

Cohesion Policy Brief

November 2013

State of play at EU funds' programming half time:

Draft planning documents fail to ensure sustainable development, are half-hearted in environmental protection, sideline partners and neglect communities

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As most Partnership Agreements (PAs) have been sent informally to the European Commission and the preparations of Operational Programmes (OPs) are well underway, NGO representatives from Bulgaria, the Czech Republic, Estonia, Germany, Hungary, Poland and Slovakia gathered together for a "European NGO Forum on Cohesion Policy Reform 2014–2020" in September 2013 to exchange information and discuss the state of play of Cohesion Policy programming, to assess progress on environmental mainstreaming and draw conclusions about the inclusiveness of future EU funds' spending.

Based on analysis of Partnership Agreements and experiences of 'partnership' in current programming, participants are regrettably forming the view that Member States' current planning of Regional Development funding for the period 2014 –2020 fails to acknowledge that Europe's current ecological footprint lays way beyond the planet's carrying capacity and, as a consequence, that economic and regional development – fostered by the EU funds – has to transform production and consumption patterns to a sustainable level that does not over-exploit natural resources.

At present draft PAs and OPs are not proving to be sufficient for effectively catalysing the EU's transition towards resource efficient, renewable energy based economies.

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In its initial proposal from 2011 the European Commission developed a new architecture for Cohesion Policy, where alignment towards the EU's long term climate, environmental protection and resource efficiency objectives should be built on result orientation, thematic concentration and a strengthened partnership with stakeholders. However as it looks now at the 'half time of programming' it seems that the relevant respective documents are failing to ensure sustainable development throughout all the plans and programmes, that environmental protection is half-hearted, that partners are often side-lined and communities neglected. NGOs involved in the programming process in the various countries of central and eastern Europe face significant problems in accessing draft programming documents,

priorities are often agreed behind closed doors and even engagement and input from environmental authorities is not granted when first drafts are circulated.

From regulation to implementation: a flawed bridge

I. An incomplete partnership

The European Commission's proposal on the partnership principle laid down in Art.5 Common Provisions Regulation and in the European Code of Conduct on Partnership was intended to improve the quality of partnership and to ensure partners' involvement in programming. Substantially weakened during the trilogue process over the last 18 months, it has become evident that without binding minimum standards many Member States are not able to establish a sufficiently elaborated system to manage partnership: even though official channels to communicate partners' contributions are established, overall there is very little dialogue among planning authorities and partners. Receiving feedback on submitted contributions is rather a rare case. What's more, timelines given by authorities to react on drafted planning documents are often unrealistic and hamper participation.

Member States should commit to the principles set down in the European Code of Conduct on Partnership and the European Commission should monitor and report on compliance. Informal drafts should be made available online and public consultations should allow for contributions at several stages of draft programming until the formal consultations with the European Commission start.

II. Mainstreaming of sustainable development according to Art. 8. CPR requires effective operationalisation

Draft Partnership Agreements and Operational Programmes are often not effectively integrating environmental aspects, as Article 8 on sustainable development of the proposed regulation requires. The promotion of environmental protection needs more than simply measures for 'end of pipe' environmental infrastructure. Member States should ensure environmental measures are integrated in all relevant thematic objectives promoting pilot solutions and the most eco-innovative approaches.

Moreover, Member States should ensure that each programme takes all necessary steps to avoid the negative impacts of planned investments to natural resources and environmental conditions. National authorities should use technical assistance to set up effective implementation structures that ensure that environmental considerations are specifically promoted, are integrated in calls for proposals and are part of public procurement procedures.

European environmental NGOs call for well-defined, binding sustainability and efficiency criteria for project selection to be part of the implementing documents, calls for proposals and tendering procedures. Environmental measures should be integrated across all thematic objectives.

III. Promotion of sustainable renewable energy sources (RES) only

The decarbonisation of European economies by 2050 requires immense effort and investments for changing national energy mixes and sectoral energy consumption which have to be based on sustainable RES. While the 2020 renewable energy targets might be met by Member States, trajectories for the period after 2020 suggest that much more effort will be needed to stay on the decarbonisation pathway.

In this regard, the tendency of a number of Member

States not to support RES via EU funds in 2014–2020 is a big concern: while a minimum amount (earmarking) for pursuing the 'shift to a low carbon economy' is ensured, within this thematic objective the support for RES is marginal, whereas for example energy efficiency is omnipresent. If we want to decarbonise our economies by 2050, major new investments into sustainable energy generation have to be done now.

Therefore the EU funds for 2014–2020 must concentrate on the funding of the most effective measures to reduce CO₂ emissions. This includes and integrates sustainable RES, energy efficiency and sustainable ways of carbon storage (e.g. peatland restoration). A related issue is the use of biomass in combination with fossil fuel combustion. Only local, sustainable biomass should be promoted without it being used for "greenwashing", i.e. co-firing existing fossil fuel plants.

EU funds 2014–2020 should prioritise innovative means of reducing carbon emissions and support for sustainable RES based on specific sustainability criteria.

IV. Finance biodiversity protection and ecosystem based climate change adaptation and risk prevention

Ensuring intact ecosystems, the sustainable use of natural resources and preventing/minimising climate change impacts requires a holistic approach towards all levels of society and economy. While the concentration on climate change mitigation measures is a good step, environmental protection beyond waste and water receives little attention and financial support. The current programming is very weak in granting support for green infrastructure and ecosystem services as an asset for the spatial and sustainable development of Europe's regions. Too often managing authorities tend to set alarm bells ringing about the need to keep intact ecosystems and to secure our natural capital with the argument of being forced to concentrate the funding.

A comprehensive approach towards regional development has to invest in climate change mitigation and adaptation, biodiversity protection and resource efficiency all together and simultaneously; the natural capacities of ecosystems should be fully utilised herein. Management authorities should ensure better knowhow among Cohesion policy stakeholders about the interaction of nature conservation and local/regional economic development as the economic base of many European regions is founded on its natural resources (e.g. tourism, quality of life to attract skilled workers, etc.).

V. Strengthen bottom-up approaches and Community-Led Local Development (CLLD)

Currently several Member States do not plan to fully use the potential of Community-led Local Development. CLLD would increase efficiency, ownership and help EU funds to be distributed more based on the specific needs of local communities, promoting local sustainable development and building participatory democracy.

Member States should include CLLD in programmes as far as possible, and prepare managing authorities and local actors for effective and sustainable use of that planning tool.

VI. The transformation to economies which do not exploit natural resources over their limits requires efforts in all sectors of the economy

Integrating social and environmental aspects to thematic objectives for 'smart growth' is needed, but currently not visible in the draft PAs and OPs. Support for economic development, for SMEs, research and innovation cannot be seen isolated from the need of substantially restructuring production processes to a sustainable level. Measures for thematic objectives of

smart growth such as R&D and Innovation, information technologies and the competitiveness of SMEs, should be part of the framework of sustainable development.

Investments throughout all objectives should promote material and energy saving innovation, capacity building, and contribute to the food, energy and economic sovereignty of European regions. The promotion of eco-innovation, green technologies and social entrepreneurship helps regions to provide jobs and generate income for European citizens in the longer term.

The attached six issue papers on climate mainstreaming, biodiversity protection and Natura 2000 financing, sustainable transport planning, climate change adaptation and risk prevention, Community-led Local Development, and the application of the partnership principles provide more detailed analysis of the 'state of play of programming' in the respective sector, and recommend solutions to overcome identified deficits.

ANNEX: Six issue papers

1. Principles and criteria for climate mainstreaming in EU funds programming and implementation
2. The inclusion of biodiversity, Natura 2000 and green infrastructure measures
3. Intelligent transport planning to ensure sustainable mobility for all
4. Risk management and climate change adaptation in harmony with nature
5. The application of Community-led Local Development in the 2014–2020 programming period
6. Implementation of the partnership principle in EU funds programming 2014–2020

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1. Principles and criteria for climate mainstreaming in EU funds programming and implementation

Environmental sustainability and, in particular, climate change mitigation is one of the main areas of intervention in the next programming period and, according to the Cohesion Policy regulation, it should be mainstreamed throughout all programmes and projects.

While financing for energy efficiency and some renewable energy sources is now foreseen in Operational Programmes in most of the countries, it is nevertheless not a given that planned measures are environmentally sustainable and result in high quality output.

Whereas article 8 of the Common Provisions Regulation enshrines environmental protection and sustainable development as a horizontal principle, its operationalisation causes difficulties, its description in Partnership Agreements remains superficial, and its integration into other thematic objectives and priorities appears to be deficient: apart from direct investments under the 'low-carbon' thematic objective 4, climate mainstreaming is missing in the designing of green innovation measures as part of Research & Development priorities. It is necessary to increase the focus of SME support for smart specialisations to resource efficiency and environmental protection.

The draft PAs and OPs are likewise missing out on sustainable urban development plans and integrated territorial investments that would tackle environmental issues in an integrated approach – synergies with the Horizon 2020, LIFE or the Connecting Europe Facility are not being realised. And, finally, the capacity building of stakeholders vis-a-vis environmental mainstreaming is rudimentary.

In order to enable climate protection, energy and

resource efficiency, the following criteria should be included into programming and upcoming implementation documents:

Public procurement and support for SMEs

- Energy efficiency audits must be part of the design and planning of any relevant investment. Funding from EU sources should be available for the audits and the disbursement should be linked to the realisation of at least some of the recommendations from the audit, as energy audits offer a complex, tailored view of efficiency options of each different project.
- Green public procurement standards should be applied; energy efficiency and sustainability criteria should have a higher weight in selection than 'lowest price' or 'value for money' which does not include environmental costs. Procurement can easily be driven by demand for certified products, i.e. EU EcoLabel, Energy Label, FSC, certified organic products, Fair Trade etc.
- Where certificates are lacking, products from recycled materials should be chosen.
- For more complex technological products where benchmarks exist, a minimum energy efficiency range of 10 percent below the best available technology in a given product category should be set.
- In projects including energy generation, options for savings and efficiency should be assessed prior to any increase of production capacity.

Energy efficiency criteria for buildings

Energy renovations of buildings from public resources should go beyond cost optimal levels and current technological norms. A support system should provide motivation to induce higher energy savings and spur innovation. Measures to achieve these objectives must be incorporated into

implementing documents and include for energy renovation of buildings:

- Energy efficiency reaching beyond cost-optimal level – higher efficiency should be promoted by motivational financial incentives.
- Energy efficiency higher than the current legally required technological level, reaching at least 75 percent of the efficiency of a reference building (as set by the Energy Performance of Buildings Directive 2010/31/EU).
- The installation of renewable energy sources together with efficiency measures.

For any new buildings financed from ESIF, reaching nearly zero energy level as set by the EPBD must be a rule already from 2014 onwards:

- Projects should be rated based on energy efficiency and the use of renewable energy. Other environmental, social and health criteria should bring additional scoring points – examples may include contribution to climate change adaptation, i.e. rainwater and greywater use or green roofs, social benefits such as conservation and the improvement of public spaces, proper conditions for the disabled, elderly and parents with children, and health benefits such as air quality, noise reduction etc.

Sustainability criteria for biomass

In order to minimise the carbon and environmental footprint of biomass use, as well as to incentivise the development of local economies and sustainable agricultural and forestry practice, both energy projects using biomass and biomass supply should be regulated by sustainability criteria.

In all countries that plan to support the use of biomass as a renewable source from EU funds, Partnership Agreements should refer to a strategy for efficient and environmentally sound use of biomass at the national and regional level. Synergies between rural development and renewable energy production must be exploited. These strategies should point out

the best ways to invest EU funds in biomass and properly address all environmental risks.

In selection of areas for funding in the OPs as well as in project selection, the following principles should be applied:

- The prioritisation of the use of local biomass over long-distance transport.
- Preference given to the use of waste biomass, including municipal waste and slugs
- High efficiency criteria governing the production, distribution and use of biomass heat.
- The exploration of energy efficiency options before biomass project planning starts.
- Integrated projects supporting both the sustainable production and consumption of biomass with a contract promise that any local supplier should receive preferential treatment and extra funding.

In order to facilitate the local use of biomass, regional energy strategies should be elaborated as part of the programming of the territorial dimension of the funding. To achieve quality results within these strategies, it is necessary to provide funding from Technical Assistance, involve partners and provide them with possibilities to raise their capacities in the energy field and organise proper public consultations.

Some of the most harmful biomass supply and use practices must be excluded from EU funding in order to fulfil both its climate and environmental objectives:

- Projects involving the co-burning of biomass and fossil fuels.
- Projects involving the production of agrofuels, with the exception of waste biogas.
- The use of biomass imported from non-EU countries.

2. The inclusion of biodiversity, Natura 2000 and green infrastructure measures

Sustainable development needs to include biodiversity protection. A strong focus on climate protection and carbon reduction is not enough to achieve the European environment targets and guarantee human well-being in the future.

We understand sustainable development as a path to ensure the use of natural resources for future generations, including our valuable biodiversity.

The clear prioritisation of climate protection and emissions reduction in the regulations is very welcome, however it bears the risk that – even though included in thematic objective 6 – biodiversity protection may fall behind in the future implementation of the regional policy. There are signs that some member states may call their operational programs sustainable without demonstrating any direct biodiversity measures. While the European Commission introduced an earmarking for climate protection in the next funding period, the allocations for biodiversity protection, Natura 2000 and green infrastructure still need to be chosen by the member states and regions itself.

Financing of Natura 2000 management

Natura 2000 plays an essential role for the achievement of European biodiversity targets. Yet in many regions there seems to be a lack of communication regarding the concept of Natura 2000. At the local level many actors are not aware of the income generating opportunities and activities in these areas. For this reason a better communication of the management opportunities in Natura 2000 is needed to enhance overall implementation and acceptance.

The Natura 2000 network is the basis for EU nature

conservation policy all across Europe. To ensure a better financing of the network, member states should strengthen their performance in linking the contribution from EU funds to the Prioritised Action Frameworks (PAFs). In many cases these documents are still not completed in a sufficient way and prioritisation does not always permit a clear link to the respective funding. However, as PAFs have been now developed for the first time, it will be extremely important to establish concrete links with measures in the OPs and allow for all programmes to finance pilot actions related to PAF requirements.

In the field of nature conservation, NGOs and small stakeholders play an essential role in the implementation of biodiversity protection measures in the regions, as they are the local experts and are well qualified to run the projects. These stakeholders have severe problems in co-financing and pre-financing the EU projects, and these may keep them out of the potential beneficiaries group. Consequently the nature conservation policy itself is difficult to implement under these conditions.

To guarantee that small stakeholders like environmental NGOs can better contribute to environmental protection within regional policy and apply for projects in the field of ecosystem protection, transparent and open calls for proposals are needed, including support and capacity building for beneficiaries throughout the whole project cycle. Also a system for pre-financing mechanisms and national or regional co-financing systems for these stakeholders should be established.

Favour ecosystem based approaches, and do no harm to ecosystems

Considering the small allocation for biodiversity ecosystem based approaches, ecological innovations among all thematic objectives should be favoured, e.g. in the field of flood protection it is better to restore wetlands than to build a higher dike. This approach would also strengthen the horizontal objective (Article 8 of the common provisions

regulation).

EU funds' investments must not harm biodiversity or have indirect negative impacts on it. As environment protection is a horizontal principle, coordination among different funding instruments and its integration into spatial planning and regional development plans is required.

Promote inter-regional knowledge transfer

To make socio-economic benefits and integrated projects more visible for other regions, knowledge transfer plays an important role. A strong orientation in the future Programmes for European transnational cooperation on topics concerning biodiversity, green infrastructure and Natura 2000 is needed. This refers especially to green infrastructure projects which are often reduced to the construction of green bridges. The broader approach could be supported through an intensive exchange of experiences and innovative measures. Moreover, the valuation of ecosystem services arising from investments in nature should be supported through better knowledge transfer across Europe.

The European Commission's communication on the socio-economic benefits of the Natura 2000 network should be actively promoted among local and regional decision-makers. All investments in green infrastructure and biodiversity show a high value in terms of their provision of ecosystem services and socio-economic benefits. Research to develop methodologies for the identification of these benefits is necessary. Beside this, communication campaigns could help to increase the acceptance of Natura 2000 sites.

3. Intelligent transport planning to ensure sustainable mobility for all

Analyses of current OPs suggest that while transport measures go across single sectoral or regional OPs, synergies among them cannot be identified. In general transport allocations during the 2014–2020 period will be lower than in 2007–2013, though the level of planned allocations for individual measures remains unclear at the moment. What is clear though is that, for example, the Czech Republic will miss money for co-financing in the next few years (2014–2015/16) due to the country's incapability to fully spend its transport EU funds in 2007–2013, and N+2 requires co-financing for the period ending in 2013 still up to 2015, or even 2016.

Three priorities for transport planning

- Think small – do not necessarily prioritise TEN-T spending over smaller projects that might better serve local mobility needs in disadvantaged regions and contribute to regional development.
- Decrease pressure in agglomeration areas – remove barriers for non-motorised transport, introduce light train or tram-train systems to serve commuters from the suburbs and satellite towns.
- Integrate the strategies of the EU's White Book on transport, particularly the decarbonising of city transport up to 2030, and apply an appropriate set of indicators. To date in the current programming, especially for transport OPs, current indicators are predominantly based on the quantification of new kilometres to be built and do not take into account other priorities such as increased mobility or decreased emissions.

As in other CEE countries, in the Czech Republic transport measures are split among various Ops:

OP Transport (Cohesion Fund) – big is not beautiful

Mainly financed from the Cohesion Fund and thus focusing on bigger TEN-T projects, so far it seems that the proportion of railway and sustainable transport projects to roads is planned roughly to be 1:1. Despite TEN-T policy favouring railways, and that projects do not necessarily have to result in the construction of new big infrastructure such as highways, i.e. two lane roads are also eligible, the current TEN-T project list however may serve political opportunism and the justification of any questionable big project. At the same time, Member States' planning usually omits the need for a reasonable level of local transport, despite a generally held consensus that local mobility stimulates regional well-being and that especially remote regions, with weak public transport infrastructure, should benefit most from the EU funds' added value.

Integrated regional OP (ERDF) – enable small scale sustainable transport solutions

Regional OPs mostly include 'smaller' but important sustainable transport measures that should be implemented at scale. These programmes run the risk that, because of the large number of priorities, the relatively small amount of available financial resources may not be sufficient to realise such preferable transport measures. This applies especially to projects that, for example, combine rail service and car-sharing (similar to those operated by Deutsche Bahn in Germany) or which promote environmentally positive electric cars in city transport – these type of initiatives should be financed. A pilot project in Estonia, for instance, where electric cars are provided more cheaply (to companies) only if there is a certificate showing that the company uses green energy to charge its batteries.

OP Environment (Cohesion Fund + ERDF) – integrate green infrastructure into transport plans

In order to minimise the environmental impact of transport infrastructure construction, an integrated

approach towards transport planning is needed, which should combine transport measures with the linkage of green infrastructure.

OP for capital region (mostly ERDF) – ensure accessibility for all

In order to improve the accessibility to public transport for disabled people, barriers should be removed, for example by installing elevators in metro stations.

OP Enterprise, innovation, competitiveness (ERDF)

This OP could include the further development of state-of-the-art Intelligent Traffic System implementation, such as in charging systems for entering city centres by car.

4. Risk management and climate change adaptation in harmony with nature

Thematic objective 5 includes both adaptation to climate change and risk management. However there is no further justification of what type of measures are suggested. The common understanding of this objective suggests classical flood protection (higher dams) and other risk management measures (fire protection, industrial hazard). From an environmental point view it seems that adaptation, although taking a more prominent role in the regulations, seems to be not fully understood.

A basic problem is the lack of adaptation strategies and actions plans that would define concrete actions that could be included in the operational programmes. For flood protection, the new regulation gives more space for ecosystem based solutions, but the potential for uptake is still low and will need considerable efforts to change decisions makers' attitudes towards new solutions.

Climate change adaptation

In order to be able to develop more concrete or specific measures, an assessment of existing strategies and action plans is required – this should be linked with an exchange on good practice across Europe.

The European Commission should prepare guidelines for adaptation measures to be implemented with regional funds, with special attention to environmentally friendly measures. They should go beyond the basic principles as presented in a staff working document on guidance on integrating adaptation into Cohesion Policy. Big infrastructure projects should be assessed also by adaptation criteria (defined for certain type of activities) to reduce their potential impact (e.g. soil sealing, air circulation).

Adaptation measures for urban areas should include:

- Greening roofs to improve air quality.
- Rainwater collection to reduce the impact of extreme weather conditions.
- Green zones and biodiversity protection to improve ecosystem resilience.
- The reuse of rainwater.
- Small retention measures.
- Green infrastructure to protect ecological networks, create migration corridors and stepping stones habitats'.

Risk management

Appropriate cost benefit analysis is needed to show the long term advantages of ecosystem based solutions versus 'grey infrastructure' solutions; long-term water management to ensure the 'provision of public goods' should be considered.

Each project should start with a 'management plan for catchment areas'. In order to avoid conflicts over land use (agriculture versus natural flood protection), awareness raising and facilitation efforts are recommended.

Such conflicts are also caused by ill-conceived land use planning or agricultural subsidies, therefore any long term solution needs to consider better coordination of different instruments and their long-term combination.

Decision makers should be better informed about ecological solutions, and exchange of good practice should be facilitated:

- Natural flood protection measures should be a priority, featuring the ensuring of more space for nature with the restoration of river beds and wetlands as the key elements of an ecosystem-based approach.
- The promotion of monitoring systems dedicated to certain risks.

- Preventive, ecological forest management measures to avoid fire risk and storm damage.
- The limitation of invasive alien species.

5. The application of Community-led Local Development in the 2014–2020 programming period

The newly introduced Community-led Local Development (CLLD) is an attempt to bring EU funds closer to local needs, to bolster democratic decision-making structures and to strengthen public involvement in managing the development of regions they live in.

The added value of bottom-up approaches

Experience from the current 2007–2013 programming period shows significant advantages of programming and the implementation of EU funds at the local level. Partnership encourages local actors to comprehensively assess the needs and potentials of the region, going beyond their individual perspectives.

In regions where Local Action Groups (LAG) have sufficient capacities and access to methodical support, they are able to create space for public participation in local planning, encourage citizen engagement and thus strengthen civil society in the region.

The possibilities of LAGs to decide upon the conditions surrounding the utilisation of finances increases the accessibility of EU funds for certain types of beneficiaries, such as small municipalities, small enterprises and local NGOs.

Experience from LEADER shows how the huge potential of such a bottom-up approach can be fully realised only through an appropriate setup of CLLD, which needs to be developed in close cooperation with experts and the representatives of local groups in order to avoid misuse, create ownership and take into account the specifics of both the regional

environment and relationships.

The framework for operation of LAGs, as well as the eligible priorities and activities, need to be defined at the level of partnerships. Managing Authorities (MAs) should establish frameworks with enough flexibility on the one hand and clear strategic guidance ensuring focus and the results-orientation of local strategies on the other hand.

MAs should focus on providing methodical support to build up expert capacities for forming and developing partnerships and strategy elaboration and implementation. Such support should take the form of tutoring, facilitation and providing expertise rather than the prescriptive influence of programming through authorities.

A transparent and objective LAG evaluation and selection process needs to be in place in order to eliminate politically driven decisions. The selection process of LAGs should take into account the quality of the strategies, the process of strategy preparation, the level of public participation, capacities and activities of LAG and its members in the region.¹

Recommendations for CLLD 2014–2020

The quality of partnerships must be ensured through public calls for partners and active outreach in the region to invite stakeholders.

A detailed description of the partnership building process, as well as background information on partners, is necessary to avoid misuse, nepotism, non-transparency and conflicts of interest.

Financial support should first aim at the creation of the partnerships and, only in a second phase, on

¹ Selection criteria should take into account environmental sustainability, the process of strategy preparation and methods for taking account of the interests of target groups. Further on consistency and quality of analysis should be evaluated. Criteria have to be linked to concrete indicators and each strategy has to define their initial and target values.

strategy creation.

The structure of strategies should be adaptable to the specific needs of regions. Space for updates of strategies should be created so that LAGs can react to new conditions and opportunities.

CLLD and LEADER should focus on the financing of the development of local economies that are sustainable, inclusive, and innovative and led by local stakeholders. To achieve this, support for the strengthening of communities and civil society is vital.

Regions supported should include urban deprived areas and not be limited to rural regions. Synergies with integrated urban development strategies need to be ensured and the specifics of urban environment need to be taken into account with strategies framed thematically rather than territorially, e.g. low-carbon and sustainable development strategies including mobility and energy aspects.

Environmental mainstreaming needs to happen during the strategy preparation and it should be one of the goals for technical and methodical support.

The level of financial support for LAGs should be differentiated using several criteria, such as size of the area, and its economic and social situation.

The reporting model has to be simplified and it should follow the quality of outcomes and capacity-building activities of LAGs, not only the level of spending and fulfilment of formal requirements.

The rules for CLLD and LEADER implementation should be prepared in a timely fashion and should be clear and comprehensible. Changes in regulations are acceptable only in exceptional cases and should be adopted only after consultations with beneficiaries.

A well-working system of communication with applicants and beneficiaries should be created, enabling the direct personal contact of LAGs and representatives of MAs.

It is necessary to start the implementation in due time and to enable faster selection and approval of proposals and the signature of contracts.

In order to fully utilise the absorption potential of the regions, focus should be placed on well defined financial conditions (such as eligibility of activities and expenses, rules for advance payments and co-financing).

The roles of institutions responsible for the implementation of LEADER and CLLD should be clearly defined and a well-working system of coordination between both tools should be ensured with clear responsibilities for all institutions.

6. Implementation of the partnership principle in EU funds programming 2014–2020

At the peak of EU funds' programming, experiences from CEE countries reveal deficiencies in the application of the European Code of Conduct for Partnership (ECCP) and a flawed implementation of the partnership principle. This undermines the credibility of the programming process and leaves the benefits of a comprehensive involvement of all stakeholders untapped.

The experiences of civil society partners engaged in programming across CEE countries vary, depending on national circumstances, but some general conclusions and recommendations can be drawn in order to improve the performance of implementing the partnership principle, for the common benefit and best possible programming of the EU funds.

ECCP during programming

- Minimal binding standards for the partnership principle and its enforcement should be ensured, instead of leaving the decision on partnership implementation entirely to national authorities.
- Close feed-back mechanisms and direct dialogues among partners have proved to be the most effective way for a high-quality partnership, therefore feedback to the partners should be provided and published in a timely fashion; consultation workshops are recommended as effective and fruitful dialogue tools.
- Enough time should be given to respond to and provide contributions on consultations on programming documents.
- NGO representatives should be invited to official meetings of MAs with European Commission representatives, to provide enhanced dialogue and thus added value to programming and implementation of the EU funds.

- NGOs should be included in national as well as regional working groups on OPs/PAs.
- National/regional partnership implementation rules should be elaborated based on the ECCP, and currently valid rules of procedures should be enhanced accordingly.
- The balanced composition and proportionality of civil society partners should be ensured.
- Regular public consultations should take place, not only on official versions of OPs/PAs, but also on different drafting stages, implementation documents as well as Strategic Environmental Assessment.

At the European level:

The European Commission should monitor and report on the applied practices of the implementation of European Code of Conduct on Partnership (ECCP) in programming in the particular Member State, and assess partnership principle (PP) implementation against best practices and provide feedback to relevant Member States and partners.

At the national (and regional) level:

The early and comprehensive involvement of partners, before major strategic decisions are taken, should be ensured. The consultation process should be open to strategic issues, such as the quality of implementation of horizontal principles, overarching guiding strategies and comprehensive concepts like the “mainstreaming of sustainable development” – in many cases there is only an opportunity to provide comments to particular phrasing in OPs/PA, which narrows significantly the scope of discussion.

Decision making within and the structure of Monitoring Committees:

- Monitoring Committee (MC) members should be elected by stakeholders, and members who

- don't participate actively should be replaced based on reconcilable criteria.
- In order to ensure the equal status and treatment of all members, voting rights for NGOs in MCs should be granted, as in most of the countries NGOs can be merely observers to the decision making process taking place in MC meetings.
- Managing Authorities (MAs) should involve partners in project selection, especially to ensure that ‘horizontal principles’ of an environmental and social nature are taken into account.
- MAs should consider the size of working groups regarding the number of members and the efficiency to take decisions, and eventually create substructures (e.g. sectoral groups).

Technical Assistance (TA)

TA should be available for NGOs, especially for capacity building and their involvement in the programming cycle.