Concern about the participation of the sub-state level of governance in European policy processes is not new. The European Commission's White Paper on European Governance introduced innovative proposals to address this issue, which have stirred up debate among the different actors involved. In this paper we analyse the progress made so far in developing two of those proposals: the so-called "permanent dialogue" between the Commission and Associations of regional and local authorities, and the tripartite agreements between the Commission, a territorial entity and the respective Member State. These ideas have not advanced and face several major problems (political, legal and technical) which will be difficult to resolve. This article analyses those problems, with the aim of contributing to the ongoing review process of these proposals.

Introduction

Debate over the participation of regions and local entities in EU policy processes has been growing since the 1980s. The basic issue is the following. In several countries the regional level of government has legislative competence to deal with matters which are shaped by decisions taken at European level, often without their direct involvement. Moreover, even though the practical responsibility for implementation may lie with the regions, it is the Member State, which is legally responsible for compliance under European law. This can pose challenges for national political systems. It may also have implications for the effectiveness of implementation.

Traditionally, this has been considered an internal question of the Member States. It has been up to them to establish a system of territorial participation in the formation of the position, which will be defended in the Council. Some Member States have managed to build a quite satisfactory system of representation of the regional interest in Brussels (for example Germany), while in others, central governments have until recently lacked the political will to satisfy regional aspirations (for example Spain and the UK).

Treaty reforms have brought some new possibilities of participation. The Maastricht Treaty recognised that Ministers who participate in the Council might be from the regional level, so long as they are authorised to speak for the Member State as a whole. It also created the Committee of
The Commission proposed to restructure its contacts with the sub-state level, in order to achieve both better law making and proper law implementation.

The proposal for "permanent dialogue"

The Commission has always aimed to have an inclusive approach by which every individual, enterprise or association can provide the Commission with input. Yet the fact that the enlarged Union would include 250 regions and 100,000 local authorities made it necessary to look for ways to structure the dialogue, and to reduce the number of parties involved. It thus proposed a systematic dialogue with national and European associations of regional and local governments. In principle, this idea seemed to match regional and local claims. Various associations thought that "the motivation behind the intended dialogue is good" and could help provide a new consultative mechanism, addressed specifically towards sub-state government.

The differing aims of the Commission and sub-state actors

Historically there has been a difference in perception between the European Commission and the sub-state level of governance regarding the objectives to be achieved...
through the increased participation of the regions and local entities in European affairs.

The Commission has been seeking, through the involvement of the level closest to the citizens, to achieve both better law-making and proper law implementation, as part of its response to growing concerns about the efficiency and legitimacy of EU laws. Moreover, the need of the Commission to decentralise some tasks of the Union has been growing as its competences have increased. This has become more evident in view of enlargement.

The sub-state level and in particular the regions with legislative powers, on the other hand, have been looking for new opportunities for greater and more direct participation, as well as increased influence in European affairs generally, in order to reinforce their own competences and identity. The Commission has thus traditionally been an important ally for the European regional and local authorities, inasmuch as the alliance has contributed to fulfil its objectives. But whenever the claims of the sub-state level have been perceived by the Commission, or by some of its services, as having further political consequences, they have been reluctant to risk any sort of negative reaction from the Member States, which are always very cautious about the demands of the regions for more participation in Europe.

The result of the consultation

When preparing the White Paper, the Secretariat General of the Commission opened a period of public consultations. The regional and local actors and their associations were those who responded massively but with different degrees of success: the associations managed to be the interlocutors in the proposed dialogue while the regions individually were denied that possibility. As a result of the strong lobbying carried out by the associations, as well as the fact that the European Commission could not by this means formalise its existing informal contacts with sub-state authorities, the regions as such were not made a direct part of this structured dialogue. Once again the interest of the Commission to preserve the institutional architecture clashed with the objectives pursued by some European regions.

The Commission argues that for the selection of the parties, it is obliged to follow the principle of respect of the constitutional orders of the Member States. On that basis, it affirmed that the Committee of the Regions "is the body best placed to identify the associations concerned by the different policies and to suggest the list of associations on a case by case basis" and explained why the parties to the dialogue "can only be" the national and European associations of local and regional government.

The reactions of the Associations

The Commission presented its ideas in a working paper, and encouraged all parties, in particular the associations, to react to its ideas before May 2003. All associations welcomed the initiative, although many had reservations concerning how the permanent dialogue would be conducted. The majority did not agree that the Committee of the Regions should draw up the list of participants and therefore the Commission reconsidered the role given to the Committee. The Committee was moved from being considered "the best placed to identify what associations have an interest in which policies", to "the best placed to help to identify" such associations. Moreover, the Committee would not suggest lists of associations for each policy area on a case by case basis, but an indicative list of European and national associations. The Commission maintained the right to invite whichever associations it sees fit to the various dialogue meetings. As a result, the dialogue procedure was defined as follows:

- The responsibility of organising and holding meetings rests with the Commission.
- There will be a fixed annual meeting between the President of the Commission and the representatives of the associations. This does not replace the annual meeting with the Committee of the Regions for the presentation of the Commission's annual work programme.
- There will also be meetings with the Commissioners responsible for policies that have an impact at territorial level.
- The agenda will be determined by the Commission's general work programme.
- The list of associations to be invited will be decided by the Commission for each meeting on the basis of proposals made by the Committee of the Regions.

The expected added value of this new instrument for the sub-state level was to initiate a real dialogue with the Commission.

The pilot meeting

The first permanent dialogue meeting was held in May 2004. Romano Prodi chaired it with the participation of Commission representatives, the President of the Committee of the Regions, and representatives from most European and national associations of regional and local authorities. The impressions expressed by different representatives present are quite negative. While the Committee of the Regions saw it as a positive first attempt from which some lessons can be learned, some of the representatives thought there was insufficient time and missed a clear agenda setting the objectives of the meeting. For future meetings the scope of the topics to be dealt with should be previously agreed with the associations themselves, since the first experience has been for some of the participants "an empty useless show".

The consequences of the permanent dialogue proposal for the associations

The expected added value of this new instrument for the sub-state level was to initiate a real dialogue with the Commission. And for the regions with legislative powers ("Regleg"), a further added value would have been to be allowed to hold the structure dialogue directly, and not via the Associations. Neither expectation has been fulfilled.
The initial proposal contemplated "bilateral" contracts between the Commission and the regional/local level. These would be new legally binding instruments.

The permanent dialogue was supposed to involve the territorial units at the earliest possible stage of the cycle (bottom-up), in order to help draft rules that would be in harmony with individual local peculiarities. In order to help decentralise and adapt implementation to territorial peculiarities (top-down), the White Paper also launched the idea of target-based tripartite contracts between the Commission, the Member State and regional/local authorities for implementation of Community rules. The driving force behind this proposal is that tripartite agreements and contracts can both boost effectiveness, as a result of greater flexibility, and increase legitimacy, through greater participation of regional and local authorities in the implementation of EU policies with a strong territorial impact.

This move derived in part from a sense of frustration in the Commission services responsible for monitoring the application of Community Law. In fact in federal (or strongly decentralised) States many competences lie at the regional or local level. In these cases, the State, when transposing Community law, makes a "framework general national law" that then goes through a "second" transposition phase at sub-state level. The responsibility for appropriate implementation of the law rests with the Member State, but in practice it is the regional/local level that is de facto (but not de iure) responsible for a correct or wrong implementation.

According to the Commission Communication on these tripartite instruments, Member States will keep the control of the development of the objectives agreed within the contract or agreement since they will have the final responsibility for compliance. Preparatory meetings between the State and the regional or local level should reveal the diverse situations in a specific territorial space, and trigger fruitful co-operation among the different levels of governance. As a result of these dynamics, maintains the Commission Communication, the regional and local level should be better involved in the policy implementation and the implementation process itself will become more open and transparent. In addition, the region or local authority party to the contract would take over more responsibility, and would become obliged to report on the developments of the objectives agreed and to comply with a specific timetable for obtaining the agreed results. It is therefore foreseeable, the Communication concludes, that better policies, regulation and delivery will arise.

The first proposal: bilateral contracts

The initial proposal in fact contemplated "bilateral" contracts between the Commission and the regional/local level. These would be new legally binding instruments for direct cooperation with the decentralised territorial entities that have the responsibilities for implementing EU policies in the Member States. Once a contract was concluded, and for the period of its validity, the provisions in the framework Directive related to the implementation would be waived and replaced by the contract. These contracts would be in full respect of the Constitutional arrangements of the Member State and if necessary the state could become a partner. The idea was to develop tailor-made solutions taking the partnership within Structural Funds programming as a reference. But now the difference would be that, while in partnership there are no binding obligations, with this...
The College of Commissioners, however, did not endorse this proposal. The problems were both political and legal: the bilateral contract would mean the exclusion of the Member States, with the consequent loss of control. Furthermore, it would lower the position of the Commission vis-à-vis the sub-state entities, since in a contractual relation, parties are equal in the terms of the contract. The guardian of the Treaties would become party and judge at the same time. The College converted the bilateral contracts into tripartite ones including the Member States. While for the Commission the implication of the State was a must for its interests, for the sub-state level, or more precisely, for the RegLeg, the introduction of the State meant the privileged placement of the State in relation to the Commission.

The final proposal: tripartite agreements and contracts

The Commission published a Communication in December 2002 in which it described two sorts of contractual tools: target-based tripartite contracts, in relation to the application of binding law; and target-based tripartite agreements, in relation to the application of soft law. It proposed to develop these tools in two phases: an initial one with pilot agreements, and only afterwards, following the results of the agreements, sign tripartite contracts where appropriate.

The agreements and contracts have to be compatible with the Treaties; they must respect the constitutional systems of the States, and can not constitute a barrier to the sound operation of the single market. They have to be justified by providing some type of added value: simpler implementation, political benefits, efficiency gains resulting from the close involvement of regional and local authorities, or speedier performance.

The Commission described the general characteristics of target-based tripartite contracts and agreements, including the scope, duration, identification of actors, and the description of the objectives, as well as the obligation of information and advertising preceded by a period of consultation involving organisations representing local and regional life.

According to the final proposal an enabling clause could be included in Regulations, Directives or Decisions, to empower the Commission to implement the law via tripartite contracts.

Each tripartite contract must contain a provision referring to the exclusive responsibility of the Member State vis-à-vis the Commission for the correct execution of the contract. In this way the established architecture of the European legal system is assured: the EU institutions cannot contemplate infringement procedures at other levels than that of the Member States. The effects of non-compliance need to be included as well: in the case of a tripartite contract foreseen in a Regulation, Directive or Decision, the basic act will stipulate that, in case of non-execution of the contract, the rules of Community Law will immediately be applied. In the case of non-execution of an agreement, the consequences will have to be analysed on a case-by-case basis.

The fact that no funding was planned to support these contracts has made the realisation of the proposal even more difficult. Although the Commission will provide some start up funding in the trial stage, in general these agreements or contracts will not qualify for additional Community funding.

The reactions of the parties

The reservations of some Member States were made clear even though the White Paper on European Governance stressed the fact that the right of selection of the parties to the contract or agreement would be in their hands and that any contract would only be agreed upon while respecting national and constitutional arrangements.

The European Parliament reacted in December 2003 in the so-called McCormick Report. The Parliament agrees that the Commission should go ahead with pilot agreements, but the cases involved should be of sufficient number to serve as a test for this method and assess whether it achieves flexibility in implementing legislation. Monitoring and a flow of information were also requested. The Report stressed the fact that these instruments should only be used for exceptional cases and under very specific conditions.

The final political responsibility must remain very clear for the citizens and should lie with the Member States. The report also pointed to the fact that the Communication only vaguely mentioned the possibility of specific financial provisions for the tripartite agreements and contracts, making clear that they would not be a means for extra-community funding. However this has proven to be one of the main paralysing factors in the evolution of the pilot experiments.

The Committee of the Regions welcomed from the beginning the idea of tripartite contracts, and has been following the proposal very closely.

The Commission itself has suffered from the beginning from a lack of universal enthusiasm in the development of tripartite agreements. While officials in the Secretariat General are pushing for this experiment, other DGs seem to be rather sceptical.

As for reactions from the regional and local level, opinions differ. The Presidency of the Basque Parliament, for example, stated that tripartite contracts are one of the practical ideas that will most contribute towards European integration.

There may also be criticism, however, from some regions that see these ideas as interference by the State. Especially those regions with legislative competence in the area of environment showed disagreement with the proposals: if the competence is in the hands of the region, the presence of the state is not justified. The only justification which this sceptical group of regions could see, in order to try to understand why the Commission was launching this proposal of tripartite agreements, would be the “offer” to delay compliance with the law under the appearance of acting according to the agreed terms of contract. These regions...
have been wondering if flexibility would mean giving more time to a certain territory to comply with the law, or if it would mean the postponement of initiating legal actions against the signatories of an agreement, complying late with the rules.28

As of July 2005, the Council had not given explicit support to the continuation of this initiative. The Netherlands, during its Presidency, organised a high-level meeting creating an informal European network on governance, in which EU Member States can exchange expertise and experiences. Among the themes that were discussed was the reduction of unnecessary administrative burdens of EU legislation on local and regional authorities, including the analysis of the new instrument on tripartite contracts. The British Presidency will most likely hold a second high-level meeting in London in November 2005. One of the points of the agenda will very likely be the technicalities of tripartite agreements.

In the plenary meeting of the Assembly of European regions of 10 April 2003, the Commission presented its proposals for the implementation of tripartite contracts. It encouraged the regions to address the Commission directly, explaining that there were no conditions to be satisfied in order for a project tripartite contract to be launched.29 Two years later, only one agreement has been signed. The reasons for this being – among others – that the proposal has shortcomings in the eyes of some regions, both in the lack of financial support for this initiative, and in the impossibility to have bilateral contracts.

The first tripartite agreement

The purpose of the pilot experiments is to test the feasibility and usefulness of the tripartite arrangements. The Commission will then consider the possibility of launching target-based tripartite contracts among the Member States, the regional and local authorities and the Commission itself in order to give direct binding application to secondary legislation.30

In the consultation process preceding the White Paper, the Commission had become aware of the need to take greater account of the local effect of Community policies in areas such as transport, energy, or the environment. It therefore aimed at signing three tripartite agreements with European cities: one project in Birmingham (UK) concerning urban mobility, one in Lille (France) relating to the management of new urban zones and one in Pescara (Italy) on urban mobility and air quality. Eurocities also proposed a series of tripartite agreements in a pilot phase in relation to the 6th Environment action programme, in the areas of sustainable public transportation and integrated management systems for the urban environment.

Later on, a fourth project was presented by the region of Lombardy (Italy) on sustainable urban planning and transport policy. This is the only project signed to date. It was signed on 15 October 2004 in Milan between the European Commission, the Italian State and the region of Lombardy. The aim of the agreement is to improve the implementation of policies adopted in the area of environment, transport and energy sectors. As of July 2005 the preparation phase has been completed by the regions, and the participation of the State is ready. The search for financial support for the initiative from the Commission is being discussed with the Commission services. In case of a negative from the Commission services to give economic support, the whole process could be paralysed.

Conclusions

The recognition by the Commission of the importance of the regions and local entities in the European integration process, and its stated desire to involve those actors at an early stage of the policy making is a remarkable step forward for the sub-state levels of governance. The fact that the Commission is looking for ways to involve the regions earlier, and to make the implementation of EU law more flexible, considering the territorial peculiarities of the areas where those laws have to be applied, has created strong expectations among some levels of governance.

It may be considered doubtful that the Commission has found the right mechanisms to achieve its aims. The structured dialogue will be with associations, leaving strong economic regions with legislative powers without the possibility of an official direct and structured dialogue with Brussels. The possibility opened by the Commission of direct contact through associations will not prevent those regions from going ahead with direct lobbying, which has proved to be expensive but fruitful. The result could be that direct lobbying will be preferred and that calls for a structured dialogue with the associations lack real political relevance.

On the other hand, the tripartite agreements still remain a mystery. The final outcome of the idea of tripartite contracts, as it stands today, is rather weak and its effectiveness remains to be seen. For the time being, we can only inform on some scepticism shown by several regions which have exclusive competence in the areas selected for this type of contracts. They see it as an intrusion of the State in areas where it should not play a role. The innovative proposal of the Commission Task Force for bilateral contracts was very soon watered-down. From bilateral contracts the proposal moved into the stage of tripartite agreements, abandoning the binding nature of the contracts and the "direct" relation of the Commission with the sub-state level. Moreover, further clarification is needed as to how these agreements and contracts may operate. Will they create exceptions for the signatories regarding time for compliance with the laws?

How will legal questions such as hierarchy of legal acts, comitology procedures and others be solved? It could be a potentially valuable instrument, but requires further concretisation to become really attractive in the eyes of either regions or Member States.

To conclude, all parties affected have broadly welcomed the White Paper proposals and their development. But for them to be useful and efficient, further thinking is needed. Would it be possible and convenient to invite individual
regions – under certain circumstances – to the dialogue? Would it be advisable to revise the objectives of the tripartite agreements and contracts to make them clearer, and as a consequence, more attractive? Would it be necessary to include financial provisions for this type of contracts? We are involved in an ongoing learning process. Revisions of these proposals are needed and we can certainly expect further changes.

NOTES

* E-mail: g.vara-arribas@eipa-ecr.com
** The author thanks the contributions and support given by Edward Best, Thomas Christiansen, and José Candelero.
3 Source, Committee of the Regions.
4 The Local Government International Bureau (LGIB) explains that it was as the result of their lobbying that Vice President Neil Kinnock inserted a commitment that the European Commission would establish a “systematic dialogue with European and national associations of local and regional government at an early stage of decision-making”.
7 Consultations conducted for the preparation of the White Paper on Democratic European Governance, SG/8533/01-EN, page 6, to be found in: http://europa.eu.int/comm/governance/whats_new/consultation_report.pdf
8 As evidence of the well-established lobby performed by the Associations, the example of the role played by the Conference of Maritime and Peripheral Regions (CRPM) is significant. The Full summary can be found in the CRPM web page: www.crpm.org
9 In the Communication’s chapter “Parties to the dialogue” where the basic reasoning behind the selection of the parties is presented.
10 In the same line, an example of the opinion the CoR had on the role it should be playing in the structured dialogue can be found in its Opinion “new forms of Governance”. In it, the Committee calls for new forms of European Governance, which would provide for involvement at a pre-legislative stage of the regional and local authorities in regular consultation — electronically and via meetings — on issues that affect them. Nonetheless, the words “formal dialogue” is reserved in that Opinion for the Commission, Council of Ministers, Parliament and the CoR itself “on behalf of regional and local government”. It is clear from the published Opinion that the CoR wished to preserve its role as intermediate between the European Institutions and the regional and local governments.
14 Comments expressed by several participants to the “First European Managers Forum”, organised by EIPA-ECR in October 2004.
15 By requiring that the dialogue is performed with associations, the Commission has triggered collaboration and networking between the different territories.
16 No conditions of funding have been established. While all the dialogue is conceived as co-operation through the regions and local entities belonging to a certain association, interests will fluctuate and not always be satisfied within the same association.
17 For a detailed description of the associations and its members see the web pages: http://www.crpm.org; http://ccre.org; http://www.are-regions-europe.org
18 If we analyse the finances of the main associations, all of them are partially financed by the contributions of its members.
19 We have seen some examples of these developments in recent news articles. La Vanguardia (27 August 2004), a Catalan newspaper, reveals that some politicians have taken good note of the developments. Mr. Maragall, President of the Working Community of the Pyrenees (CTP according to its French name), declared the immediate objectives of the Community: the legal recognition of the CTP by the European authorities and the impulsion to the public participation of these regions in European affairs. The CTP wants to be a recognised partner in Brussels.
21 Alessandro Giordani, “Contratti tripartiti come metodo alternativo per l’implementazione del diritto comunitario” in the Conference organized in Trento (Italy) “Convegno Annuale SISP Settembre 2003”.
22 Communication “A framework for target-based tripartite contracts and agreements between the Community, the States and regional and local authorities” COM (2002) 709 final. While the White Paper only talks about contracts, the 2002 Communication introduces a new instrument named agreements.
23 Resolution by Parliament on the Commission Communication “A framework for target based tripartite contracts and agreements between the Community, the States and regional and local authorities”.
25 The Commission for Constitutional Affairs and European Governance organised on 13 May 2005 in Vitoria (Basque Country, Spain) a seminar on this topic. The Seminar was hosted by the presidency of the Basque Parliament on the occasion of the 25th anniversary of that Parliament. In the Final Declaration of the Seminar the Committee of the Regions invites the European Commission to restart the signing of tripartite agreements and contracts, to reinforce horizontal coordination by its Secretariat-General in the management of this experimental phase, and urge it to extend the use of this instrument to other community policy areas, particularly concerning major European Infrastructure projects.
26 Working document delivered by the presidency of the Basque Parliament, to be found in http://europa.eu.int/comm/governance/debat_en.htm
28 These doubts and ideas where discussed in the First European Public Managers Forum organised by the European Institute of Public Administration (EIPA) in Barcelona in October 2004, in an atmosphere of big scepticism towards the idea of tripartite contracts and/or agreements First European Public Managers Forum, Barcelona 7-8 October 2004, in www.eipa.nl
29 Plenary meeting, Committee A “institutional Affairs”, Assembly of European regions, Brussels, 10th April 2003. Intervention of Mr. José Candelero.