WHITE PAPER ON EUROPEAN GOVERNANCE
“Enhancing Democracy in the European Union”

Participation of sub-state levels

CONTRIBUTIONS
Conference of Peripheral Maritime Regions of Europe

PREPARATORY STAGES
December 2000 – March 2001

CPMR
Launched by the President of the European Commission, Romano Prodi, in February 2000, and presented as the first strategic priority of the current Commission, the idea of a White Paper on the governance of the European Union (to be published in July 2001) seemed for several months to be an obscure and incomprehensible initiative, judging by a certain number of articles in the national press of Member States, particularly in the UK and France. It was described as the typical illustration of a European Commission – and more especially a President – having lost all touch with the realities of the European debate abandoned to the virtues and vices of inter-governmental bodies.

Although it was formalised in October 2000, the mandate agreed upon by the Members of the Commission for the team in charge of drafting the White Paper again showed signs of this pernicious and defensive atmosphere: coming in the aftermath of the Santer team crisis, it justifies the approach on the grounds that its aim is to clarify the Commission’s role with regard to the other actors in the EU through the hypothesis of an increased decentralisation of its action. The legitimacy of the White Paper is based on the need to “re-allocate” the tasks entrusted to the Commission; in the beginning, it was not an exercise in globally conceiving the best possible way of governing Europe through the different tiers of existing powers. At a lowest estimate, it could then only be considered as a rationalisation exercise in respect of how Community powers were granted.

However, the way the political debate developed during 2000 tended to increase expectations with regard to the White Paper and give credibility to the initiative.

Firstly, throughout the year, the Member States within the Intergovernment Conference proved that they were incapable among themselves of formulating a vision of the future of European integration and a project that would put it into practice; thus, they showed the cost that would be represented if there were no strong Commission involved in the debate. Romano Prodi and his team now find their role enhanced, and the nostalgia of the Delors Commission as the undisputed reference of a golden age of European integration is fading.

Secondly, the debate launched by the German Minister for Foreign Affairs on the content of the European project has once more brought to the fore the entirely political question of “what should we be doing together and who should be doing what in Europe?”, above and beyond the mere rationalisation efforts.

As far as they are concerned, the German Länder, supported by the other regions with legislative power (or which aspire thereto), subjected the Bundesrat’s ratification of the Nice Treaty to the condition that the Nice Summit would conclude with the announcement of a new institutional round in 2004 including a discussion on the division of powers.

During this same year, work was begun to consider the consequences of the enlargements with regard to pursuing the economic, social and territorial cohesion policy; these policies very directly concern regional and local authorities, which are closely involved in the implementation of the second budget item of the EU and are the main channel through which proximity may be ensured.

Finally, various events that occurred during the year 2000 (BSE crisis, consequences of the sinking of the Erika, etc.) showed what kind of dead-end situation would be reached on account of the widening gap between the free circulation of capital, persons and goods, whose organisation depends on the EU’s institutions, and the management of its consequences if it were to remain split between fifteen, and shortly, twenty-eight national powers, or even three or four hundred regional powers.
These events served to create an awareness of the extremely useful and innovative character of the project launched by the European Commission. Although the exercise remains distinct from the considerations on the future of the European project, it is, on account of the timetable, the first structured initiative to deal with certain aspects of this issue; a hearing on the division of powers was hence organised by the White Paper team. This progress is most welcome, since no “good governance” can be conceived without it being related to a clear vision of the commonly pursued goals and the legal formalisation that depends on these dynamics!

The CPMR intends to make its contribution to this debate on behalf of the active involvement of its 131 member regions in building Europe. This was shown in November 1999 when the CPMR submitted to President Prodi the initial elements for consideration on the place of sub-state levels in the governance of the European Union. It pursued its work on this subject throughout 2000, with the organisation of a first meeting on the place of sub-state levels in the governance of the European Union, under the patronage of Mr Jorge Sampaio, President of Portugal and Mr Romano Prodi. In January 2001, it reacted to the working programme adopted by the Members of the Commission. The CPMR agreed to act as a relay, at the request of the “governance” team of the EC Secretary General, in a survey of the partnerships and networks involved in preparing and implementing Community policies. It contributed toward the hearings organised by the European Commission in March 2001 on the issues of decentralisation and the division of powers.

The legitimacy of the Conference’s involvement in the debate on new forms of governance for EU policies lies in its very objective, which is to create opportunities for a more balanced development for its member regions within the European Union. This demand is based on the pillar of the Treaty introduced on the occasion of the Single Market, the demand for economic and social cohesion and its expression in Article 158: “to promote a harmonious development…. reduce the disparities between the levels of development of the different regions...”. Deeply involved in the discussions and implementation of all EU policies with a territorial impact, the Conference, through the day-to-day experience of its members, is being led to consider what would be the best possible governance to ensure the greatest possible cohesion. Furthermore, the cohesion issue seems to be an essential political condition to engage the support of our fellow citizens for European integration; this affirmation will become even more important with the enlargements.

Stig Östdhal
President of CPMR

Xavier Gizard
Secretary General
* The European Commission’s Work Programme – October 2000
  First reactions of the CPMR – December 2000

* Hearing of the working group on “Decentralisation towards
  national, regional and local levels”
  Contributions by the CPMR, the Islands Commission
  and the North Sea Commission – February 2001

* Hearing of the Governance Team General Secretariat
  “Towards a better use of subsidiarity and proportionality”
  Contribution by the CPMR – February 2001

* Questionnaire, Working Group on “Territorial development:
  networking of territorial players”
  Summary of responses received by the CPMR – March 2001
THE EUROPEAN COMMISSION'S WORK PROGRAMME
October 2000

First reactions of the CPMR
In the context of its work on the shape of the future regional policy, the CPMR declared that one of the conditions for its success was the need to move towards new forms of organisation and decision-making among the players concerned. This document - « In favour of a territorial package » - was presented to President Prodi in November 1999.

Following the European Commission’s announcement that it would publish a White Paper in 2001 on « New forms of European Governance », the CPMR took the initiative of organising a Discussion Day, which took place in June 2000. This gave national, local and regional representatives, together with the institutions that attended, an opportunity to voice their expectations and compare and contrast their experiences.

Following on from this event, CPMR produced two documents (in June and October 2000), setting out its vision and hopes concerning the place and the role of the sub-State levels in the governance of the European Union.

Having examined the European Commission’s work programme, the CPMR has the following observations to make:

1. The notion of «good governance»

   1. The CPMR recognises that the European Union's traditional models of governance, founded as they are on inter-governmental relations alone, no longer correspond to the complex reality of today's society.
   2. The work programme published by the European Commission satisfactorily addresses, through its six work areas, all the questions related to the search for new forms of governance of the Union and its territories. Consequently, the CPMR fervently hopes that these work areas will be the ones selected for examination in greater depth at the end of the selection process to be carried out in February, and asks to be involved in the consultation process.
   3. The work programme clearly defines the conditions for these new forms of governance - transparency, accountability and effectiveness of European public action, and the CPMR fully shares this point of view.
   4. The CPMR notes with satisfaction that the Commission considers that the challenge of governance also implies interaction between the different geographic levels of not only public but also private actors around common objectives. The involvement of regional and local and non-governmental actors in the Community decision-making process is increasingly appearing to be - as the CPMR has often underlined - a prior condition for the efficiency and acceptability of European rules.

   Some thoughts on the work areas of the work programme

A greater involvement of civil society and the citizens of the Union in the construction of Europe is an indispensable prior condition for ensuring the cohesion of the EU of 15 and will be even more important in an enlarged Europe.

5. It has become necessary, as underlined in the first work area, to modify the perception its citizens have of Europe, by involving them to a greater degree in its construction. A number of instruments
are envisaged under this programme to involve civil society at an earlier stage in the European decision-making process and to popularise the major challenges of the Union.

6. The CPMR notes however that a similar discussion on the **conditions for strengthening participative democracy**, was organised by the European Commission some years ago. This resulted in significant and interesting progress, notably concerning the transparency of the action taken by the Union's institutions. Concrete measures were announced, intended to make the preparatory phase of proposals and decisions more transparent and accessible, and to ensure that the Commission departments encouraged, at as early a stage as possible, public debate that would be useful to their work. Among these measures we could mention the presentation and dissemination of the Commission's principal legislative initiatives at dates sufficiently well in advance as to allow for a wide debate before the start of the year in which they come into application. Other examples include the open and structured dialogues with interest groups, and the Internet one-stop shops for companies.

7. It is therefore legitimate to expect that the White Paper will represent a further step forward in relation to previous initiatives, will go beyond the isolated identification of consultation instruments, and will envisage the setting up of a **veritable European policy of proximity**, based on a well-defined strategy that commits all the institutions of the Union.

8. The CPMR is of the opinion that such a policy should be based on existing local intermediaries and should involve the regional and local authorities. **The promotion of better governance cannot overlook the legitimacy of the institutions of representative democracy.**

The CPMR notes with satisfaction that one of the work areas is devoted to the decentralisation of the planning and implementation of existing European legislation and policies.

9. The effectiveness of Community legislation and policies depends on an adequate application of the **subsidiarity principle**, at all stages of the decision-making process. Today, however, not only is the definition of this principle in the Treaty rather vague, but there is also a lack of transparency as to how it should be applied and monitored. The European Commission's annual report entitled « Improving legislative procedures » does not appear to clarify matters. The « tracing » of Community rules, mentioned in the work programme, should therefore start by making the application of this principle more legible. This would also provide a guarantee that the sub-national public authorities would be involved at a sufficiently early stage in the process of preparing rules, the need for which is highlighted in the programme and shared by CPMR.

10. The decision-making process no longer takes place exclusively within the political institutions, but today involves a number of different levels. This is ample justification for the proposal to decentralise certain of the European Commission's executive responsibilities, through both horizontal and vertical decentralisation.

10.1 The creation of **specialised European agencies** would appear to be unavoidable in a number of areas requiring transnational scientific and technical competence, such as maritime safety or food safety. The CPMR notes however that these are instances of delegation, rather than decentralisation, of the European Commission's activities.

10.2 **Vertical decentralisation** is intended to be applied to all policies with a strong territorial impact: regional policy, environment, transport, research, etc. The CPMR stresses the importance of identifying new instruments to enable all the actors involved to participate in the definition and implementation of these policies. This will, however, require a thorough examination, policy by policy, of the current situation and division of responsibilities. The CPMR considers, therefore, that the method advocated - analysis, followed by a forward study, of the role of the various
players (governments, administrations, regional and local actors) is totally appropriate. It underlines however that this process should not only involve the relevant DGs, but should also associate the 'grass roots' actors.

11. The CPMR also observes that decentralisation in a Community context assumes that differentiated approaches will be adopted according to the forms of government; and in particular that a difference will be made between federal or regionalised States, in which regional/local authorities have legislative powers, decentralised States, and the unitary States of the Union. It is however of the opinion that the strengthening of the responsibilities of the intermediate levels of government must under no circumstances imply a reduction in the effort made in terms of solidarity, but, on the contrary, should go hand in hand with a reinforcement of this mechanism.

The CPMR attaches particular importance to a deepening of the work area on « cooperation in a networked Europe ».

12. It considers that the White Paper should provide an opportunity for giving thought to the question of how better to federate the territories of Europe and the conditions the are required to achieve a good level of partnership between the Union, the States, the regions and the social and economic actors. The reform of European regional policy, which is likely to evolve towards territories that are better organised and more closely federated, cannot permit itself the luxury of not giving some real thought to better forms of governance. If it fails to do this, there is likely to be a high risk of seeing the continuation of the model of financial negotiation between 15, soon to be 27, Member States, rather than a veritable European project.

13. Regional development policies have acquired a transnational and interregional dimension as a result of the abolition of frontiers and the globalisation of the economy. The search for new forms of governance arises notably out of the need to improve the interaction of structural policies, whether at the planning, programming or implementation stages.

14. The organisation of the territories and the interregional, transnational areas, cannot be dissociated from the need to think about the new instruments to be set up (contract, joint strategy). The CPMR supports the Commission's method, which consists of analysing good practice in territorial planning and studying the processes of convergence of national systems.

The CPMR considers that the White Paper is only one stage in the definition of a more democratic system of governance for the Union and that its work should be pursued and deepened in each of the DGs and in collaboration with the successive Presidencies of the Union.
HEARING

Working Group
“Decentralisation towards national, regional and local levels”

Contributions:
- CPMR
- Islands Commission
- North Sea Commission
Contribution by the
Conference of Peripheral Maritime Regions of Europe

I - Introductory Remarks

1- The European and national models of political organisation have progressed considerably over the last few years. The decentralisation processes that are now underway in the majority of Member States, and the introduction of the principle of subsidiarity at EU level, are some of the changes that have been made in response to an increasing demand by sub-state public sector players as well as civil society in general to be involved in defining public policies.

2- Although efforts have been made to decentralise certain EU activities, in application of the aforementioned principle, no conclusions have yet been drawn. The CPMR consequently welcomes the European Commission’s initiative to launch a consultation on this specific issue within the framework of the White Paper on Governance, which will provide greater clarity as regards the procedures undertaken, and allow new options to be considered in order to move towards more democratic forms of governance.

3- As highlighted in its opinion on the working programme for the White Paper, the CPMR shares the European Commission’s analysis on the need for greater clarity in Community actions, and this may be achieved in particular through a greater involvement of regional and local authorities in Community policies with a high territorial impact.

4- The CPMR is an inter-regional organisation that brings together 130 European Regions in five Geographical Commissions. It deems that it is competent to submit suggestions to the working group on decentralisation, particularly on the two following issues under discussion, which directly concern the role of territorial authorities and their associations within the European Union.

- What role and what involvement for networks of cities and associations of regional and local authorities in the European decision-making process?

- How should contractual agreements on decentralisation between the European Commission and national, regional and local levels be implemented, and in what fields?

II - Question One: What role and what involvement in the European decision-making process for networks of cities and associations of regional and local authorities?

Introduction: a few reminders

- It should be recalled that most European regions have now joined together in associations, either on the basis of their geographical location, or their economic or cultural particularities. These associations act as an interface between the institutions and bodies of the EU on the one hand, and the actual reality on the ground on the other. Despite the absence of a uniform regional level in Europe, the willingness to participate collectively in European affairs is manifested through the formation of cross-border or transnational networks that aim to strengthen exchanges of experiences and express special
interests. This highly recognised phenomenon of association that began to develop in the 80’s and 90’s is largely the origin of the major advancements ratified by the Maastricht Treaty.

- Since Maastricht, the Regions have indeed been officially represented in the European institutional system and can consequently participate directly in its decision-making process through the Committee of the Regions and the possibility offered by the Treaty to sit on the EU Council. In some cases they also participate in a generally informal manner, and to no hard and fast rules, in the various committees set up in the Council and the European Commission.

- Despite this official representation, the existence of Europe-wide associative networks, or their raison d’être have not brought into question. A number of European structures, including the inter-regional cooperation structures, play an important role in the European Community’s construction process. It might even be said that these structures, working on a voluntary basis, fulfil the tasks that neither the European Commission nor the national authorities are able to accomplish owing to lack of time, staff, etc.

- We feel then that it is necessary to address certain questions on the desired interaction between the inter-regional organisations and the institutions or bodies of the European Union. We believe that such a consideration needs to be made for each of the following steps of the EU decision-making process:

1. Towards a more active involvement in the conception phase

1.1 – The inter-regional associations may of course intervene to introduce or suggest special provisions when the texts are being examined for opinion, or ratified by the European Parliament, the Committee of the Regions or the Economic and Social Committee, even though they are not represented therein. However, each year the European Union publishes a great number of directives and regulations with a high territorial impact, and the procedures for making amendments to Community legislation are heavy going and complex to implement. It is therefore unrealistic to expect the inter-regional structures, however willing they might be, to be constantly vigilant, or to have the human resources needed to give due notification of the points that could pose problems.

- Consequently the CPMR considers that it is above all upstream of the official decision-making process that the added value of inter-regional networks and associations appears to be greatest.

- This preparatory consultation phase has largely been reinforced by the European Commission over the past few years, notably through various Green Papers, White Papers and Communications. It is nevertheless to be regretted that these consultations continue to be carried out in an ad hoc manner with no hard and fast rules, and according to procedures that vary from one Directorate-General to another. It appears preferable therefore, in order to increase their effectiveness, to establish clearer rules in terms of deadlines, working methods and the types of public consulted (furthermore the CPMR regrets that this has not been taken into consideration within the framework of the White Paper on Governance). The efficiency of any consultation indeed depends to a great extent on the deadlines that are set in order to effectively mobilise the players consulted – in this particular case all the regional and local voices – and on the availability of appropriate lists of bodies to be consulted for each issue concerned.

1.2 – Furthermore, the setting up of a technical advisory committee bringing together the various inter-regional organisations, which could be consulted by the different Directorates General concerned in the European Commission during the drafting phase of proposed regulations, seems to us to be an additional option to be considered.
2 - Towards a greater role during the consultative process

2.1 - The Committee of the Regions is the official body representing the Regions and all the other territorial authorities with the European Union. Despite the changes it has undergone since it was first set up, it must be sadly acknowledged that it still has certain limitations as to the way it functions. As everyone knows, the Committee suffers from a high level of disparity due to the nomination procedure of its members, which differs according to each State. Added to this wide-ranging composition and low level of representativeness is the fact that its members are divided into political groups, national delegations and thematic Commissions, that more often than not have only very limited available expertise. All this results in the fact that the opinions issued by the Committee rarely reflect a true collective expression of the regional and local levels.

- This partly explains the continued existence of associative networks, viewed as discussion and reflection forums that are not only more structured and closer to the local and regional players, but are also representative of a general European interest. They also have a much greater capacity for mobilisation.

2.2 - It is time now therefore to consider improving the way in which the Committee of the Regions works and establishing a genuine partnership with the organisations that represent the regional and local fabrics. The initiative launched by the President of the Committee to organise regular meetings of the Secretaries General from the different associations is not sufficient in our view. We feel, however, that the following options might provide the foundations for a more structured cooperation:

- Firstly, it would be appropriate to make each association eligible to be a full member of the Committee of the Regions and thus bring together its members within this institution and also express its own voice, whether in plenary sessions or during the meetings of the thematic Commissions. These organisations would on the one hand provide an expert role, especially in the preparation of opinions, and on the other hand play a role on the ground where they are able to mobilise all the Regions, two functions currently lacking in the Committee of the Regions.

- Secondly, it would be appropriate to go beyond simply the political dimension of the Committee by increasing the number of Intergroups based on regional interests, according to criteria that remain to be defined. This would give a more precise appraisal of the impact of European policies in the same way that the Economic and Social Committee ensures a representation of the different economic and social categories.

3 - Towards a role of observer in the decision-making phase

3.1 - The Union Treaty stipulates that the EU Council, the executive body of the European system, might be made up of a representative from each Member State, who would have the authorisation to commit the government of the said State. This gives regional representatives the possibility to participate directly in the decision-making process, provided they are authorised to do so through the relevant constitutional channels. This condition is of course only fulfilled for a very limited number of States (Germany and Belgium).

- If there is no intention to review this methods of functioning, it should nevertheless be remembered that what happens in practice might occasionally sway from the established rules. The CPMR thus enjoyed observer status during the informal meeting of the Council of Ministers for spatial planning in Potsdam in 1999 under the German presidency, further to the contributions that it had made within the framework of the ESDP. Although this is far from common practice, it nevertheless constitutes a precedent that deserves to be reminded. It is therefore quite legitimate to expect that whenever it deems necessary, the Council might continue to involve in its work one or more inter-regional organisations identified as being able to make a useful contribution to the debates. This could be the case notably with regard to transport, on the occasion of the revision of the TEN-T, or with regard to research given the impact that Community decisions have on the competitiveness of the Regions.
3.2 – These considerations are all the more valid for the Council’s technical working groups in charge of examining proposals that may have a high level of territorial impact.

4 – Towards a status of “European Association of Community Interest”

4.1 – The legal framework in which these networks operate is that of national law and not European law: there is indeed no associative structure under Community law, since the attempts to establish a “European Association” have not been brought into effect. Nevertheless it would appear necessary to set up an appropriate legal framework on this scale:

- The structure of the EEIG that authorises Community law is extremely complicated. Its legality is even questionable in some countries (the notion of collective liability is difficult to apply to regional authorities). There is still the need for an adaptable and flexible structure.
- It is hardly acceptable that, more than 40 years after the signing of the Treaty of Rome, one State’s law governing associations has to continue to be imposed on other European partners.

4.2 – The participation of the various inter-regional cooperation networks in the European decision-making process would be made all the easier if the appropriate legal framework and resources were attributed. One possibility might be the creation of a status of “European Association of Community Interest” according to the following conditions:

- The legal framework for this type of Association would be defined in a Community regulation.
- Associations recognised as being “of Community interest” would be those operating within the framework of several Member States, and whose aims correspond to one or more of the objectives laid down in the Treaty.
- The designation “European Association of Community Interest” would be granted on the decision of the Community Institutions according to a suitable procedure.
- Associations designated as such could benefit from regular financial support from the Community, while respecting their independence.
- Their tax status in respect of VAT would be assimilated to that of business services carried out on behalf of the Community (i.e. exempt from VAT).
- The accounts of these associations would however be subject to inspections by the Court of Auditors.
III – Question Two: How should contractual agreements on decentralisation between the European Commission and national, regional and local levels be implemented, and in what fields?

We have raised a number of suggestions for better recognition and above all a formalisation of the role of inter-regional organisations in the different stages of the European decision-making process. But it is at the executing or implementation phase of these policies that the question of decentralisation towards regional and local levels takes on its full importance. According to the particular nature of the policy or the programme to be implemented, we feel that decentralisation towards the regional and local levels should be considered at two levels: i.e. transnational or regional.

1 – Greater participation of inter-regional organisations in transnational programmes

1.1 – A number of inter-regional organisations are informally involved in the implementation of certain Community programmes. As far as the CPMR is concerned, it actively participated in the preparation and implementation phase of the Interreg IIC programme and is currently involved in that of IIIB, through its five Geographical Commissions: Atlantic Arc, North Sea, Baltic Sea, Islands and Mediterranean.

- We feel that it would be preferable to formalise this participation, subject however to the condition that the actions undertaken by the inter-regional organisation in question have already proved to be effective. It could be envisaged that the European Commission, together with the Member States and the Regions concerned, identifies in a given field (take the case of Interreg 3B for example) the inter-regional organisation(s) that are effectively playing an active role in this policy. The Commission and the States concerned would then decide jointly on how the said organisation(s) might be formally involved in preparing and implementing these programmes.

- It should be recalled that in the framework of Article 10 of the ERDF, over the period 90-94, the contracting process made provisions for programmes negotiated directly between groups of Regions or inter-regional organisations and the European Commission. The CPMR thus was able to participate directly in drawing up the following programmes: Atlantic Arc network programme, Finatlantic, Atlantis, Tourism in the Mediterranean, Hydre and Eurisles. During a four-year period (1997 to 2000), it also provided support for the organisation of the transnational strand of the Community Pesca Regio initiative undertaken by DG Fisheries. The reintroduction of such direct tender actions should not be excluded, especially with regard to the implementation of the ESDP.

- Delegating the management of an inter-regional programme to an inter-regional organisation, with the agreement of the Member States and local authorities concerned, can nevertheless come up against legal obstacles. The establishment of a status of “European Association of Community Interest” would appear to be necessary in this case (cf. 4-2 of the previous question).

1.2 – Similarly, we feel that it is necessary to set rules concerning the presence of actively effective inter-regional organisations in the various Committees (advisory, management, regulating committees) responsible for intervening with regard to the enforcement measures put forward by the European Commission in respect of European policies with high territorial impact, or to create such committees where none exists. This practice, known as “commitology” currently only officially involves representatives of Member States on a national level. However, it appears that some of these Committees have in fact extended their membership to inter-regional organisations or representatives of socio-professional interests. Thus the CPMR has a seat on the Committee on Rural Development, while the Advisory Committee on Fisheries is made up not only of national and European fishery-related federations, but also NGOs representing environmental protection associations. The presence of actively effective local government associations in other Committees – in particular the Committee on the Development and Conversion of Regions (CDCR), or committees intervening within the
framework of the Trans-European Networks, the environment, Research or Fisheries – should be regulated.

2 - Decentralisation towards local and regional players

The main feature of the principle of subsidiarity laid down in the Treaty is to encourage, whenever possible and necessary, a real decentralisation in the enforcement of Community policies. Although some of these policies, e.g. structural policy, currently put this principle into practice, some do not do so often enough, while others continue to be managed in a far too centralised manner.

2.1 - What lessons can be drawn from European structural policy?

- The principle of partnership with regard to structural intervention provides for a close consultation between the European Commission, the Member State concerned and the relevant authorities at national, regional local or other levels. This applies to each of the stages of the structural policy (preparation, programming, follow-up and evaluation). The decentralised management procedures set up in application of this principle have thus helped to develop working methods that have significantly strengthened inter-sectoral and inter-institutional actions on a regional level. Behaviour and customary practices have also progressed towards a greater appropriation of subjects and also a sharing of objectives and resources through the elaboration of common strategies followed by co-financing of the planned actions.

- This system based on integrated regional development strategies through one of the contracting systems (Community Support Frameworks, Single Programming Documents, etc.) nevertheless forms an exception in the workings of EU policies. Some of these policies would however be more effective if this principle could be applied to them.

2.2 - Which policies deserve to be better decentralised?

- Research Policy

- A partly territorialised research & development and innovation policy that might enhance all the resources of the different territories within the new European Research Area cannot be implemented without considering the setting up of a new system of governance, much more decentralised than it is today and based on a real partnership between the European Commission, the Member States and the regional and local authorities. A similar model to that of the structural policy might easily be imagined, with:
  - contract-based links on a multiyear basis between the European Commission, Member States and the Regions concerning interventions in the field of research & development and innovation;
  - The acquisition by the Regions of a driving role not only in policies conducted at regional level but also in those conducted at transnational level.

- The setting up of these institutional partnerships implies the implementation of both vertical and horizontal coordination methods covering the preparation, decision-making, enforcement and evaluation of policies, methods of coordination that do not exist today. This will help to reduce the wastage that results from too wide a dispersion of public intervention and to boost a more coherent approach to development

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1 For further details, refer to “The territorialisation of research & development policies: challenges and prospects for action”, Note from CPMR General Secretariat, February 2000.
- **Agricultural and Rural Policies**

  - The reform of the CAP and the reinforcement of its second pillar on rural development, put forward in Agenda 2000 and since implemented, have made it possible to observe how the States have chosen whether or not to introduce, to a higher or lesser extent, a degree of regionalisation in:
    - the choice and implementation of rural development measures henceforth taken into account by the EAGGF Guarantee
    - the use of budget margins released by fixing a ceiling on direct aids to farmers.

  - One can see then in some States, especially in Italy, a real move of subsidiarity towards the Regions. The CPMR expects the next agriculture report on the year 2000 to specify on a State by State basis how this transition has been brought about, and plans to offer its network of Regions to contribute towards drawing up a qualitative appraisal by mid 2002.

  - The next review of the CAP planned for 2003 is being prepared in a context of strong demands from civil society with regard to the expected standard of produce. This only reinforces the need to promote a farming industry that is closer to the real agronomic potential of each region and to give consideration at regional level to the implementation of a multi-functional farming industry that will contribute towards a clean, open and balanced rural area.

- **Environment Policy**

  - The role of regional authorities – taken individually or in their inter-regional dimension – in the conception of environmental policies at Community level depends on the need to adapt these policies to the different pre-existing conditions in the regions, whether they be of a physical nature or differences related to capacities for action. They largely determine the regional priorities with regard to investment and actions. Moreover, the inter-regional dimension requires a specific consultation of the inter-regional cooperation structures with regard to data, statistics and environmental indicators.

  - The implementation of policies, especially Community regulation, should take into account the technical and scientific capacities of the Regions. The same goes for the resources to be implemented at regional level for the dissemination and promotion of environmental-related knowledge, methods and technologies.
I - **The islands: a revealing factor in the debate on governance.**

In the debate on governance within the EU, the islands play a revealing role on more than one account.

- **The majority, indeed almost all the 22 island or ultra-peripheral regions of EU 15, differ from an institutional point of view:** 7 currently benefit from a system of home rule, including legislative powers (Sicily, Sardinia, Balearic Islands, Canary Islands, Madeira, Azores, Aland); 7 others benefit from a special system or specific laws or powers (French overseas départements (DOM), Corsica, Orkney, Shetland), and most others constitute regional authorities on account of their island status, despite their small demographic size. Similarly, it can be seen that in various Member States (Ireland, Finland, Denmark) those coastal islands that are too small or scattered to form regional authorities as a whole, nevertheless benefit from special structures at central or parliament level. With regard to governance, we can therefore say that as far as the islands are concerned, the exception is the rule.1

- **Historically, it is the islands that have shown the clearest signs of the phenomena of rejection at sub-state level with regard to the construction of the European Community.** The choices expressed during the 1970's and 1980's by the Channel Islands, the Isle of Man, the Faeroe Islands and Greenland not to join the Community - or to leave it in the latter case - were not only provoked by specific problems such as fisheries or taxation. Institutional issues also played a leading role in these decisions, and especially the fear - for objective or subjective reasons - of a real political divestiture. The prospect of regional autonomy, so dearly won, being gradually subject to a Community legal order with an increasing scope of action is the reason that has been given time and time and again. Similarly, the documents of this period reflect the widespread feeling that there would be a failure to understand local realities and that the European Institutions, faced with the responsibility of supra-national challenges, would deem negligible the vital interests of these communities. The consequences of these rejections, where governance has played a determining role, are not just anecdotal: the withdrawal of Greenland in 1985 thus deprived EU 12 of half its surface area...

- **The Community Treaties on Membership have been punctuated with island exceptions.** Whether to exclude them or to enable them to join under special conditions, a number of States have negotiated special provisions for their islands, or at least some of them: France (for the DOM), the UK (for the Channel Islands and Isle of Man), Denmark (for the Faeroe Islands and Greenland), Spain (for the Canary Islands), Portugal (for Madeira and the Azores) and Finland (for the Aland Archipelago). These approaches have always concerned those island regions that already

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1 For further details, we refer you to “What Status for Europe’s Islands?”, Ed. de l’Harmattan, Paris, 2000. The work may also be consulted at: www.eurisles.org
benefited from a status of home rule or a special system within their national framework. As opposed to this, no special treatment was granted to islands not already benefiting from such a system within their State at the time the latter joined, even though they made a request to this effect (e.g. Gotland in Sweden). Currently, the result is a wide disparity in the way in which Community law deals with the problems of these particular territories.

- The acknowledgement that insularity and ultra-peripherality might, in their own right, provide grounds for special policies for the territories concerned is a relatively recent phenomenon dating back to the 1990's. Without going back over the causes and history here, we will recall that this is currently expressed within the framework of the Treaties in Article 229§2 in the case of the most remote regions, and Article 158 of the annexed Declaration N°30 adopted in Amsterdam with regard to all islands. Furthermore, “the need for special measures in favour of island regions” was recently highlighted by the Member States at the Nice Summit (point 55 of the conclusions of the Presidency).

Will these “special measures” also be applied in the field of governance?

II - What special measures?

In order to take into consideration the special situation of the island regions, three types of measures should be implemented or developed.

a) Intervention “upstream” of the Community policy-making process.

It is not so much hostility that the islands face in respect of policy-making at national or Community level, it is more often the indifference or indeed unawareness of their realities. With the exception of Italy or Greece, these regions have little or marginal demographic weight within their States. In a Community context, they only represent 3.5% of their population and their concerns, however important they may be on a local level, often seem marginal when considered on a Europe-wide scale within EU 15.

In order to introduce or suggest special provisions in their respect, the islands can obviously intervene when the texts are examined for opinion or ratified by the European Parliament, Economic and Social Committee or Committee of the Regions, where they are directly or indirectly represented. However, each year the European Union publishes around a hundred directives and between 2,500 and 3,000 regulations, and the procedures for amending Community legislation are heavy going and complex to implement. It is therefore unrealistic to expect the members of these Institutions, however willing they might be, to be constantly vigilant, or to have the means to ensure a timely intervention in all fields. Finally the regional island authorities themselves rarely have the human resources or necessary competencies to closely examine Community policies and give due notification of the points that could pose problems.

It is therefore necessary to ensure a closer involvement of the Commission and the States, by making them aware of the situation of these territories from the very first stages of the process, and to bear in mind that the Treaty authorises (on various grounds according to the cases in point) to show a certain flexibility in their respect. To this end, a simple and low-cost practice would consist in accompanying each Community text submitted for discussion with the following question:

2
“Do you feel that this legislation, within the context of its application to the most remote regions or the islands, might require special measures on the basis of the provisions laid down in the Treaties?”

This instrument could then be usefully completed, according to the conditions proper to each State, through a process of consultation between the national authorities and the regional authorities concerned.

b) Coordination of instruments and Community policies.

The island regions are finite, isolated areas with limited natural and human resources, and are especially sensitive to the implementation of public policies. The amendment of a legal framework, changes to a regulation, or the evolution of financial or tax instruments may, over a very short period of time, have numerous and complex implications for the population, economy or environment. This is true of national policies and Community policies alike.

More than elsewhere, the delicate balances that predominate in the islands demand an optimal coordination of the resources implemented, since the limited scope for action tends to shorten the reaction time and diminish the consequences. Hence a tax measure in the energy sector risks having immediate and probably aggravated repercussions on the transport sector, which will immediately influence the tourist industry on which regional development is highly dependent, etc.

In such a context, the dissociation or lack of coordination of Community policies risks reducing their effectiveness, or indeed might lead to contradictions or difficulties. On the other hand, a coordinated implementation of these policies, within the framework of a simultaneous approach by the Commission’s different services, and in relation with the national and regional authorities, would be likely to create positive synergies and encourage a sustainable and balanced development.

The usefulness of an “interservice” approach to deal with the development of particularly sensitive territories was recognised by the Commission in 1986 with the setting up of an Interservices Group specifically in charge of the most remote regions. It was again acknowledged in 2000, with the establishment of an interservices working group on Corsica.

This type of practice should become the rule rather than the exception, and the procedure undertaken with regard to Corsica should be made permanent and extended to cover all the islands.

c) Consideration of the islands in the EU’s external policies.

A great majority of the islands are situated at the outermost bounds of the Community’s seas, or in the case of the ultra-peripheral regions, are indeed “projections” of the EU in other continents or other Oceans.

The policies of cooperation and exchange led by the EU with regard to third countries may therefore directly affect the future of these regions. For instance, the islands are among the first to be concerned by the opening up of the Community towards the southern and eastern shores of the Mediterranean. In a wider context, international agreements on maritime safety, the control of waste or various kinds of pollution, or measures to combat the greenhouse effect are of the utmost interest to these regions. The island dimension of the European Union must be systematically taken into account in its external policies.

This is moreover the case for the ultra-peripheral regions, which are characterised, depending on the case, by their remote location in the ocean or by their proximity to independent States in the Caribbean, Indian Ocean or West Africa. These regions are extremely sensitive to EU policies
regarding fisheries, trade relations, free circulation of goods and services – areas where the Community has sole competency.

A consultation process should therefore be set up, which, on the basis of the affairs being dealt with, involves them directly in the negotiations between the EU and third countries. Such a policy is indispensable not only to safeguard the vital interests of these regions, but also to help them achieve better economic integration in their respective regional environments.

III – The islands: a field of experimentation.

Some of the proposals put forward here for the islands (such as those concerning the coordination of instruments and Community policies in particular) could also be successfully applied to the whole of the EU territory.

In this respect, it should be recalled that in many States, the islands have constituted a field of experimentation in terms of governance. Hence:

- in France, in the 1980’s Corsica was the first region to experience regionalisation, and the current debates on the evolution of the island’s status are arousing numerous discussions on how this territory will develop;
- in Scotland, the organisation of local government into single-tier authorities was long experienced in the archipelagos, before finally being extended to the whole country, which was then subdivided into Regions and Districts;
- in Sweden, the island of Gotland is part of four Swedish regions currently undergoing an overhaul of the regional government system.

By taking inspiration from these precedents, the Community could consider implementing in its islands experimental practices with regard to governance. Such an innovative approach would be all the more justified in that the provisions of the Treaty, as mentioned hereinabove, provide precisely a legal and political basis on which to adopt “special measures”.

Jean-Didier Hache
Executive Secretary of the Islands Commission.
Contribution by the North Sea Commission
of the Conference of Peripheral Maritime Regions of Europe

(3) How contractual agreements on decentralisation could be set up (and for which topics) between the Commission and national, regional and local authorities.

Lack of involvement of regional and local authorities in EU policy development.
In general terms, the North Sea Commission shares the European Commission's analysis on the need for greater clarity in Community actions. Especially with regard to the following two issues: The lack of the involvement of the transnational co-operations in the initial formulation of the transnational programmes and the lack of fast rules and agreements to procedures for the preparatory consultations.

This may be achieved through a greater involvement of regional and local authorities in Community policies with a high territorial impact.

In particular: The experiences obtained within the framework of cross-border and transnational co-operations indicate clearly that the regions are willing to participate in European Affairs, especially Community policies with a high territorial impact, and to assume the responsibility to participate in the policy formulation and the implementation of structural funds programmes and Interreg-programmes.

In this sense the inter-regional co-operation structures have demonstrated a high degree of continuity and added value, whilst at the same time these co-operation structures have demonstrated a high level of participation from the regions and local authorities within the different transnational co-operation structures.

How could their participation be encouraged and organised in both policy formulation and implementation

Still, and referring to the experiences obtained during the latest programming period for Interreg III-programmes, it would be desirable if the regional authorities elected to the steering committees of the transnational co-operation structures would be involved more directly in the formulation of the not only transnational co-operation programmes, but also in Community policies with a high territorial impact, since in fact, they later in the process will be responsible for the implementation of the same programmes and policies.

Representatives from the steering committee from transnational co-operations should therefore be invited to participate directly in the formulation of new transnational programmes.

Secondly, representatives from the transnational co-operations should be invited to participate in the preparatory consultations.

Thirdly, and in order to formalise the participation of the transnational co-operations in the policy formulation of Community policies with a high territorial impact, a technical advisory committee bringing together the various inter-regional organisations, should be established. Such an advisory committee would ensure continuity and create the necessary conditions that allows for continued upgrading of the regional and local authorities ability to handle Community policies (bottom-up approach), given the fact, that there still is an absence of a uniform regional level in Europe.

To what extent could a more “contractual” approach be helpful

We would strongly recommend a contractual approach similar to the Administration and Financial Implementation model of the North Sea Commission regarding the implementation of future Community policies with a high territorial impact.
The Managing Authority in accordance with Article 34 which is responsible for the efficiency and correctness of management and implementation of the Interreg III B-programme. The Erhvervsfremme Styrelsen agency undertakes to be the single point of contact for the European Commission regarding this function and to undertake an annual control visit to check the systems comply with all the ERDF regulations. The Member States and Norway jointly retain responsibility for their own part in the Programme and decisions regarding the Programme content are made by the Monitoring and Steering Committees.

The Managing Authority will, on behalf of the participating countries, delegate the day-to-day Administration of the Programme to the Paying Authority and the Joint Technical Secretariat in accordance with Article 30 of the Interreg Guidelines.

In accordance with Article 9(o), the Paying Authority is responsible for drawing up and sumitting certified payment applications and payments from the Commission. For the North Sea Programme the Paying Authority will be Viborg County Council, Denmark.

(4) How to organise relations with networks of cities - or other geographical entities.

What should be the role of city networks and European associations of regional and local authorities

As has become clear from the above, the transnational co-operations of regional and local authorities should play a decisive role in the conception phase of Community policies with a high territorial impact. The Committee of the Regions should therefore, indeed, establish a genuine partnership with the transnational co-operations. In this way it would be possible to add a more precise appraisal of the impact of European policies to the political dimension of the Committee of the Regions.

What part could they play in the process of EU policy development.

The introduction of the principle of subsidiarity at EU level and the decentralisation processes initiated have given regional and local authorities possibilities to get involved in the political dimension through the Committee of the Regions. As argued in the above sections, it seems appropriate to clarify a more defined role of the regions and local authorities organised in associations to contribute in the formulation of Community policies with an territorial impact in general, in order to meet the increasing demand by sub-state public sector players as well as civil society in general to be involved in defining Community policies with territorial impact. This would guarantee a bottom-up approach and involvement of the regional and local authorities in the formulation of new Community policies with territorial impact and enforce the process of implementation and co-ordination of instruments and Community policies.
HEARING

Governance Team General Secretariat

"Towards better use of subsidiarity and proportionality"

Contribution by the CPMR
I - Introductory Remarks

- The debate on areas of competence has been raging for 10 years, with countless discussions between the European institutions, mainly of a legal nature. This led to the introduction of a draft agreement within the Treaty of Amsterdam, designed to clarify the system of role distribution between the European Union and Member States.

- These advances, however, did not clearly identify who does what within the European Union. This is a question to which only a few experts can reply at the present time.

- The claims of certain groups within Regions and the launch of this hearing show that progress remains to be made in order to achieve a more transparent system of governance, a system that is more easily understandable for all those involved in the process of integration, including the civil society. This consultation, which the CPMR salutes, is a first step in this direction.

II - The Aim of the Approach

- The defining of areas of competence at various levels of government should not, in our opinion, constitute an aim in its own right. Even less should it serve purely political motives aimed at a rebalancing of power between the various players on the public stage and a strengthening of their competences.

- However, this question seems to us to be essential given the objective towards which we are working, i.e. a polycentric Europe able to stimulate more balanced development in the various European territories. Is the current government model appropriate for the implementation of a more ambitious policy of territorial cohesion, reflecting the project for the polycentric development of the European territory? Could the aim of economic, social and territorial cohesion within Europe be attained without every level of power being involved?

- The answer to this question inevitably requires a clarification of the decision-taking mechanisms and the interactions currently in force between all the players implied in European policies with major territorial impact. It also requires reflection on the stated aims and the principles designed to regulate the exercise of competences within the Union (principles of attribution, subsidiarity and proportionality).
III - What is our view of the current situation?

1 - The principles of role distribution

- It is frequently said that the Community intervenes in areas in which it should not and that its action should be brought back to the essential. The absence of any clear theory on the distribution of competences and the dynamic character of the principles of subsidiarity and proportionality have left the field of intervention wide open for the Community, which has justifiably taken advantage of this situation.

➤ The attribution of competences

- It is easy to understand that, given the functional character of the Community which is gradually evolving, it was not possible to draw up, at the outset, a list of all its competences. Hence the retained principle of "attribution of specific competences" to enable the Community to attain its objectives (the achievement of the common market). This, it has to be said, is a system very close to that of federal States.

- Just as the Treaty does not contain a list of the Community's competences, so it does not provide any clear theory on the manner in which these competences are distributed among Member States. It would appear, according to case law, that competitive competences or shared competences are the rule (the States remain competent as long as the European Community has not intervened) and that exclusive competences are an exception (in this case, the European Community alone intervenes). A consensus appears to be created indicating that the following are competences exclusive to the Community through the implementation of the four fundamental liberties - a common commercial policy, the joint organisation of agricultural markets, the conservation of fisheries resources and monetary policy.

- In the light of the limits to the rule on the attribution of competences, a series of conditions were introduced into the Treaty which could open the way to new actions required in order to achieve one of the Community's objectives in the operation of the common market. As everybody knows, their use has become commonplace and some of the new policies introduced, e.g. in areas such as the environment or research, were initially developed on the basis of these articles before becoming the subject of a specific chapter in the Treaty.

➤ Subsidiarity and proportionality

- These legal loopholes led to the introduction of the principle of subsidiarity, which was supposed to regulate the exercise of competences. However, yet again, it is noticeable that legal complexity won the day. The objective is praiseworthy, since the principle specifies that the Community will act only in cases where States cannot adequately achieve the objectives of the Treaty. It is accompanied by a principle of proportionality, which indicates that the Community must not go beyond what is necessary to the achievement of the Treaty's objectives. This being so, one principle measures the need for action; the other refers to the means of action. However, it was intended that they should remain dynamic in order to be able to extend the Community's action if circumstances required it and, inversely, to limit and end action when no longer justified.

- It is these principles that should make it possible to avoid any unwarranted intervention on the part of the Community and ensure respect for competences at various levels i.e. Community, national and sub-national. Although the Treaty does not specifically target sub-State levels, it is accepted that the expression "Member States" also covers the regional and local dimension. Moreover, in a declaration enclosed with the Final Act of the Treaty of Amsterdam, the governments of the three federal States specified that it was self-evident that, in accordance with the principle of subsidiarity, the action of the
European Community concerned not only Member States but also their sub-State authorities inasmuch as these authorities held legislative power.

- How do these principles work in practice? Each Community institution is required to prove that a specific action is necessary at Community level rather than within the Member States. A specific study based on a list of selected criteria is established before any proposal is tabled by the European Commission which also carried out consultations, as was the case with regard to corporate policy when a European panel of businesses was set up to assess the cost and administrative consequences for companies of new legislation being drafted. In order to make Community action more acceptable, it is seeking to improve the literary quality of the texts and ensure greater transparency. However, it would appear that the Commission tends to pay increasing attention to the choice of legislative instruments as is obvious in the title of the reports concerning compliance with the principle of subsidiarity, "Better Lawmaking", and much less to justification for its action. The applications of the principle of subsidiarity described in the 1999 report concern only two sectors – the environment and social policies. Most of the report deals with efforts at simplification and transparency.

2 – The exercise of responsibilities

➢ Legal Aspects

- In the light of the above, it is hardly surprising that the Community's competences are now so wide-ranging, as indicated in the summary table below. The consequences of this are as follows:

  - automatic rejection, by certain groups in society, of a Community which is perceived as the instigator of comprehensive standardisation in the life of citizens and in which the centres of decision-taking are distant from the citizens;
  - the birth, within federal or widely decentralised States, of a fear that the Community might question the internal distribution of competences inasmuch as decisions are taken at Community level i.e. by a legislative body consisting of representatives of central governments and these decisions lie within the brief, under internal Constitutional Law, of the federated or regional authorities;
  - finally, the fear of a considerable reduction in the field of national competences.
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<th>Policies or areas of Community intervention</th>
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- This list of areas of intervention, which is not intended to be comprehensive, gives an initial overview of the scale of interdependence of competences between the various levels of public authority.

- Although most competences in the Community are still shared with Member States, the boundaries are still not very precise. Generally speaking, Community law is limited to a definition of the bases of a joint action or of required objectives and national competences continue to exist but are set within a framework. Let us take the policy on competition. Community regulations apply only to situations affecting trade between Member States; any other situation is covered by national legislation. Likewise, the prohibition on the use of standardisation in certain areas such as education, culture or health. In this case, the roles are complementary but there is no boundary between the fields of intervention on the two levels. This can lead to conflict situations, especially in the area of competition where the European Commission is often accused of being extremely rigorous.

- As seen in the above table, areas of Community intervention are also superimposed on each other in a dozen sectors covered by competences at sub-State levels (agriculture, fisheries, transport, culture, environment, health, training, employment etc). There is, therefore a potential risk that the internal order of Member States might be called into question, in particular that of federal States. The decentralisation processes currently being implemented in the other States of the Union seem likely to reinforce this trend. Here again, it is obvious that, in a given sector, the three levels do not have the

1 Excluding CFSP, justice and internal affairs, development grants.
same type of competence. In theory, the roles are complementary but the reality is often quite different:

- Certain Community policies with a strong territorial impact and devolving to areas of competence at sub-State levels are negotiated only between two levels i.e. State and Community. This is the case with the CAP, the transport policy or the policy on research.

The R&D policy implemented at Community level, mainly through the framework programme on research and development, results essentially from discussion and negotiation between the European Commission, the Member States, the European Parliament and leading national research centres. Generally speaking, the regional and local level, with the exception of the Committee of the Regions acting in a consultative capacity, does not participate in Community discussions nor in discussions with leading national research centres within their Member States. The result is a lack of acknowledgment of socio-economic realities in the various territories of the European Union when framework R&D programmes are set up.
In the transport sector, the example is even clearer, especially when the projects are of European importance. Over the past few years, there has been some question of creating a "southern bar" which would take high-speed trains (TGVs) travelling to and from the West of France and South-West of Europe round Paris, thereby avoiding the capital itself. This corresponds to the need for accessibility expressed within regions along the European Atlantic seaboard and may be illustrated by one simple example – the train service to and from the Futuroscope (Poitiers) by the Eurostar or Thalys services or the embarkation of cruise liner passengers in an Atlantic port. Such investment is worthwhile for Europe as a whole. It concerns the French Ministry of Transport, the regions along the Atlantic coast, rail companies and the sector involved in industrial tourism. It lies within the territory belonging the the Ile-de-France region. How is such a strategic question to be dealt with? The same question could perhaps be posed for the high-speed trains running services between Lyon and Turin, Perpignan and Barcelona, etc.

In the field of TEN-T, the contradictions are equally apparent. The objectives are defined by the European Commission with low-level participation at regional level. In certain States, including France, regional councils are not involved in the preparation of Community decisions which set up networks, identify bottlenecks etc. However, they are required to co-fund the infrastructures within the framework of regional development packages implemented by central government and the regional authorities (Contrats de plan Etat/Région). In federal States, the situation is much clearer inasmuch as the regional Ministers of Transport are formally involved in European negotiations. In centralised States, things are doubtless simpler still, with varying degrees of involvement at deconcentrated levels. They are probably, for example, more important in the United Kingdom than in Greece.

- Other policies with a strong territorial impact (regional or environmental policy) are shared de facto between the various public levels of involvement (Union, States, sub-State players) and private levels. This renders the play between actors much more complex since it also implies the need for private parties and often far exceeds the rules of competences and the system laid down by the Constitutional form of the State. In the Netherlands, where there is a highly centralised system, the State has implemented a policy of concertation with local authorities before any negotiations in Brussels. In Spain, on the other hand, despite regular sectorial conferences between the State and the autonomies on Community questions, concertation does not seem to be optimised.

IV - Preferred improvements

- This situation will not improve with the extension of the EU to 27 Member States and the greater depth and scope given to the construction of Europe in the future.

- The question is not to assess whether certain Community policies should be renationalised or whether, on the contrary, they should be transferred into the exclusive field of intervention of the Community. Most of the sectors indicated above do not seem to us to be suitable for treatment at only one of the three levels of territorial intervention (Union, States or sub-State authorities) without any intervention on the part of the other two levels. The problem is not so much the scope of Community competences as their interconnection with those of the other players and the regulation of their use, based on clearly defined principles, to provide for a clearer definition of the field of intervention at various levels. The main challenge is to ensure that this regulation becomes a collective exercise involving all interested parties (as it is at the present time, for example in the social sphere).

1 - Clarification of legal principles
This presupposes, first and foremost, a rethinking of the legal principles indicated above which currently govern the system of attribution of competences. An excessively rigorous conception of the principle of subsidiarity seems to us likely to damage progress towards European integration.

What is better achieved at Community level or what is inadequately achieved varies, of course, with time. Progress towards good governance is necessarily a cyclical process as shown below:

Environmental protection was not as crucial a question 50 years ago as it is now. Likewise, territorial cohesion may become a major challenge in a larger Union. The achievement of the Single Market inevitably reinforces interdependence and will impose increasing numbers of supranational interventions (in areas such as food safety, maritime safety, aerial safety, border protection etc.). In certain areas, competences will be directed towards supranational institutions; in others, in particular education and culture, they could become increasingly the field of associations or sub-national groups. The correct level of intervention is not immovable and the legal principles must allow for adaptations in line with changes and progress in the European structure.

This does not prevent a better definition of these principles, making them more transparent and strengthening control upstream. It is, therefore, not appropriate to proceed with modifications to substance; instead, the form should be modified to clarify the method of application. It is first and foremost up to the European Commission, in its role as a driving force behind proposals, to pay particular attention to this. The Commission must, it is true, assess the need for Community action but it must especially justify it and convince in accordance with clearly defined, legible criteria. If this debate is taking place today, it may not be because the Commission has exceeded its field of action but rather because it lacks transparency. The application of the principle of subsidiarity by European institutions should therefore cease to follow a purely legal logic. There are several options available.
consultations could be extended to include regional authorities, as has already been done with
national Parliaments. All the Commission's consultation documents (green papers, white
papers, presentations) and all legislative proposals are now forwarded to national
Parliaments. Moreover, the Conference of European Community Affairs Committee (COSAC),
which brings national M.P.'s and M.E.P's together twice a year, can submit to the
Union's institutions any contribution that it deems appropriate. Such contributions should
concern the application of the principle of subsidiarity. A similar system might be envisaged
between the Regional Committee and the territorial authorities and between each Member
State and its sub-State authorities.

It is preferable to define quality and quantity indicators when assessing the European
Commission prior to any proposal, including, for example, a reference to the competences of
the Regions. Does the matter in hand concern regulatory or financial bodies or is it to be
implemented by local authorities? Are the regulations likely to have a different impact
depending on the Regions and, therefore, affect economic and social cohesion?

The report entitled "Better Lawmaking" which, it is claimed, justifies the choices of the
European Commission, must be communicable, transparent and made public and it must
clearly set out the Commission's motivations with regard to the need to act at Community
level.

2 – Clarification of interdependent competences in policies with a strong territorial impact

- How could we envisage a strengthening of the partnership in accordance with the various national
constitutional realities and how could it be taken up to European level?

- In this area, which is much more vast than many others as regards the increasing complexity of inter-
relations between policies, a mere reconsideration of competences cannot constitute an end in itself.
The challenges relating to the implementation of a new policy of cohesion are, in this respect, highly
revealing. They are a perfect illustration of the difference that can exist between objectives
implemented vertically within structural funds as part of the partnership between Commission, State
and Regions and the coherence of the objectives aimed at horizontally within sectorial policies, at
whatever level - Commission, individual States or, again, a cross between State and Commission.

- Within the Commission (and within respective Councils of Ministers) there are many Community
sectorial policies which act in a manner contrary to cohesion policies. The most outstanding example
of this, as illustrated by the Commission in its last report on cohesion, is the CAP. This shows that the
intensity of financial transfers almost contradicts payments made within the framework of the
structural funds, for much larger amounts. The same applies in the field of research policy, transport
or aids from central governments. These polices act against the objective of cohesion even if the
involvement of the policies in cohesion is unanimously validated by Heads of State and Government.
Typically, this gives a framework of global governance of the Union which renders economically
inoperant the addition of a certain number of public policies, whether national or Community-based.

- The same observation can be made for each of the States. As regards their national cohesion policy,
not all of them support decisions taken at Community level. The best proof of this is to look at the
difficulties inherent to the implementation of the principle of additionality which constitutes one of
the four pillars of the implementation of structural policies.

- Numerous illustrations also exist in sectorial policies which must, in addition to the contradictions
internal to each institution, manage the difficult links between Commission, States and, sometimes,
Regions.

- Within the framework of research and innovation policies, although the Treaty provides for
the involvement of European research policy in the effort for cohesion (which is far from the
case), the same should apply to national policies on research, development and innovation, policies for which the budget and capacity for action are out of all proportion to the available Community budget. Various proposals may be made in order to improve the links between the roles of the players in this sector - obligation for annual consultation of regions, for example in the form of a round table, and the requirement for joint councils of ministers involving ministers of research, regional policy and territorial development in order to discuss the territorial impacts of R&D policy. Such options, however, may prove to be inadequate.

- The same applies in the area of transport, where the complexity of the logics of public/private intervention makes it more difficult to implement a common policy with clear objectives. The TEN-T policy was designed partly to overcome these contradictions but they resurface whenever there is a study of the actual achievements such a policy has engendered and whenever there is difficulty in achieving a shared revision of objectives. Additionally, there are several internal contradictions between a DG TREN which coordinates the setting up of the network and a DG REGIO which provides most of the Community assistance through the ERDF without necessarily sharing the same initial objective. Moreover, the distribution of the national portion of the funding varies greatly from one State to another depending on the level of decentralisation achieved. This is not necessarily the most crucial problem. On the contrary, it is usually the portion of private funding in the setting up of the infrastructure, funding which varies greatly from one State to another, which renders decision-taking difficult at European level.

- In the area of the environment, the difficulty lies in the conditions under which spatial and temporal interrelations are taken into account and, therefore, of the extent to which the horizontal character of the environmental measures is given consideration. The management of spatial impact implies the need to take account in a manner that goes beyond the traditional geographical framework of the exercise of power, whether in the management of certain types of natural areas (mountains, protected areas, maritime zones etc.) or the preservation of species of wildlife. As to the management of horizontality, this implies more generalised concertation at every level of the decision-taking process between institutional representatives and professionals involved in the various sectorial policies in areas such as the fight against pollution or against the greenhouse effect.

- Faced with these extra-territorial constraints, what remains as the basis for an assessment of the quality of the principle of partnership implemented within the framework of the structural funds, if the regional level does not hold the keys to the future of its territory?

In response to this central question, it would be equally illusory to imagine that one could completely reverse the trend by giving the regional level plenipotentiary powers to implement the relevant sectorial policies. This would, of course, pose the problem of the global coherence of policies and the level of solidarity between territories.

The problem, then, cannot be seen in terms of a distribution of competences between the various levels but rather in terms of overall coherence of the objectives being sought by public policies. There is no doubt that a new partnership model should be sought within the framework of the future regional policy, going far beyond the monitoring of changes to institutional systems that are specific to each country and the currently limited conditions of the partnership.

➢ "Project-based management " of public policies with a territorial impact?

- The exercise started by the 15 Ministers responsible for territorial development within the framework of the ESDP provides an interesting pointer to a new "project-based management" approach whose main limit lies, at the present time, in its purely informal character. The notion of "project" covers a wider meaning i.e. that of a global political project.
The political will to evolve towards multi-centred development for Community territory is a priority for the ESDP. It would provide an initial framework for concertation between the various policies (horizontal approach) and the various levels of players (vertical approach). The success of this project will, therefore, depend largely on the level of adhesion that it achieves at every level, from Heads of State and Government down to regional and local authorities.

Its informal character is also an advantage. If correctly organised, it allows for partnership upstream, during the design phase, thereby avoiding the contradictions inherent to excessively quick, and illusory, implementation. If the multi-centred project does not sufficiently bring in the highest decision-making levels, it will remain unfinished and will not resolve the aforesaid contradictions. Likewise, if it does not obtain the backing of regional and local authorities and of players in the field, it will remain inoperant.

Only when the political project has been defined and negotiated by all the partners during the design and, later, the decision-making phases will it become necessary to support it and identify the competences provided at the present time by various players in order to ensure that implementation complies with the objectives. It can be analysed as follows:

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Good governance grid

At this stage of the project, the existence of several institutional systems is of no importance. The main requirement is to ensure that each player is able to implement it coherently compared to the political project to which it was associated previously. The success of this approach will then depend on the reliability of the monitoring of the political project. There is no doubt that the Commission has a vital role to play here, whether or not it is competent in the particular area concerned.

The partnership conditions implemented during the negotiation and, later, the decision-making phase could usefully be based on practices implemented in the social sphere. As regards project
management, numerous examples have existed for some considerable time in private corporations which have had to adapt rapidly to the increasing complexity of the organisation of markets and the globalisation of production systems. The times taken to adapt public policies and their modes of governance can also be seen in a longer term of which the initial bases could be laid down in this white paper.
QUESTIONNAIRE

Working Group

"Territorial Development: Networking of Territorial Players"

Summary of responses received by the CPMR
1 - Working Group Objectives

The European Commission's fourth Working Group considered interconnection between the various territorial levels by means of networking, taking as their area of analysis balanced, sustainable development within the boundaries of the EU.

The aim is to highlight the coherence between European systems and existing initiatives set up by authorities, and to agree on the methods to be proposed as regards mechanisms for cooperation (networking) to enable the various players within local or regional authorities in the Union to work together more efficiently and articulate their various levels of competence. This overcomes the problems posed by malfunctions and makes more democratic, transparent, coherent and efficient the decisions that have to be taken as regards territorial development, based on an approach to problems that goes beyond the hierarchical power structure.

The choice of territorial development as a subject for discussion is linked to its European nature. It not only reveals the need for better interconnection between the various levels of competence (Community, national and sub-national) but also the need for improved interconnection at transnational level.

2 - Methodology

The Working Group undertook its task with the help of local and regional authorities and inter-regional and local organisations on a European level.

The CPMR provided overall coordination for the exercise and acted as an interface between authorities and the European Commission during the operational consultation phase, at the request of the Commission. It circulated a questionnaire to be used as a basis for the drafting of contributions from the authorities concerned, jointly with the European Commission.

Based on the 44 responses received from regions, towns and cities in 15 countries (including countries outside the European Union i.e. Norway, Romania and Lithuania), from transnational geographical entities and from national Associations of local and regional authorities, the CPMR submits the enclosed summary and hopes that it will provide a true view of all the suggestions and proposals raised. This summary does not take account of individual questions but offers a general overview based on three themes:

- assessment of the current situation,
- the suggested options and methods of strengthening networking,
- necessary conditions.

It is followed by a comment from the General Secretariat of the CPMR.

The Conference is delighted that, through this application, the European Commission has taken note of the existence of inter-regional associations as useful players on the European stage, at the interface between national and regional levels at which our citizens form their opinions. The Conference is convinced that it is contributing to a strengthening of a Europe in closer touch with its citizens, and that this alone can render developments in Europe more visible. It hopes that this new cooperation is a foretaste of future commonplace conditions for joint working based on the conclusions of the next White Paper on Governance.
### 3 - Responses received

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### INTER-REGIONAL AND TRANSNATIONAL ENTITIES

- **41. INTER-MEDITERRANEAN GEOGRAPHIC COMMISSION OF THE CPMR**
- **42. BALTIM SEA GEOGRAPHIC COMMISSION OF THE CPMR**

### NATIONAL ASSOCIATIONS OF LOCAL AND REGIONAL AUTHORITIES

- **43. ASSOCIATION OF FINNISH LOCAL AND REGIONAL AUTHORITIES**
- **44. SWEDISH ASSOCIATION OF LOCAL AUTHORITIES – ASSOCIATION OF LOCAL AUTHORITIES IN VASTERBOTTEN, NORRBOTTEN**
4 - Summary of responses to the questionnaire

I - Introductory remarks

The idea of improving the interconnection between the various levels of governments and strengthening their operation through networking both vertically (between the various levels of competence - Community, national and sub-national) and horizontally (transnationally) is shared by almost all local and regional players who responded to the questionnaire. This exercise is, therefore, welcomed with great interest and meets a need felt by a large majority of the authorities consulted.

In the current climate, networking is considered by most as one of the essential conditions for greater democracy, transparency, coherency and efficiency in the decision-taking mechanisms implemented as regards territorial development.

It is also emphasised that the development of regional and local authorities increasingly depends on their inclusion in a wider context which, in turn, requires ever more sophisticated forms of inter-regional and transnational cooperation. This cooperation is deemed to be a vital element in the link between those involved in development and integration. This good, multi-level, territorial governance, which also applies on a transnational level, is one of the conditions for development.

However, the aim of a strengthening of the interconnection between the various public authorities is not perceived by all as a necessity - in particular, the German Länder consider that their constitutional system defines the distribution of competence in the area of development in a manner that is sufficiently clear. Given that the topic of development does not lie within the scope of Community competence, the reflection on networking between sub-national players and the European Union seems to be largely irrelevant for these regions.

The other public authorities emphasise different priorities, depending on whether or not they hold legislative powers. Those who hold strong constitutional powers highlight the need to apply the rights and laws acknowledged by their Constitutions and the Treaty of Union as regards links between the Community, national and sub-national levels. Others insist rather more on a strengthening of their direct collaboration - through methods yet to be defined - with their States on the one hand, and directly with the European Commission on the other.

These positions, which may initially appear to be divergent, seem to result rather more from confusion over terminology (the exact meaning of territorial development, active subsidiarity etc.) than from any real opposition to the concept proposed by the Working Group. It is, therefore, recommended that the European Commission should take account of these risks of misunderstanding in the final version of the White Paper and define these concepts more precisely.

II - Assessment of the current situation by local and regional players

1° - The networking and development of sub-regional partnerships (between regional and local public authorities and socio-economic players) is perceived by all as a condition that is now vital for the formulation of territorial development strategies.

Although the partnership methods are fairly heterogeneous, varying according to regional and national cultures, they seem to correspond to the various realities and are deemed effective in most cases:

1° - The networking and development of sub-regional partnerships (between regional and local public authorities and socio-economic players) is perceived by all as a condition that is now vital for the formulation of territorial development strategies.
• Some of the authorities prefer contractual methods at sub-national level,
• For others, it is the law which lays down partnership conditions,
• Still others use successive combinations of informal and institutionalised practices,
• Some use operational agreements on concertation, based on a consensus of views.

Despite the clearly-expressed desire to widen partnership to include as many players as possible, including the civil society, it is not always effective. There is a major difference which should be noted:

• In Southern European States, partnership often takes the form of informal ad hoc concertations, in order to differentiate between consultations and decisions which must lie within the competence of public authorities. This is a mainly consultative and informative partnership;
• In Northern European States, partnership is highly structured. It aims to take account of the viewpoints of citizens through a process of consultation (mainly over the Internet) throughout the decision-taking process.

2° - Although networking at sub-regional level seems to function well, opinions differ more widely as regards the interconnection between the national and sub-national levels for questions of European interest.

• Inasmuch as the States are a necessary buffer between sub-national levels and the European Union, everybody considered that this was a major question and that improvements were necessary. Most of those questioned emphasised that the States constitute a filter between sub-national levels and Brussels and, in many cases, a screen, in particular when dealing with policies with territorial impact, whereas they should constitute a relay and ensure the transparent forwarding of regional opinions.
• Others, on the other hand (but only three regions) consider that consultation between the central and regional levels regarding proposals from the European Commission is achieved effectively through permanent cooperation structures.

3° - A common policy is taking shape with regard to the confirmation of a lack of interconnection between the three levels - sub-national, national and Community - and the need to improve cooperation between these levels:

• The only example of cooperation seen as sufficiently interconnected between the three levels, and one which is clearly shown by all responses, is the partnership implemented within the framework of the Regional Policy, despite certain limits and improvements required in order to reinforce it. The single programme provides not only a confrontation and comparison between State and Regions but also integration of the European interest into the local level. Preparation and implementation of this programme therefore requires the establishment of a wide-ranging partnership and, for most, represents an element of inter-regional and intersectorial integration as well as a means of heightening awareness of the extra-national importance of territorial development. For most people, this is the supreme example of the practical application of the principle of subsidiarity. It has led to a real strengthening of cooperation between regional, national and European authorities.
• Certain regions regret that the European Spatial Development Perspective (ESDP) did not provide an opportunity to instigate joint reflection by the various levels involved when it was a prospective, innovatory approach around which the various public authorities could have instigated new methods for joint work.
• Despite the closer association of Regions in certain transnational programmes (e.g. Interreg), partnership between the three levels is not always implemented effectively.

• Finally, there is a general view that the European level is not sufficiently present in the strategies implemented by regional authorities, especially in the design and implementation of European sectorial policies with territorial impact e.g. R&D and innovation, rural development, transport, environment, fisheries etc. The Regions do not see themselves as associated with these policies while strong representation is made to the authorities for involvement in project funding. The existing concertation / cooperation structures such as the Advisory Committee on Fisheries or Environment Forum are seen as too exclusively directed towards socio-professionals or as being inadequately structured.

4° - As to networking at transnational and inter-regional levels, it occurs de facto, despite the absence of any appropriate European legal structures. Most of the Regions are involved in inter-regional, national or transnational partnerships and cross-border bilateral or multilateral partnerships within the framework of voluntary agreements or Community programmes. However, they underline the difficulties posed by excessively complex legal structures for cooperation (in the absence of European frameworks) so that Regions tend to concentrate their energy rather more on the operating of the system than on the production of real projects.

Many also emphasise the fact that more and more small-scale inter-regional partnerships are tending to develop because they are more markedly seen as "proximity programmes". However, they find it difficult to take part in Community programmes.

III - Given these considerations, the following options/methods have been formulated in order to strengthen concertation between the various territorial levels on the definition of strategies and objectives for common development:

This concertation is envisaged in different ways:

- There are those who consider that it should be carried out firstly at sub-national level then between the sub-national and national levels. These joint positions will then form the basis of concertation with the European Union.

- Others consider that strengthened concertation between the sub-national and national levels does not preclude the need to set up, at the same time, direct and stronger links between the authorities and the European Commission.

- Finally, a minority proposes a form of interconnection implemented between the three levels in synergy, using new concertation mechanisms.

Depending on which of these approaches is highlighted in the answer, the proposed mechanisms for cooperation are different:

1. - Strengthening sub-regional partnerships:

Current partnership practices are deemed to be generally positive. The proposals for the strengthening of this approach are based on an improvement of the systems already in use i.e. tools that tend to be flexible and informal:

- Agreements
- Draft agreements
- Declarations of intent
- Round tables and concertation

Excessively formal, constricting agreements are considered by many as a brake on the involvement of civil society and local authorities and as tools that are too bureaucratic and costly. At sub-regional level, the choice of tools is considered as being much less important for
the authorities than a clear undertaking between the parties on the common, shared objectives. This can lead to a precise definition of individual responsibilities. The efficiency of the partnership seems, therefore, to be more closely linked to the interest of the various parties in implementing joint actions than to the framework chosen.

2° - Ensuring more interconnection in concertation between States and territorial authorities

The need for better coordination between national positions on European policies and the positions of their territorial authorities in order to reflect sensitivities more clearly, is perceived as an essential element. This is clearly expressed in most responses. They show a strong determination to reinforce consultations in the implementation of national strategies:

- Either by giving effect to elements already provided for under the Constitution (this is the case for Spanish regions which are not sufficiently involved in the preparation of decisions even though the administrative system allows for this),
- Or by instigating new practices in States where this interconnection is not planned at constitutional level (e.g. France),
- Or by coordinating the positions of various levels through the setting up of regional networks at national level. These networks would then take part in national management committees in countries where such structures do not yet exist.

Certain players go so far as to suggest that the Commission should not take account of national positions unless they have been subject to this type of internal consultation and should encourage the national level to adopt bottom-up approaches. The authorities, knowing that certain States do not have a well-developed culture of concertation in this way, suggest that the following should be implemented at European level:

- forums for the transfer of experiences in good local programming practices, in order to advance gradually towards this objective,
- catalogues of good practices which could be used to direct relations within each State under the terms of the principle of subsidiarity.

3° - Instigating direct partnership between territorial authorities and the Union

Although the authorities are demanding a strengthening of concertation with the States in the definition of national positions, they consider that this by no means precludes the instigation of direct consultations with European institutions, in particular upstream in the decision-making process since they participate directly in the implementation of policies and European legislation.

This partnership does not use rigid, contractual mechanisms. It is a request linked mainly to a strengthening of consultation and the circulation of information from European level to sub-national levels and vice versa. The proposed solutions centre on the following:

- An increased presence of European institutions at local level in order to provide better information on EU objectives and strategies as regards territorial development, including its circulation via the Internet.
- The circulation of the results of cooperation through thematic conferences in order to carry back up to European level good practices and the proposals from those in the field.
- A new role for local agencies (Leader networks and Leonardo agencies) which could, in addition to their work on the top-down circulation of European information, be given responsibility for sending regional proposals and priorities back up to European level.
- A strengthening of the role of regional representations in Brussels.
The fourth option envisages simultaneous coordination between players on a Community, national and regional level. Among the solutions suggested were, firstly, several methods that would strengthen coherence and integrate European, national and regional systems within the framework of several European policies and secondly, more institutionally-based solutions that would strengthen concertation between authorities:

A consensus seems to have been achieved, stating that contractualisation is the most efficient, and most suitable, method in a partnership between Community, national and sub-national levels, without formulating any concrete proposals for implementation that are different to those already in existence.

Among the suggested improvements to the methods used at the present time are the following:

- The most ambitious proposes overall contractual programming between the three levels of government, in the form of Integrated Territorial Plans. This programme would integrate all EU policies with territorial impact i.e. the regional Policy and the sectorial policies (research, transport, environment etc.) and would define common objectives.
- The second, more targeted proposal involves greater interconnection between the various levels of government solely within the framework of structural fund programming in order to ensure that the funds finance projects of territorial interest and not ad hoc projects with no strategic interest for the development of the entity concerned.
- The third suggestion is similar since it is based on one aspect of development policies (the European sectorial policies) and proposes that a territorial dimension be integrated into them so that the three levels can define the objectives together.
- The fourth one takes as its example the current European Interreg programme which no longer brings the Regions into the negotiations on operational programmes to the extent that it once did. The proposals concern mainly the need to adapt legal frameworks, for example by creating a Community law association status because EIGs are not a suitable vehicle for institutional cooperation. Or there could be another specific legal instrument for cooperation recognised by the various national authorities.

Among the institutional options for concertation:

- Certain players recommend the reinforcing of the presence of authorities within the Permanent Representations of Member States in order to improve interactivity between sub-national authorities, representatives of central governments and the European level.
- Certain Regions with legislative power propose to use the convention method for the definition of common positions in each of the subjects in which they have competence.

IV - All the players place a certain number of conditions on the implementation of the proposed options

1. For most of them, networking between the various levels can only succeed if a certain number of institutional and political conditions are met.

The effectiveness of the partnership depends on direct involvement in the decision-making process. This is considered as necessary in order to better integrate the European interest at regional political level and, at the same time, to improve awareness of the realities and needs of
the various territories by the European institutions. The proposals vary depending on the diversity of the national administrative authorities:

- Regions with legislative competence consider it necessary to be involved in the definition of objectives and instruments for Community action and in their implementation, in particular as regards all matters lying within their exclusive spheres of competence (also by organising consultations on the annual programme of work of the European Commission in these same areas). They also consider that, given the low level of influence of the Committee of the Regions, their direct participation in the Council of Ministers is necessary, as is a right of annulment as regards matters within their area of competence.
- The others raise the question of giving an official framework to informal concertation phases during periods leading up to the implementation or reform of European policies or legislative proposals, in particular for those which have a major impact on their territory - regional policy, corporate policy, CAP, CFP, water, transport, education/training, employment, social integration, the environment, urban and rural policy, R&D and innovation. For these regions, the consultation includes involvement in working groups within the institutions. They also insist on the need to strengthen the role of the Committee of the Regions and its links with inter-regional organisations and to ensure better representation for the Regions within the European Parliament.
- Certain parties raise the need to involve inter-regional, transnational organisations in the consultations since such organisations are representative interface structures from the point of view of the Regions.
- Everybody agreed that the management process for European credits and the implementation of programmes should be decentralised to local and regional authorities in order to give greater responsibility to the regional level, lighten the burden of bureaucracy and provide greater flexibility in the management.

Networking is subordinated, by some, to a redefinition of legal principles:

- Extending the principle of subsidiarity to regional and local levels in order to ensure that authorities feel involved in programming processes,
- Clarifying the competence of various levels of government within the Union,
- Extending the principle of partnership to all Community policies.

2° - For most parties, the interconnection between the various levels and the choice of methodology are only meaningful and effective if there is agreement between the parties on the objectives to be pursued and the finality of the policies. To date, the authorities consider that the financial aspect has prevailed and that the European Union has been seen rather more as a provider of financial assistance than as a player really involved in territorial development. The following conditions were mentioned:

- The need to include European development policies and territorial cohesion in the objectives and to continue the objective of a more polycentrised development of the European territory as described in the ESDP.
- A need for coherence between the various European regional development programmes (ITCs, innovation, entrepreneurial actions, SMEs etc) but also greater integration between regional and sectorial policies.
- Policies that take greater account of territorial specificities and particularities, that are more flexible and more uniform as regards management regulations.
- Increased attention to the efficiency of policies by strengthening the systems used to assess selected strategies and the added value of European intervention.
5 - Comments from the CPMR General Secretariat with regard to responses to the questionnaire.

An examination of the responses received directly by the CPMR or forwarded for processing by the European Commission requires a few observations on our part. These remarks are as follows:

1 - In replying to the questionnaire, the Regions mainly used their empirical experience of involvement in Community policies. This being so, they highlighted regional policy, the only one of the European policies for which there is a clear framework implying their involvement within a partnership that is:
- sub-regional (they fulfil a leadership function and draw in public and private authorities),
- established with their State,
- established with the European Commission.

2 - They would like this mechanism to be extended to other policies with a strong territorial impact (transport, research, environment, business, rural development, fisheries). For these sectorial policies, the predominant practice at the present time sets up a partnership between the European Commission and the Member States, without any organisation of an established, clear mechanism of association between sub-State levels, even though these levels are usually called upon to contribute to the funding of selected projects. Existing mechanisms such as the Advisory Committee on Fisheries are too concerned to bring together socio-professional players and leave no room for sub-State levels. The same is true of the proposals formulated in the Green Paper on the future of the CFP.

3 - It is evident from the responses that, although the Regions insist on closer involvement through their State, this is first and foremost because they are deeply attached to their national framework. It is within this framework that they expect greater involvement in the preparation and implementation of European policies. This being so, acceding to their request on this level does not mean that there is any risk of "opening Pandora's box". On the contrary, it would give greater legitimacy to a European Union of States in which sub-State authorities wish to play a full part beside national administrations. It is the absence of a sufficiently strong, clear association that might lead to the use of other channels to bring grass roots needs to the attention of those in authority.

4 - In some way or other (legal, constitutional, contractual or based on less formal coordination), the Regions and their States have implemented mechanisms for convergent concertation between regional and local forces in order to define and achieve common objectives for territorial development. The wealth of experience is largely ignored and far from optimised. Yet it constitutes a pragmatic base on which to build greater decentralisation of partnerships for the purposes of European policies with a territorial impact. The Regions are therefore seeking the development of a European function that would enable the exchange of good practices in various forms of partnership governance (forum, the Internet, seminars, publications etc.). This could be one of the proposals in the White Paper i.e. the setting up, for the next three years, of a Workshop focussing on the observation and optimisation of this know-how. Apart from the immediate usefulness for players, the results would clarify the conditions under which the next period of Community action programming could be implemented.

As regards the partnership between Regions and their State, this mechanism for observation and exchange should clearly distinguish between the following two phases:
- the involvement of the Regions in the drawing up of national positions in negotiations on future policies,
- their involvement in implementation phases, an area in which action is already been taken on a more general level to achieve the devolution of leadership to regional authorities.

5 - With regard to inter-regional, transnational cooperation, the regions highlight two aspects:
- within the framework of Interreg programmes, the Regions have become more proactive on a de facto level than it would appear from the official process which requires Member States to do no more than present programmes to the European Commission. Law should adapt to reality and give the regions the place they deserve in the contractualisation procedure.
- The Regions justifiably emphasise the absence of adequate legal support for programme development, without excessive costs in terms of bureaucratic energy. It seems inconceivable that, after twelve years of experience within the framework of Article 10 of the ERDF and Interreg, the European Commission has not been able to offer Member States and Regions an appropriate legal and financial framework for transnational cooperation.

6 - Regions are seeking a strengthening of the Committee of the Regions as a place for consultative expression of regional interests in Europe as an additional aspect of their relationship with their State. The Committee could usefully be associated with the results of the Workshop proposed above (§ 4).