



European Economic and Social Committee

ECO/106
Partnership - Structural
Funds

Brussels, 24 September 2003

OPINION

of the European Economic and Social Committee

on the

Partnership for implementing the Structural Funds

(exploratory opinion)

On 18 February 2003 the European Commissioner responsible for regional policy, **Mr Michel Barnier**, acting on behalf of the Commission, asked the European Economic and Social Committee to draw up an exploratory opinion on the

Partnership for implementing the Structural Funds.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 11 September 2003. The rapporteur was **Mr Barros Vale** and the co-rapporteur was **Mr Di Odoardo**.

At its 402nd plenary session (meeting of 24 September 2003), the European Economic and Social Committee unanimously adopted the following opinion.

1. Introduction

1.1 The European Economic and Social Committee (EESC) has always devoted special attention to the arrangements for public policy coordination and consultations between elected authorities and their representatives and organised civil society, at both EU level and in the Member States.

1.2 This concern led the Committee to include in its 2003 work programme the drafting of an own-initiative opinion setting out its thoughts on the Partnership for implementing the Structural Funds. The European Commission subsequently asked the Committee to draw up an exploratory opinion on the subject. This shows the topical interest of a matter that needs further study, especially with a view to the future revision of the Structural Funds regulations and the forthcoming accession to the EU of many new Member States.

1.3 The partnership forms one of the principles pursued within the legal framework of structural policy, as stated clearly and unequivocally in Council Regulation (EC) No. 1260/1999 of 21 June 1999, and it has gained in importance with each successive reform.

1.4 The partnership first became generalised in the 1994-1999 period. In the current period (2000-2006) it has been further extended¹ to include local authorities, socio-economic partners and some non-governmental organisations (NGO).

1.5 In parallel with this increase in the number of potential partners, their role has also been stepped up so that it now extends from the planning stage to monitoring and ex post evaluation².

1.6 There were two main reasons for this increased concern for the partnership:

¹ Article 8 of the abovementioned regulation.

² Article 15 of the regulation.

- firstly, the social partners had expressed a wish for the partnership's role to be strengthened;
- secondly, studies had found that a broad-based and integrated partnership contributed to the success of the programmes because:
 - a) involving the partners from the outset ensures that measures draw on more specialist knowledge and enjoy greater legitimacy;
 - b) a broad-based and integrated partnership also makes it easier to coordinate the organisation of the programmes;
 - c) appropriations are used more effectively, both because the selection of projects is improved and because the potential beneficiaries and co-financiers are better informed;
 - d) there is greater transparency, as Community action has a higher and clearer profile.

2. **The partnership concept**

2.1 A clearer definition is first needed of what the partnership exactly involves, strengthening its key role in the proper implementation of the Structural Funds as an instrument for ensuring social fairness and not as a political instrument.

2.2 The partnership defined in Council Regulation (EC) No. 1260/1999 laying down general provisions on the Structural Funds³ concerns two main types of partners (the differing functions of which could usefully be spelt out more clearly within the regulation):

- the "institutional" partners, and in particular the regional and local authorities;
- the economic and social partners.

2.3 The present opinion discusses the partnership in general but obviously pays particular attention to the standpoint of the socio-economic partners on this matter.

3. **The current situation**

3.1 The first type of partnership in the Structural Funds is conducted at EU level, coming even before the partnership at national level. Right from the general programming stage, Community activities must be based on consultations between the Commission, the Member States and the socio-economic partners.

³ OJ L 161 of 26.9.1999

3.2 Article 8 of the abovementioned regulation on the Structural Funds states that "each year, the Commission shall consult the European-level organisations representing the social partners about the structural policy of the Community".

3.3 The Committee recognises the exemplary (and indeed, multiplier) role which the partnership can play at Member State level. However, in practice, in recent years EU-level consultations have been limited to meetings lasting just a few hours, at which the partners are basically just briefed on the progress of the Structural Funds and are given no practical opportunity to put forward any suggestions or set out their views in detail.

3.4 The partnership at EU level has thus been limited to "providing information", which is not the same thing as "consultation" on Community structural policies. Of course, the EU social partners must also take the initiative and actively monitor the institutional procedures for implementing the Funds.

3.5 The Commission needs to review its arrangements for consulting the socio-economic partners, so as to provide more opportunities for meetings and promote effective debates and consultations with permanent and sectoral partners.

3.6 Additionally, as part of the general revision of the Structural Funds regulation, it would be helpful to spell out the fact that particularly when general structural policy objectives are being fixed, the Commission must always consult not only the Member States but also the socio-economic partners at EU level. The current Article 10 significantly makes no mention of these partners: "... *after consulting the Member States, the Commission shall publish broad, indicative guidelines on relevant and agreed Community policies in relation to the objectives referred to in Article 1*".

3.7 It is very difficult to get a detailed picture of the partnership arrangements in the Member States for the 2000-2006 programming period. Analysis of the development plans, Community support frameworks, operational programmes and single programming documents (SPDs) shows that in most cases only vague reference is made to the involvement of the socio-economic partners, and that the details of their role in the monitoring committees vary greatly and are extremely sketchy.

3.8 Community guidelines must thus be laid down for improving the content of Member States' reports on their arrangements for consulting the partners. More detailed information can then be gleaned regarding these arrangements and best practice can be analysed.

3.9 Extending the type of bodies that can take part in the monitoring committees also improves the management and implementation of the Funds, which can draw on each body's practical experience and knowledge of the region concerned and of its socio-economic situation, thereby improving the whole process.

3.10 Boosting the partnership and the role of the partners is an important objective which is not always translated into practical consultations. For example:

- a) in approving the plans submitted by the Member States, consultation of the socio-economic partners is essential when the plans are being drawn up; the consultation arrangements have not always been ideal, and might need to be amended to ensure effective support/involvement of the partner bodies;
- b) in the finalisation of the plans, boosting the partnership should form part of the negotiations between the Commission and the Member States; in practice, however, the situation has depended largely on the Member States, which have failed to follow a clear line regarding the minimum acceptable threshold for involvement of the partners;
- c) partnership is one of the factors specified for the mid-term evaluation of all programmes and single programming documents; again, it is important to clarify how the partnership is viewed and how it influences the evaluation;
- d) the Commission has encouraged the mainstreaming of partnership schemes that were pursued in the previous period, such as the territorial employment pacts; however, in some cases, failings on both sides (authorities and partners) have meant that the results have sometimes been disappointing;
- e) the Commission has launched a thematic evaluation of the territorial employment pacts supported in the previous period, and case studies are to be carried out that should yield a list of good practices; the Committee would like to give its opinion on the latter.

3.11 The potential partners also have an essential role to play in strengthening the partnership, as their diverse nature means that they can bring a different viewpoint from the existing partners. They should therefore prevail on the national authorities to include them in the monitoring committees. In this context they should be able to benefit from technical assistance and specialist training measures, and adopt any good practices observed.

3.12 In the first few years of the current programming period (2000-2006), the following points have been noted:

- a) in the 100 or more programmes and SPDs for Objective 1, the 60 for Objective 2 and the 59 for Interreg III which the Commission has received and examined so far, the partnership rules (which are a condition for eligibility) have been respected;
- b) the Commission has also noted that the socio-economic partners have been consulted on the various plans, programmes and SPDs, with provision for their involvement in the monitoring committees;

- c) the information provided by the Member States on this subject, however, varies greatly. Many countries state merely that the partners have been consulted, without giving any further details. There are a few exceptions, when countries have published the programmes online as a means of public information. The Committee thinks that the Commission should encourage such practices;
- d) information about participation on the monitoring committees also varies greatly. In some cases, it is merely stated that the partners will be involved. The hearings held by the Committee showed that the partners feel serious frustration about the results achieved, while the authorities remain upbeat;
- e) the documents submitted by the same country often differ from programme to programme in their use of the term "partners", as a result of the subsidiarity specified in Article 8 of Regulation 1260/99;
- f) the rights accorded to the socio-economic partners on the monitoring committees also differ. In many cases, their status differs from that of other members (no right to vote, or only limited voting rights, often having a purely consultative or information role);
- g) despite the constraints which have been observed, the Committee feels – and the Commission appears to agree – that there will be results in the medium term. The monitoring committees have a more important role in the 2000-2006 period than they did in the past, inter alia as they are to approve project selection criteria. More definite conclusions can be reached in the forthcoming mid-term evaluation, as the impact of the partnership is one of the elements to be assessed;
- h) the importance of the partnership is thus clear, and the partnership obviously plays an important role in the implementation of the Structural Funds. However, given the diversity of procedures and arrangements for involving the partners, it appears that there is no clear framework of procedural or practical arrangements for their participation in the various stages. This matter needs careful thought. The differing roles assigned to the partners and the differing arrangements for their involvement, even within the same Member State, clearly suggest that a firmer and more detailed framework might be needed in this area.

3.13 However, much remains to be done on this front, and the Commission has a key role to play. The Committee considers that the present exploratory opinion is well worth drafting and will have a real multiplier effect, opening up new avenues for relations between the social partners and national administrations. This groundbreaking and innovatory way of involving civil society, and the socio-economic partners in particular, in the implementation of public programmes also places a special responsibility on the European Commission to ensure that the authorities' behaviour is beyond reproach.

4. The different levels and stages of the partnership, and related procedural issues

4.1 In 1999 the London Tavistock Institute's evaluation development and review unit issued a study entitled Thematic evaluation of the partnership principle, at the request of the European

Commission. This study highlighted significant differences in the involvement of the partners at the various stages of the programmes. In most cases, the partners played a significant role in the programming and general programming (pre-negotiation), but a totally inadequate role in the monitoring and evaluation stages. The study states that in these latter stages in many Member States, the partners were merely given "an illusion of inclusiveness".

4.2 In such circumstances, further thought must be given to the monitoring committees established under Article 35 of the Structural Funds regulation. The mechanisms for involving the social partners must be revised in the light of the new and important duties assigned to these committees.

4.3 The abovementioned Tavistock Institute report noted that for the partners, the monitoring committees had been a means of obtaining information on the progress of the Funds rather than a forum for being involved in decisions.

4.4 First and foremost, the involvement of the socio-economic partners on the monitoring committees must be made mandatory, and must be strengthened by giving them the right to vote so that their position on the issues discussed by the monitoring committees is quite clear.

4.4.1 Expressing the position of the partners simply by recording their views on the matters under discussion in the relevant minutes does not give national or regional authorities, or the EU institutions, a clear picture of the feelings of the majority of the bodies represented on the monitoring committees, or of the relative strength of any differing positions. The only way to achieve a clear picture is by holding a vote.

4.5 The socio-economic partners must have a chance to contribute to the work of the monitoring committees. For this to happen, certain prior steps are necessary:

- Meeting agendas must not focus solely (as they often do at present) on solving administrative or procedural problems regarding relations between the management authorities and the Commission; they must concentrate on checking "the effectiveness and quality of the implementation of assistance".
- A special secretariat should be set up or made operational to provide the monitoring committees with the requisite technical support, so that the socio-economic partners can carry out their duties properly and adopt their positions in full knowledge of the facts.
- The quality of the partnership achieved in the various measures should be included among the indicators for checking the efficiency of the programmes, and should be a major criterion when allocating the "performance reserve" (Article 44 of the regulation) which Member States can activate at the mid-term of the operational programmes.

4.6 The Commission should commission a new study of the different types of participation models that have been used at national and regional level. Practices which are less well

known, but which could be important for the future, could then be evaluated and disseminated more widely.

4.7 The Committee considers it vital to guarantee that the party evaluating a specific programme is independent from the national authority that is responsible for implementing it. Here too, the institutional and socio-economic partners can play a greater role, thanks to the knowledge acquired with regard to the practical results of the various measures.

5. **The criteria for selecting the partners**

5.1 The Committee considers that the selection of the partners is vital, and that their role and responsibilities must be made quite clear.

5.2 A question arises about the compatibility (or otherwise) of partners being involved in the various stages of programme implementation when they are also project promoters. In such circumstances, rules must be established for selecting the partners so as to ensure that the partnership does not include bodies which are dependent on the state and whose ability to act independently would therefore be functionally or structurally limited.

5.3 The Committee thinks that an assessment is needed of the appropriate number of partners for each stage of the programmes, as procedures are made less effective by an excess of red tape and the widespread loss of individual responsibility on hugely inflated committees that in some cases are nothing more than an official forum for passing on information.

5.4 The Committee supports the establishment of credible networks of partners (with the requisite competences) at different levels, to ensure that they play an effective role and that their involvement is not just a matter of form.

5.5 Alongside those bodies which traditionally make up the socio-economic partners (trade unions, industrial and agricultural organisations, trade and craft associations, the cooperative and non-profit sector, etc.), a greater role in Community structural policies should be given to autonomous bodies such as chambers of commerce, universities, public housing associations, etc.

6. **Conflicts of interest**

6.1 Problems may arise with regard to the membership of the partnership and possible ineffectiveness of the procedures, owing to the accumulation of functions that are incompatible with transparency and independent decision-making (e.g. involvement of the same people in the programming, monitoring and evaluation stages, when in many cases these people are also beneficiaries of the programmes concerned).

6.2 There often appears to be potential incompatibility or conflicts of interest in cases where a decision-taker may also be a beneficiary of the Structural Funds.

6.3 The stages at which the partners are to be involved, and their powers, must be made clear. Their role should be advisory, and they should have no decision-making powers. Giving the socio-economic partners decision-making powers would be an infringement of representative democracy, in which decision-making bodies are elected. The Committee thinks that the partners' right to vote must be limited to preparatory, monitoring and evaluation bodies and never extend to project management and decision-making bodies, although the partners must sit on these bodies or be represented on them. This is consistent with the principles of participatory democracy without affecting the principles of representative democracy.

6.4 The Committee thinks that clear rules must be established for each of the groups involved (i.e. programmers, monitors and evaluators), so as to avoid potential conflicts of interest that would be contrary to general ethical and legal principles.

7. Other types of partnership

7.1 The Committee considers that the arrangements for involving the institutional and socio-economic partners in the implementation of the Funds must do far more than just involve them in the planning, management, monitoring and evaluation bodies.

7.2 Greater use should be made of the global grants procedure, obliging the Member States to adopt this system in at least a few of their CSFs, as it could prove faster and less bureaucratic and relieve the strain on national budgets, bearing in mind the current widespread constraints on public finances.

7.3 The Committee does not consider that the global grant procedures should be retained in the form applied hitherto. After an assessment has been made of past experience, the rules governing this procedure should be improved so as to give increasing scope for involving credible operators (not exclusively state operators) in the management of the Community Funds – something which many Member States have unfortunately not done in the past.

8. Financing and technical assistance

8.1 The Committee thinks that the socio-economic partners should have access to financing and training in order to help them play their full role. This is rarely the case at present.

8.2 In some cases, the partners are unable to play their proper role because they lack high-calibre technical experts to play an active part in Fund-related forums, where they could and should have a role.

9. Enlargement

9.1 The Committee feels that the forthcoming enlargement of the EU is a further source of concern, given the fragility of civil society in some of the future Member States. The partnership in these countries will not be effective unless special care is taken to boost the technical and financial

resources of socio-economic organisations, with a view to establishing the minimum conditions necessary for them to participate efficiently.

10. **Other issues**

10.1 The Committee thinks that the Member States must make every effort to cut red tape wherever possible. Overly complex administrative procedures frequently jeopardise the whole partnership principle, erecting barriers and introducing practices that often prove counterproductive.

11. **Conclusions**

11.1 The Committee considers that it would be very helpful to set a minimum participation threshold, laid down by a Community regulation but leaving the Member States to establish detailed participation levels in their own national law or provisions.

11.2 The role of the socio-economic partners, the content of the proposals and the participation procedures necessarily differ at the preparatory, financing, monitoring and evaluation stages of Community structural measures. It is therefore necessary to clarify what is expected of the partners, what the partners need to do to ensure that the programmes are as successful as possible, at what levels the partnership is conducted, and the political and technical bodies in which the partners should be involved.

11.3 The partnership is of crucial importance at two stages:

- at the "political" stage of Fund programming and when general decisions are taken, at both Community and national level;
- at the monitoring and evaluation stage.

11.4 The Committee considers that Article 8 of Regulation 1260/99 should be expanded so as to establish a clear framework for each group involved in each stage of a programme, from planning to evaluation, and thus allow real involvement of the socio-economic players.

11.5 In the Committee's view, the management authorities should retain responsibility for the operational management of the measures, to avoid any confusion or overlapping of roles.

11.6 The Committee thinks that the experience gained from the territorial employment pacts could provide important information about the involvement/role of the partners, and help to clarify responsibilities and limitations, on the part of both the public authorities and the socio-economic and institutional partners.

11.7 Deeper and more responsible involvement of the socio-economic partners, with the requisite technical and financial capacity, is highly desirable in the management of measures that use Community funds. The Committee therefore proposes the setting of a substantial minimum threshold

– e.g. 15% of the total CSF funding – to be applied under the global grants procedure, which has regrettably been used very little hitherto.

Brussels, 24 September 2003.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini
