Ministries, Autonomous Communities and FEMP), economic and social partners (most representative trade unions and Chambers of Commerce) and representatives of civil society (e.g. Council of Non Profit Organizations, Women's Institute).

Local Authorities are involved in this process through FEMP and in collaboration with the National Network for Rural Development. This network includes organizations and associations in rural areas and among its objectives is to assist in the implementation of policies and regulations governing the territorial development in Spain for the next year.

In conclusion, it should be noted that Spain, large country compared to other EU Member States, with a special territorial complexity, requires the support and cooperation of all these agents, especially Local authorities to complete this process that will contribute to the economic recovery of the country.

Sweden

There are several parallel discussions and processes going on as regards designing the implementation of the next cohesion policy 2014-2020, that will be described and finalised within the Partnership Agreement between Sweden and the EU commission. Within the Government, discussions are taking place between the ministries that are concerned by the ESIF. Information sharing with local and regional partners is considered open and fluid concerning the Partnership Agreement in general, but this does not include all programs. National civil servants have held several meetings with different groups of stakeholders to gather information, knowledge and opinions. A number of regular large meetings of more than a hundred participants were also held to seek views on the draft PA. The latest of three Hearings was held on the 5th February 2014 with stakeholders such as SALAR and others. Regional political representatives have formed a small group acting more frequently in the dialogue calling national representatives for meetings stating their views on thematic priorities, implementation structures etc.

There will be 8 ERDF regional programmes and 1 ERDF national programme, and 3 of the regional programmes have earmarked investments for sustainable urban development. Regarding the ESF, there will be 1 national programme and 8 regional action plans. For the EMFF, 1 national programme is prepared. For the EAFRD, 1 national programme and 1 programme for CLLD are elaborated within the EAFRD. The Board of Agriculture has received an instruction from the Swedish Government to manage CLLD as three program with funds from ERDF, ESF, EMFF and EAFRD (Leader method: four-fund strategies).

Stakeholders' involvement has been high when it comes to all 8 regional programmes (written by the regional level) and the 1 national programme, but much lower in the other programmes. Especially the involvement of local and regional stakeholder has been very low in the drafting of the ESF, EAFRD and EMFF programs. Furthermore when it comes to the involvement of the local level, compared to the regional one, involvement has been much lower.

The Partnership agreement has just been decided by the Government, as well as nearly all ESI-programs (not the CLLD programs). All implementation structures have not yet been decided on yet which means that a complete picture of how well the opinion and representation of the local and regional level is in the implementation structures is yet not known.

United Kingdom

The UK is quite unique as the UK Partnership Agreement is a collection of four national chapters (coordinated by the 'UK Business, Innovation and Skills' ministry and also involving the Communities, Environment and Work and Pensions ministries). The UK and the three devolved administrations, in Scotland, Wales, and Northern Ireland, agreed how to organise the drafting of the UK Partnership Agreement on the basis of the templates received by MS in January. Work on the preliminary evaluations and other technical work is being undertaken. Associations of Local Authorities have had some input into their respective national chapter and, less commonly, to UK-wide provisions as well. Whilst there has been informal circulation of the draft PA to certain advisors facilitated by associations of local government, there has not been an official or *public* consultation on the actual text of the draft Partnership Agreement, as was the case in the Netherlands for example.

Local Enterprise Partnerships (England, UK)

The focus in terms of ESIF delivery for 2014-20 will be on 39 local areas, rather than 9 regions as in the 2007-2013 round. The 39 newly-created Local Enterprise Partnerships (LEPs), supported by local authorities and other local partners, are much closer to the real 'economic geography' of England's sub-regions and will be the fundamental building blocks of the programme. Each will receive a seven year financial allocation. This is therefore a much more 'local' approach than the 2007-2013 round. Local Enterprise Partnerships will be involved in developing a project pipeline and selecting projects. The programme is called the 'National Growth Programme' for England and brings ESF, ERDF, and some rural development funds into a single approach which will be overseen by a single national committee called the Growth Programme Board (GPB). Local government has three representatives on the Board.

Each LEP has submitted to Government a 'local ESIF investment plan' for their area, as well as a general economic development strategy. Under a 'dual key' system, projects will be checked for eligibility and compliance by the Managing Authority (a Government ministry) and will then pass to the local sub-committee (LSC) of the LEPs for discussion and potential approval.

Government departmental teams will support LEPs, with at least one point of contact per fund and per region. A public consultation is being run in April 2014 on the ESF operational programme (England), and one is also expected in May 2014 on the draft ERDF operational programme.

Discussions are now underway to ensure the exact split of roles and responsibilities between central and local government is clear, and on how best to spend Technical Assistance to support the new LEP structures.

The Growth Programme Board (or a sub-committee of it) will be the programme monitoring committee (PMC) for England. The PMC will include various sub-committees. It will be a joint PMC for ERDF and ESF.

Scottish Partnership Agreement (Scotland, UK)

The Scottish Government and COSLA have agreed end 2011 that the Scottish Partnership Agreement, aiming at delivery in genuine integration across ERDF, ESF, EAFRD, and EMFF would be co-produced with Local Government. In the first instance a number of thematic workstreams based on the CSF eleven objectives were set up to which COSLA or Local Government officials worked hand in hand with civil servants to identify synergies across funds. Some of these workstreams have been facilitated by COSLA. The government then identified end 2013 a small number of strategic interventions and meetings have been taking place between civil servants and potential lead partners, including in some of these interventions, Local Authority representatives.

Strategic Involvement is undertaken through the High Level Group of which COSLA is the representative of local government, the CAP Stakeholder Group and the Maritime Funds Group. As discussions moved from strategic to operational COSLA role focused on outstanding issues such as legal arrangements for sub-delegation and facilitating wider engagement of Councils but discussions on specific implementation provisions are now increasingly dealt by Local Authorities officers in meetings with civil servants and other stakeholders. There are as well bilateral exchange of views and intelligence and a range of ad hoc seminars. Work is thus mostly at officer level, even if COSLA political leadership and relevant ministers have overseen progress on a number of occasions. There are also a number of more public discussions and both the Scottish Partnership Agreement and the subsequent Operational Programmes were subject consultation in early 2014. As a result of these negotiations we expect that a key pillar of the Scottish PA would be devoted to Local Development. While the direction of travel of discussions or the degree of information sharing has been very much tightly managed by government there has been a marked improvement in terms of partnership than the previous period. Indeed Local Government or the Community Planning Partnerships are

effectively one of the key lead partners in the formulation and delivery of the strategic interventions that the four ESIF are expected to jointly deliver in Scotland.

Wales (UK)

The Managing Authority in Wales, the Welsh European Funding Office (WEFO) and other officials in the Welsh Government, are leading on drafting the Welsh Chapter of the PA. Engagement with the Welsh Local Government Association (WLGA) has been, however, limited. Preparatory work has been developed internally by civil servants in the Welsh Government who then present drafts for comment rather than involving key partners such as local government in the early drafting of key documents. An early draft of the Welsh Chapter of the UK PA was published on the WEFO website in November 2013. Following that the intention was that the latest draft would only be shared with local government and other partners and stakeholders at the next meeting of the European Programmes Partnership Forum for 2014-2020, in April 2014. However, after applying a lot of pressure during meetings in Brussels in early March, the WLGA was eventually sent a copy of the draft Welsh Chapter ahead of the last quarterly meeting between the WLGA and WEFO (March 2014).

The Welsh Local Government Association has been calling for, and continues to lobby WEFO and the Welsh Government, to adopt integrated models of delivery across the ESI Programmes in Wales. Central to this lobbying is enabling the development of proposals to deliver packages of activities and interventions to be funded by ERDF and ESF on a regional basis across Wales, complemented by Integrated Multi Fund Local Programmes, utilising both the LEADER and CLLD approaches, complementing the regional activities and utilising the four funds to deliver activities and interventions more suited to a sub-regional and/or local approaches. It is now the situation that England is likely to be the only UK nation to use CLLD to deliver parts of ERDF and ESF in addition to the rural and fisheries funds. In Wales, CLLD will only include the rural and fisheries fund. The WLGA is extremely disappointed that the Welsh Government has decided against adopting the CLLD approach across the 4 ESI Funds in Wales. However, we sincerely hope that by placing an emphasis on Local Action Groups under the LEADER element of the Rural Development Plan for Wales to develop Local Development Strategies that are broader than LEADER activity, to include additional activity that could be delivered locally using other RDP, ERDF and ESF funding, that we will be able to develop activities and interventions to be funded across the 4 ESI Funds at the local and sub-regional level across Wales. The delivery and implementation arrangements set out in the Welsh Chapter are explained in the attached update.

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