

## Executive Summary

### The context : sub-regional organisations in Structural Funds

Local authorities and other sub-regional organisations have a crucial part to play in achieving European objectives for growth and jobs, innovation and sustainable development.

The Structural Funds are the main EU financial resource for delivering the Lisbon and EU sustainable development goals, and many municipalities, provinces and other sub-regional bodies are already highly experienced in using them to implement local projects. However, the regulatory framework for Structural Funds has for some time also recognised the importance of a local perspective in programming and allowed sub-regional bodies a larger role - as partners in the management of the programmes, and in some cases as 'intermediate bodies' with devolved responsibility for control of certain priorities within the Operational Programmes put in place for different regions.

The framework of EU regulations and guidance for the 2007-2013 funding period greatly expands the opportunities for sub-regional bodies in programme management. In particular there is now more scope for sub-delegation of programme priorities to urban local authorities. National and regional governments and agencies responsible for programme management need to be more aware of the provisions for sub-regional involvement and of the benefits that this can bring, especially in terms of efficient spending on high quality projects. Sub-regional organisations, in their turn, need to make sure they can take on this expanded role and make the most of this new opportunity.

### The SRN project and partners

The Sub-regional Regeneration Network (SRN) has focused on these issues.

SRN is a networking project co-financed by the European Union's INTERREG IIIC interregional cooperation programme. SRN's aim has been to contribute to the more effective use and delivery of EU Structural Funds and other regeneration programmes in sub-regional areas, especially by identifying ways of improving programme performance and management.

Led by **Bristol City Council**, SRN has brought together 12 partners from 7 countries. They are the cities of **Hranice** (Czech Republic) and **Tampere** and **Turku** (Finland), **Cumbria County Council** (UK), the metropolitan authorities of **Lille Métropole Communauté Urbaine** (France) and the **Diputació de Barcelona** (Spain), the **Province of Modena** (Italy), and four development organisations operating at regional and local levels – from Italy the **Langhe Monferrato Roero (LAMORO)** consortium in Piedmont and regional development company **Sviluppo Marche (SVIM)** in Marche, from Lithuania the **Klaipeda Regional Development Agency**, and from Spain the **Sociedad de Desarrollo de Santa Cruz de Tenerife** in the Canary Islands.

The experiences of these partners are very diverse and constitute a rich resource. They range from the development and implementation of projects, using a wide variety of EU funding sources, to significant involvement in Structural Funds programme management, with 5 partners having some decentralised responsibilities (though not necessarily fully-devolved spending powers) in the management and delivery of Objective 2 programmes during the period 2000-06. For those not directly involved in the management of funds, involvement in SRN has been an opportunity to gear up in anticipation of responsibility for a devolved budget in the future.

The project has focussed on identifying and assessing aspects of good practice in the management and delivery of European regeneration programmes, looking at ‘what works?’; ‘why does it work?’; and ‘how do we know it works?’ SRN’s main focus has been on processes of programme management and delivery, although reference has been made to projects and the process of implementation. Transferability of good practice has been a core consideration, and for both processes and projects the partners have also asked ‘will it work somewhere else?’

In a series of workshops and seminars the partners have explored the involvement of sub-regional organisations in the management and delivery of programmes, shared their own experience in this field and come up with a set of recommendations to enable local authorities and their partners to make more effective use of the funds, in line with both EU and local policy objectives.

### **Aims of this Guide**

The main aims of this Guide are :

- to demonstrate the relevance and added value of engaging sub-regional bodies in the management and delivery of Structural Funds and the different ways in which this can be organised;
- to show how sub-regional bodies can work effectively in partnership with regional governments and agencies and, through territorial cooperation, with their counterparts elsewhere.

**Part 1** expands on **what this Guide sets out to do**. Chapter 1 gives a fuller introduction to the SRN partners and the project. Chapter 2 sets the context for sub-regional involvement in relation to EU policy priorities and in the programming, management and delivery of the reformed Structural Funds.

**Part 2, Sub-regional organisations in action**, draws together a great deal of practical evidence from the SRN partners, showing just how much sub-regional organisations are already doing. Chapter 3 focuses on tasks which sub-regional organisations do best - working in partnership with stakeholders and supporting project development, especially the development and delivery of high quality projects addressing the Lisbon and sustainable development agendas. Chapter 4 exposes the more strategic capabilities of sub-regional organisations, stressing the importance of developing an integrated plan that sets out the locality’s main policy goals in the context of agreed European priorities and provides a basis for targeting available financial resources. Chapter 5 focuses on different ways of working in partnership with the region: in

programming, in carrying out certain management tasks, and in some cases in devolved delivery of a ring-fenced budget. Chapter 6 reinforces the value of territorial cooperation. Sharing experiences and developing new ideas by working with colleagues from very different parts of Europe is an important way to build capacity.

Each Chapter in Part 2 contains examples of good management practices, along with pointers to successful projects – the result of good planning and decision-making processes.

**Part 3** of this Guide is about **looking to the future**. It draws some conclusions from the SRN exchange and makes recommendations for transferable good practice.

### **Key findings**

Sub-regional organisations have a special contribution to make to the management and delivery of EU Structural Funds and other regeneration programmes because of their:

- effective partnership working with regional organisations (especially on Programme Monitoring Committees), local stakeholders, citizens and enterprises;
- capacity for financial management, negotiation and representation of the needs and strengths of their local areas and communities;
- skills and proven arrangements for supporting the development of high quality EU funded-projects and clusters of projects, helping to deliver Lisbon and Gothenburg goals from the bottom up;
- capability and experience in carrying out such projects within their own organisations, as beneficiaries;
- ability to formulate strategic approaches to the use of EU and other funds at sub-regional level, contributing to better integrated delivery of EU and domestic regeneration budgets; and their
- readiness and ability to cooperate with partners elsewhere in Europe, helping to ensure that spending on local projects is informed by good practice from elsewhere. Their experience in territorial cooperation needs to be harnessed.

Detailed recommendations in Chapter 7 are set out under 4 headings.

Key lessons for **partnership and projects at sub-regional level** are that:

- Horizontal working is most likely to be effective where there is also good vertical partnership.
- Intermediary organisations taking a leading role in horizontal partnership need to be recognised as legitimate by the region above and municipalities below.  
And

- effective horizontal and vertical working needs commitment (political will).

With regard to projects, sub-regional organisations should :

- put measures in place to ensure that projects are in line with both EU requirements and local action plans. Where the sub-regional organisation also has a role in selecting and monitoring projects it should apply assessment tools which check for correspondence with Lisbon and Gothenburg priorities.
- Know when to use expert services to support high quality implementation of projects, especially in communication, financial matters, follow-up and benchmarking. Environmental specialists may be called in to give advice to project developers on how to improve the environmental quality of their proposed and on-going activities.
- Ensure participation of staff from the sub-regional organisation in project steering groups.
- Evaluate measurable results from projects against local and regional strategies.
- Follow up the results of projects and report regularly to decision-makers. And
- ensure that good approaches developed through EU-funded projects are incorporated into the main activities of the local authority (or other sub-regional body).

On **managing and using different funds to meet local and European policy objectives** key recommendations are:

- that national and regional governments should be more aware of the scope of the EU Territorial Cooperation objective as a resource for both capacity building and financing for local investments and activities; and that
- for sub-regional organisations, an **integrated sub-regional strategy** is an essential tool when it comes to making the best use of all available regeneration budgets.

A sub-regional organisation should :

- involve appropriate external stakeholders in the strategy formulation process in order to establish a common vision and key strategic goals before looking at the funding possibilities; and, once a strategy is in place,
- use it to influence what is available in future EU programmes.

When it comes to making **new alliances for the management and delivery of Structural Funds through partnership with the region** it is essential that:

- political and technical roles are well defined, with a focus on democratic accountability;

and that, in making decisions on project funding :

- mechanisms are in place to enable sub-regional organisations to give their opinions on project proposals from their localities. They will have an understanding of whether a particular proposal is appropriate, and, if a Local Action Plan or sub-regional strategy is in place, can verify whether or not a proposal is in line with this.

**On new alliances for the management and delivery of Structural Funds through territorial cooperation** it is especially important for national and regional governments and mainstream programme managers to:

- Secure the necessary provision for interregional working in Operational Programmes for Convergence and Competitiveness (for example, commitment to participate in the Regions for Economic Change initiative) so that lessons learned through collaboration can be mainstreamed and new partnerships developed.
- Recognise that sub-regional organisations are key players in the delivery of territorial cooperation. They should be fully engaged in the development, review and management of the programmes.

All types of sub regional organisations, including local authorities, need to be more strategic in the way they work. Within their own localities they need to develop more organised approaches to securing and spending funds in line with identified policy objectives. With their regions, and with partners from elsewhere in the EU, they need to form new strategic alliances. The Structural Funds framework for the period 2007 – 2013 provides many opportunities to pursue these actions and thus to secure the position of sub-regional organisations as key players in the multi-level governance of the EU.

We hope that many other local authorities and regional and local development agencies will find these lessons useful and make use of SRN's experience in designing their own arrangements for managing and spending Structural Funds in the future.