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Caught in a bad romance

The erosion of perspectives for regional participation
in the European Cohesion policy

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Abstract

The establishment of the Recovery and Resilience Facility under the NGEU funds after the Covid pandemic was presented as the EU's 'Hamiltonian moment'. For the first time in its (brief) history, the frugal coalition accepted a temporary debt mutualization. Few could imagine then that there was going to be a bigger loser from the appearance of the RFF: the Cohesion policy. Outstanding for decades as the pride of Europhilia, the watershed of multilevel governance theories and the oasis in which regions could participate in supranational policies, the policy is witnessing the gradual erosion of the the conditions that permitted the creation and maintenance of a decentralized management model and facing several harassment and demolition proposals by its former advocate, the Commission. However, in spite of the progressive widening of the policy objectives and the questioning of its efficacy, the realignment of political actors indicate that regional partnership is likely to be maintained in the next multiannual financial framework of the Union.

Cohesion policy - Multilevel governance - RRF - Regional participation - MFF 2021-27

Resum

La creació del Mecanisme de Recuperació i Resiliència dels fons Next Generation després de la pandèmia de la Covid va ser vista com el "momentum hamiltonià" de la Unió Europea. Per primer cop en la seva (breu) història, la coalició frugal va acceptar la mutualització temporal del deute. Pocs podrien imaginar llavors que encara hi hauria un altre dissordat amb la creació del MRR: la política de cohesió. Aquesta, que va destacar durant dècades com a orgull dels euròfils, bressol de les teories de governança multinivell i oasi en el qual les regions podien participar de les polítiques supranacionals, ha patit una erosió gradual de les condicions que van permetre l'establiment i continuïtat d'un model de gestió descentralitzada i s'enfronta a varíes propostes d'assetjament i demolició per part del seu antic defensor, la Comissió. Tot i així, malgrat l'ampliació de les prioritats de la política i els questionaments a la seva eficàcia, l'alignació dels actors polítics fa pensar que el principi d'associació regional es mantindrà probablement durant el pròxim marc financer plurianual de la Unió.

Política de cohesió - governança multinivell - MRR - Participació regional - MFF 2021-27

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1. Introduction

For decades, the Cohesion Policy has been a flagship of European integration. The structural funds governed under this policy, which were created to persuade the public opinion about the benefits of the belonging to the European Communities and boosted the enlargement of 1973 (Bache, 2008, 40), have historically acted as a welcoming rain of millions for the successive states joining the European integration process and considered part of the project's soul, as far as solidarity is known to be strongly related with national identity (Rieder, 2021).

To guarantee the original purpose of Cohesion policy, which was the development of lagging regions to end with economic disparities between member states (Capellano et al., 2023, 361), the governing principles of the funds were changed in 1988 and new rules were added (Bache, 2008, 23). Cohesion policy became part of the Treaties in 1987 and regions began to play a major role in the formulation and implementation of it thanks to the introduction of the principles of partnership and additionality (Bache, 2008, 41-46), as well as the creation of a selection criteria that favored regional perspectives in the formulation of the funds (Eurostat, 2024a).

The involvement of regional governments in the formulation and implementation of the funds has been profoundly analysed by European integration scholars and led to the emergence of the concept 'multilevel governance' applied to EU politics (Marks, 1993; Marks et al., 1996; Bache, 2008). The literature about Cohesion policy delved into multilevel governance as a new pattern of relations in which regions can directly participate in supranational politics and became allies of the integration process in their struggle to gain power against central executives. For example, Cohesion policy has improved the capabilities of sub-national authorities (Polverari et al., 2024), accelerated the devolution process in some countries (Bache et al., 2011) and facilitated the adoption of conditional EU reforms (Berkowitz, 2017). Some authors spilled over the multilevel governance theory to study the whole functioning of the Union and overcome traditional debates between intergovernmentalism and functionalism about the nature of the European integration process (Hix, 1998). The EU institutions have assumed this concept as part of the political jargon (see Annex 1.1) and proudly included it in multilevel governance as a complement of the partnership principle (EUR-Lex, 2021a).

However, after three decades of existence, the Cohesion policy has been criticized for its ambiguous economic impact on regional development (Aiello & Pupo, 2012; Diemer et al., 2022) and has gradually diluted its redistributive original purpose (Manzella, 2009). In the Multiannual Financial Framework for 2021-2027, it has coexisted with the Recovery and Resilience Facility (RRF) launched by the Union to address the economic effects of the 2020 Covid pandemic, which finances similar thematic categories (Pazos-Vidal, 2024). This has pushed Cohesion policy on the backfoot, facing unprecedented scrutiny and debate that questions the role of regions (Schwab, 2024a) and has finally spread rumors about the end of multilevel governance in the next EU budget favor of policies that reflect the scheme used in the newer RRF (Sorgi, 2024a).

The salience of the debate about a complete metamorphosis of the Cohesion policy, including changes of its governance model, has grown due to policy-learning from this MFF results through different reports (Böhme et al., 2023) and reached its maximum relevance with the informal start of the negotiations for the Multiannual Financial Framework post-2027 (see Annex 1.1). Up to this point, and due to the acceleration of events, there is a gap in the literature related with the impact that the RRF has caused to the perspectives of regional participation in post-2027 Cohesion policy. Early literature about the coexistence between the traditional European Structural and Investment Funds (ESIF) of the Cohesion policy and the RRF models (Delgado, 2021; Kölling, 2022a) emphasized the differences between the multilevel governance of the ESIF and the centralized management of the RRF but did not warn about a possible transfer of the RRF governance scheme to the traditional Cohesion policy, which has emerged strongly as a possibility during the year 2024 (Pazos-Vidal, 2024).

Consequently, this research contributes to the literature about multilevel governance theory and, in particular, about regional participation in Cohesion policy, by analyzing *Which have been the determinants of regional participation in the Cohesion policy during the MFF 2021-27?* The methodology of the research has identified through a literature review on Gary Marks first works about multilevel governance and complementary theories (Marks, 1993; Marks et al., 1996; Bache, 2008) that the principles of partnership and additionality of EU funding in the Cohesion policy were the legal basis that allowed for regional involvement in the formulation and implementation of the ESIF projects since 1988. According to the same authors, these rules were introduced to avoid dispersion of funding from the objective of spending it in the poorer regions and an ‘activist’ Commission played a major role in those reforms by allying with subnational governments. Thus, rules, cause of the rules and alliance that created them in 1988 are established as the three independent variables to look at current perspectives for regional participation in Cohesion policy.

This research displays if the rules that enabled, since 1988, regional participation in decision-making processes related with Cohesion policy, the causes that motivated those rules and the alliances that facilitated their establishment continue to exist in the MFF 2021-2027, and which has been the impact of RFF as a cross-cutting independent variable affecting rules, causes and alliances about regional participation in the ESIF. The research has conducted two qualitative interviews that contribute to the analysis by reflecting the current state of play in the topic: a discussion to a Member of the European Parliament in the REGI Committee and an email conversation with a technician on management of EU funds from the Catalan government. Both interviews can be found in the annexes of the document.

The main conclusion of the research is that, despite the fact that conditions that encouraged regions to have a say were already eroding before 2021, the establishment of the RFF as an instrument that does not guarantee regional involvement in funding management but provides more funding than the Cohesion policy to the same thematic objectives and far less controls or procedural obligations, worsened the performance of Cohesion policy during the MFF for 2021-2027. Even so, according to the current evidence, it is likely that regional participation in Cohesion policy will survive in the next MFF.

2. Theoretical framework

The analysis of the role of regions in the formulation and implementation of EU solidarity policies requires some clarifications. Firstly, to narrow down the scope of the research: what is the EU Cohesion policy and which examples will be examined? Secondly, to establish a theory through which reality can be observed and understood. Finally, both preconditions will converge in the next chapter to explain in detail the methodology that has been used in this research.

The Treaty on European Union (TEU) established, in Article 3, that the Union “shall promote economic, social and territorial cohesion, and solidarity among Member States” (OJEU, 2008). The TEU also mentions this last word as part of the expression ‘mutual political solidarity’ several times alongside its articles that means trust and good intention from and between the different member states when addressing common issues. The same interpretation is used again in the Treaty on the Functioning of the European Union (TFEU), Article 80, when it is said that “the policies of the Union set out in this Chapter and their implementation shall be governed by the principle of solidarity and fair sharing of responsibility, including its financial implications, between the Member States” (EUR-Lex, 2012). These mentions of the concept ‘solidarity’ are interestingly related to ‘cohesion’ and ‘fiscal implications’. Solidarity is framed as an ambiguous term, an euphemism of a certain transnational redistribution of wealth within the Union, which is nonetheless necessary for the existence of any federal and political union as an “equalizing mechanism through centralized budgets”. However, similarly to national federal systems, the Union has functioned as a centrifugal system where rational self-benefit logics apply: wealthier member states have opposed to major delegations of fiscal powers in favor of internal redistribution while less affluent member states have advocated for common resources with the hope of receiving more financement (Citi & Justensen, 2021).

The Communities and then the Union have faced the challenge of being, according to traditional (Lowi, 1964) terminology, a ‘regulatory state’ without enough budget to execute distributive and redistributive policies such as obtaining resources from progressive taxation and spending them in social welfare across the territory. Nevertheless, permanent bargaining has succeeded in progressively increasing the EU budget through its own resources mainly obtained from VAT and largely spent in the Common Agricultural Policy (CAP) and Cohesion policy (Batchler & Méndez, 2020, 122). This last was born in 1975 to allow the accession of Ireland by tackling its economic inequalities with the rest of member states with the creation of the ERDF. The pressure to persuade member states public opinion about the benefits of Community membership, which became evident in the 1972 Paris Summit to prepare the first enlargement of the EU integration process for the following year, and the concerns expressed by the 1979 Werner Report about the impact of moves towards the Economic and Monetary Union on cohesion, motivated the establishment of this first fund -or solidarity policy- to support lagging regions (Bache, 2008, 40; Batchler & Méndez, 2020, 123).

Since then, EU solidarity policies -those designed to maintain cohesion or tackle economic inequalities- have grown in two directions. On the one hand, the Cohesion policy instruments have strengthened through the creation of more funds complementary to the ERDF, such as the Cohesion Fund in the 1990s (Marks, 1993) and the Just Transition Fund (JTF) in 2021 (European Commission, 2025a). At the same time, funding for the ERDF has increased and it has remained as the largest within the policy. On the other hand, unequal economic shocks such as the 2008 financial crisis and the 2020 Covid-19 pandemic have required the creation of *ad hoc* instruments to support the most affected member states and prevent the collapse of the Eurozone, such as the European Stability Facility and the RRF (Armingeon et al., 2022).

The Cohesion policy has been considered the best example of multilevel governance in the literature (Kölling, 2022a, 13). In fact, this concept came from the studies of Fritz Scharpf about German federalism (Scharpf, 1988) but was developed by Gary Marks after the 1988 reforms of Cohesion policy. The completion of the single market program in 1987 through the Single European Act, the accession of relatively disadvantaged countries to the Community in the 1980s -Greece, Spain and Portugal- and the misuse of the ERDF by national executives which perceived them like a ‘reimbursement’ for their contributions to the EU budget and avoided funding from arriving to the targeted regions, led to the reforms (Bache, 2008, 41). New member states achieved a doubling of the funding thanks to an ‘activist’ Commission, which allied with them to increase its role in the management of the funds by introducing two ‘governing principles’: additionality and partnership (Marks, 1993, 395).

The partnership principle required the association of the European Commission with national and subnational actors, either local or regional, because it demanded the administration of the structural funds to be done by partnerships directly established in each assisted region. The additionality principle defined that structural funds were not part of the state budget but additional spending with different rules to obey (Bache, 2008, 24). Both had the purpose to end with the dispersion of the funds over 40% of the population and to concentrate them on the regions of greatest need (Bache, 2008, 40-41)

Marks considered that the 1988 reforms opened the opportunity to develop a new perspective about the European integration’s nature. Until him, there were two explanations of the extent of this process. The first of them emphasized the role of member states as major players of EU politics. State-centrists, realists and intergovernmentalists gave examples such as the legal supremacy of states in the treaties or their strong role in the Council. The second explanation was the functionalist and centered in the supremacy of supranational institutions in several camps and the reasons behind the acceptance of member states to delegate powers. Marks argued that both perspectives lacked attention to the increasing role of subnational levels of government in decision making. He claimed that post-1988 Cohesion policy was an example of multilevel governance, which defined as a “system of continuous negotiation” between governments at different territorial levels because of a “process of institutional creation and decisional reallocation” that distributed some previous functions of the state either to the subnational level or to the supranational one (Marks, 1993, 392).

Subnational authorities were, according to Marks, bypassing member states with direct communications with the Commission, such as daily contacts, Commission's field visits to the regions targeted by the Cohesion policy and monitoring committees established under the partnership principle to govern the ERDF (Marks, 1993, 402). This overcomed the outcome expected by state-centrist theorists of the European integration process, which was reaching only the lowest common denominator between member states' interests. For example, Marks explained the conflict between the Commission and the government of the United Kingdom under Margaret Thatcher around the principle of additionality. The Commission designed the RECHAR programme within the ERDF to support England's regions affected by the closure of coal mines. The British executive channeled the funds through its national budget and did not spend it in the regions, so funding was blocked by Bruce Millan, Commissioner for the Regional Policies. Then, British local governments from the affected regions allied and the united opposition of all local associations to the government's decision during the Coalfield Communities Campaign forced a rectification and acceptance of the additionality principle by the British central executive (Marks, 1993, 403).

Certainly, one of the most interesting features of multilevel governance in Cohesion policy is acceptance by states of the norms that allow for regional participation. The theory does not reject that states continue to be a major player -or even the most important one-, but affirms that they have lost the monopoly of decision-making power in many fields such as the ESIF (Marks et al., 1996, 346). Why would states accept that? The explanation given is that a 'state' is not a unitary actor *per se* but a composition of civil servants and political leaders that might find benefits for them or the people they represent through decisional reallocation (Marks et al., 1996, 349). In Cohesion policy, for example, people in charge of national executives have usually considered that "the outcome matters more than the control over interactions" (Bache, 2008, 27) and regional participation in exchange for funding is a worthy cost to pay for many national governments.

Marks' multilevel governance theory was very well received in the field of European Studies because of several reasons. The multiplicity of actors playing their role in EU politics, the variety of attributions, delegations and procedures in each of its policy fields and the gap between *de jure* and *de facto* functioning of the integration process makes it suitable to define the Union as a 'continuous bargaining system between different government levels' (Bran et al., 2019, 66) in which outcomes are unpredictable. The theory was also appropriate for a context in which the regional dimension of EU politics, so-called 'Europe of the Regions', was at its pinnacle of popularity (Elias, 2008). The Maastricht Treaty, to delineate the use of competences of the Union, established the principle of subsidiarity. The statement that said that "decisions shall be taken as openly and as closely as possible to the citizen", related in the preamble with subsidiarity (see more in Articles 5.3 and 10.3 of the TEU), was exciting for regions and theorists with enthusiastic predictions of decentralization outcomes.

However, Marks already recognized some limitations of his theory to explain the different degree of involvement in EU politics between regions (Marks, 1993, 405). Alternative views

have proposed the ‘European domestic policy’ theory to explain regional participation in a way that it is possible to establish different expectations of participation of a subnational body depending on the state to which it belongs and the topic that is being discussed about (Jeffery, 2000). They complement Marks in developing the principle *in foro interno, in foro externo* to justify that countries which were already regionalized -such as Germany, Spain or Italy- tend to not consider EU politics as part of the international sphere and allow a regional margin of maneuver in the thematic fields in which its subnational governments have some powers attributed. Nevertheless, these alternative perspectives do not reject the use of the label multilevel governance nor the core of the theory (Jeffery, 2015).

Multilevel governance theory relies on three pillars: direct communication of the regions with supranational authorities outside the control of the state, loss of the monopoly of power by the states and existence of interdependent political camps instead of hierarchical levels -think of a matrioshka as the opposite of multilevel governance networks- (Ares Castro-Conde, 2010, 128). All of them can be considered true and, in fact, obvious in a globalized and digitalized world. Nevertheless, communication and presence is different from real capacity to have an impact in decision-making. For this reason, in order to determine *Which have been the determinants of regional participation in the Cohesion policy during the MFF 2021-27?*, the research has analyzed if the conditions that allowed for regional participation in the Cohesion policy decision-making processes in the 1990s (Marks, 1993; Marks et al., 1996; Bache, 2008) continue to exist in the MFF for the years 2021-2027. These conditions were:

1. Strong rules that empowered subnational governments by considering that EU funds are not part of national budgets -known as principle of additionality- and have to be managed through official agreements with multiple partners including subnational authorities -called the principle of partnership-.
2. The purpose for which Cohesion policy was reformed in 1988 and the partnership and additionality principles were introduced in the law: to avoid dispersion of funding to richer regions and guarantee that ESIF were spent in reducing economic disparities between European territories.
3. The alliance through which Cohesion policy was reformed in 1988 and the partnership and additionality principles were established: the willingness of the Commission to facilitate regional own agendas as a counterpower to member state executives. For example, the sensibility shown by Commissioner Bruce Millan, who was former Secretary of State for Scotland and member of the Labour Party, with local authorities that were opposing Thatcher’s Government policies.

The hypothesis of the research is that these three conditions have disappeared or have lost strength during the MFF for the years 2021-2027 due to the creation of the RFF as an instrument that has delivered larger amounts of money for similar objectives but through simpler rules (Delgado, 2021; Kölling, 2022a), creating an alternative for an already questioned multilevel governance model that could materialize in the next MFF negotiations.

3. Methodology of the research

In order to determine *Which have been the determinants of regional participation in the Cohesion policy during the MFF 2021-27?*, the analysis has inspected if the three conditions that allowed for regional participation in the 1990s persist. ‘Regional participation’ in the governance of EU funding refers to the assignation of an ‘strategist’ role to subnational authorities, that is, to their involvement as actors that can give their opinion and vote in the different phases of a project’s cycle (Alessandrini et al., 2024): to influence in the design of programmes, to decide about both day-to-day and long-term actions and to authorize legal requirements of monitoring, reporting and evaluating the activities funded. Without these capabilities, the role of regions can still exist but is reduced to implementing delegated tasks without deciding about them, as the analysis section will explain comparing the ERDF and the RRF.

The researcher has conducted two qualitative interviews which helped to deepen in those topics that could not be found in the reading of documents, such as the use of communication channels by subnational authorities to assert their interests and the mood and impressions that the interviewed persons had about the effects of the RRF in the performance and scrutiny of Cohesion policy. They were conducted in March 2025, when the author had enough background to establish appropriate questions but the research was still open to include any recommendation, contact or document attached by the interviewed. Indeed, the Member of the European Parliament anticipated the Commission’s proposal to centralize Cohesion and Agricultural funds in national plans and anticipated the response of the Parliament, which has been approved the 8th of May of 2025 in plenary session (Ojamo, 2025).

The research focuses on the reality of the three variables that were mentioned in the theory part during the first half of the MFF for the years 2021-2027. The research has finished in May 2025. However, it also covers previous events to the current budgetary period when it is necessary to explain changes in each of the variables between 1988 and 2025. The hypothesis is that the creation of the NGEU and specially the RRF has contributed to erode the situation of the three variables. Namely, the analysis chapter will explain if any of the variables has changed since 1988 to the current MFF and how the creation of the RRF has affected it in the current budgetary period.

Each of the three variables to determine *Which have been the determinants of regional participation in the Cohesion policy during the MFF 2021-27?* has been analysed through the following tools and materials, apart from the qualitative interviews:

1. In order to identify if the rules that enabled the participation of regions in Cohesion policy still exist in the current MFF: *Independent variable 1. Are the partnership and additionality principles of the ERDF maintained?*

The paper has taken the Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on

the Cohesion Fund and the Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund and the Just Transition Fund as main documents analyzed. The principles of partnership and additionality and other rules about the management of funds are provided by these legal documents. The rules over the European Regional Development Fund (ERDF) have been taken as the reference to study rules on Cohesion policy, because it is the fund with major economic allocation and more stable trajectory since 1988. The rules of the RRF established in the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility are also explained in this chapter to provide comparison between regional participation in a shared management fund versus a direct management one. The contributions of the study *Local and Regional Authorities' Access to the EU Budget: Lessons to be drawn from the MFF 2021-27 (2024)* by Alessandrini et al. are attentively taken into account. The sub-chapter includes the possible influence of the NUTS statistical system in favouring regional empowerment in funding management as an interesting hypothesis to be developed in the future by other authors.

2. In order to identify if the cause that motivated the establishment of region-friendly rules still exists in the current MFF: *Independent variable 2. Is Cohesion the actual purpose of Cohesion policy?*

The sub-chapter dives into the evolution of the thematic goals of Cohesion policy since 1988 to 2025 through a literature review that, in contrast with the observation of regulations fixing the policy goals over time, permits to unblock the context that has motivated the widening of the policy, in which criticism from economic scholars has played a major role. Some publications mentioned are Manzella, 2009; Begg, 2009; Méndez & Batchler, 2015; Forte-Campos & Rojas, 2021, among others.

3. In order to identify if the alliance with the Commission that eased the establishment of region-friendly rules still exists in the current budgetary period: *Independent variable 3. Is the Commission a region-friendly ally?*

The best path to come across Commission's opinions about regional participation in EU funding have been the documents in with the institution has expressed its proposal for the next years, such as the *Communication for a mid-term review of the Cohesion policy* published in April 1st 2025, the *Communication From The Commission To The European Parliament, The European Council, The Council, The European Economic And Social Committee And The Committee Of The Regions The Road To The Next Multiannual Financial Framework*, the mission letter sent by president Ursula Von der Leyen to Commissioner Piotr Serafin and the so-called "balloon probe" filtered to the newspaper POLITICO by the Commission in November 2024.

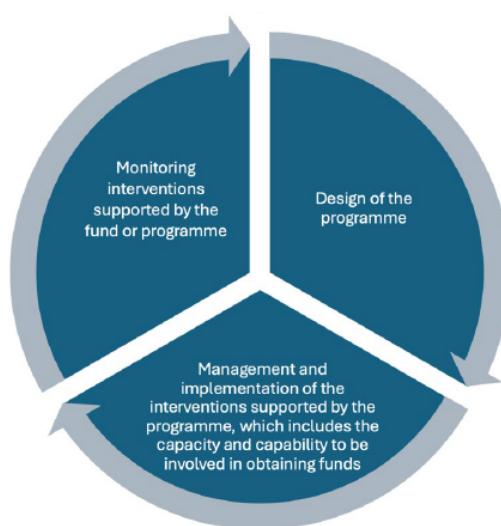
4. Analysis

Are the partnership and additionality principles of the ERDF maintained?

During the MFF for the years 2021-2027, cohesion policy is delivered through four specific funds: the European Regional Development Fund (ERDF) to promote economic, social and territorial cohesion in all the European Union, the Cohesion Fund (CF) to invest in transport and environmental infrastructure in the less favoured regions, the European Social Fund Plus (ESF+) to foster job creation and social inclusiveness and the Just Transition Fund (JSF) to support regions that are specially affected by the decarbonisation of the economy (European Commission, 2025a).

The ERDF is the reference used in this research for Cohesion policy because it continues to be the main funding instrument in terms of money allocated (European Commission, 2025b). Its rules for the period 2021-2027 were established by Regulation (EU) 2021/1058 of the European Parliament and of the Council and Regulation (EU) 2021/1060 of the European Parliament and of the Council, both published the 24th of June 2021.

Regulation 2021/1060 confirmed the ERDF as a shared management programme in which member states have to prepare plans “at the appropriate territorial level” through Partnership Agreements. Article 8 from the law specifies that Agreements shall include “regional, local, urban and other public authorities”, among other partners, and shall “operate in accordance with the multi-level governance principle and a bottom-up approach”. Apart from the drafting of the Agreements, partners have to participate in the preparation, implementation and evaluation of the programmes. Article 39 sets up that partners shall also be represented in the monitoring committee of the programmes and have right to vote when taking decisions in them (EUR-Lex, 2021a). The rules cite a European code of conduct on partnership in the framework of the European structural and investment funds (European Commission, 2014).



1. Life cycle of programme implementation
(Alessandrini et al., 2024, 51)

The partnership principle, as it has been seen, continues to exist in the current ERDF rules. It guarantees that regions, through their status as ‘partners’, have an active role in all the stages of the programme management -formulation, implementation, monitoring, evaluation- and is “a deliberate effort to involve regional and local actors in the design and implementation of EU funding strategies” that reveals the “unique nature of shared management in the EU Cohesion Policy” (Alessandrini et al., 2024, 53). If we only consider this image, it could be said that the extensive interpretation of the principle of subsidiarity made in the 1990s has been accomplished and the empowerment of regions through this shared governance of funds is a recognition of their capability to identify regional challenges and tailor interventions to an specific context.

How has the partnership principle survived all this time? According to a Member of the European Parliament, regions have two mechanisms in order to communicate their interests to supranational institutions -the Commission, the Parliament and the Council- involved in the approval of budgetary legislation: to approve an statement in the Committee of Regions -the formal channel- or to individually contact political representatives -the informal one- (Annex 1.1). In the process of negotiation for the MFF 2021-2027, the Committee of Regions published three opinions with several recommendations. Namely, in October 2018, October 2019 and July 2020. All of them reassured the importance of maintaining the obligation of drafting Partnership Agreements to member states willing to receive Cohesion funds. Thanks to the strong alignment of the Parliament with the Committees’ opinions, the principle was included in the regulations (Alessandrini et al., 2024, 23). The MEP confirmed that members of the Parliament are sensible to the Committee’s recommendations. He affirmed that despite the Committee being a consultative body, its statements “tend to have a strong influence on the final wording of legislative or budget documents”.

Apart from their long-standing demands for more funding and less bureaucratic requirements, some local and regional authorities -especially those with legislative powers- mobilized unilaterally to demand an active regional role in the implementation of the policies and a governance model that applies the principle of subsidiarity, expressing their concern for the “increasing centralization of both the negotiation process and the management of EU policy” in the hands of the Council (Alessandrini et al., 2024, 27-28). These demands confirm that the concern about centralization already existed in the negotiations for the current budget. However, they are also a perfect example about how communication does not mean real capacity to influence. The reception of parliamentarians to regional positions -expressed by subnational governments to members of the European Parliament’s Committee on Regional Development (REGI) and not to members of the European Parliament’s Committee (BUDG)- highly relied on individual sensitivity -perhaps regionalist beliefs of different deputies- and political groups larger priorities (Alessandrini et al., 2024, 29-30). Consequently, the rules that have guaranteed regional involvement in traditional Cohesion policy were saved, but not replicated new funding instruments such as the RRF, which had more politically salient and pressing objectives like the fast recovery of national economies after the pandemic (Annex 1).

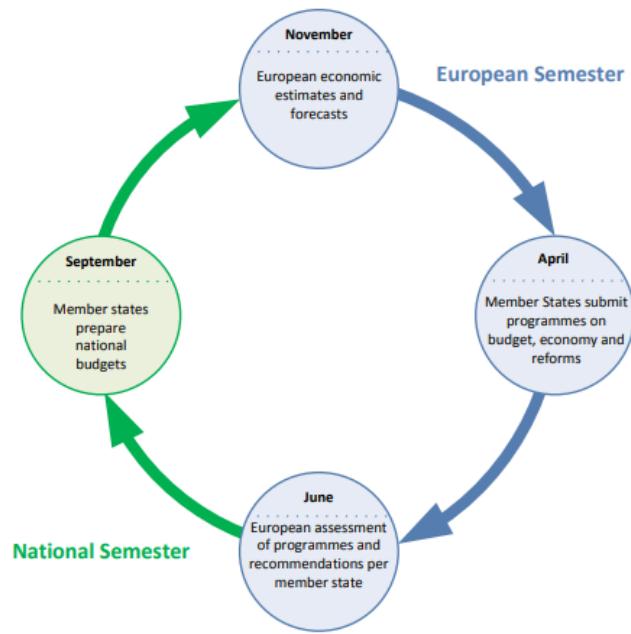
The coexistence, at the same time, of the ERDF with a partnership principle and the RRF without it permits comparison between the functioning of both models and their impact on the distribution of power through EU funding. A brief explanation of the functioning of the RRF is required to witness the main “enemy” of the traditional Cohesion policy, in terms of competing governance models, and understand the implications of this alternative for the role that regions may play in future EU solidarity policies.

The RRF is a financial mechanism established by the Regulation 2021/241 of the European Parliament and of the Council as part of a greater set of mobilization of resources launched by the Union after the 2020 Covid pandemic. This set of funds is called Next Generation EU (NGEU) and combines two dimensions: recovery and resilience (EUR-Lex, 2025a). The recovery dimension pushed for the reactivation of the economic fabric affected by the pandemic while the resilience dimension is related with long-term reforms such as the green and digital transition or future crisis preparedness in general (Annex 1).

The NGEU funds are not part of the MFF 2021-27 but were created through the Council Regulation 2020/2094 establishing a European Union Recovery Instrument Regulation (EURI) that allowed the Union to exceptionally borrow money in the international markets to deliver financial assistance to member states that were facing extreme difficulties “caused by natural disasters or exceptional occurrences beyond its control”, according to Article 122 TFEU (EUR-Lex, 2020a). The purpose of NGEU was, actually, to avoid the budget collapse of most vulnerable EU countries and mitigate the rise of Eurosceptic parties that followed the management of the 2008 debt crisis in Southern Europe. This was also the cause that forced EU frugal member states -those opposed to debt mutualization and transnation redistribution of wealth within EU countries- to avoid harsh conditions for grants and agree on pre-allocations of fundings (Armingeon et al., 2022). For this reason, Regulation 2021/241 establishing the RRF references Article 175 of the TFEU -the legal basis of Cohesion policy- as its legal basis (EUR-Lex, 2021b).

Consequently, the ERDF and the RRF have lots of things in common. They both deliver grants which are not “a substitute for recurring national expenditures” (EUR-Lex, 2021b), due to the principle of additionality. Their governance is also very integrated in the European Semester process, with a strong role of the Commission.

The European Semester is a framework established in 2010 for Member States to align their budgetary and economic policies with those agreed at the Union level for a better economic coordination in competences that have not been delegated to the Union (European Commission, 2025c). The Semester begins each year in November, when the Commission provides a set of economic recommendations, guidance about short-term priorities and opinions about national budgetary plans known as the Autumn Package. By April, member states had to present, until 2024, their National Reform Programmes -now they present similar medium-term fiscal structural plans-. The Commission assesses these plans and provides for a new Spring Package that includes country-specific recommendations and proposals that member states may include in the next programmes and reports.



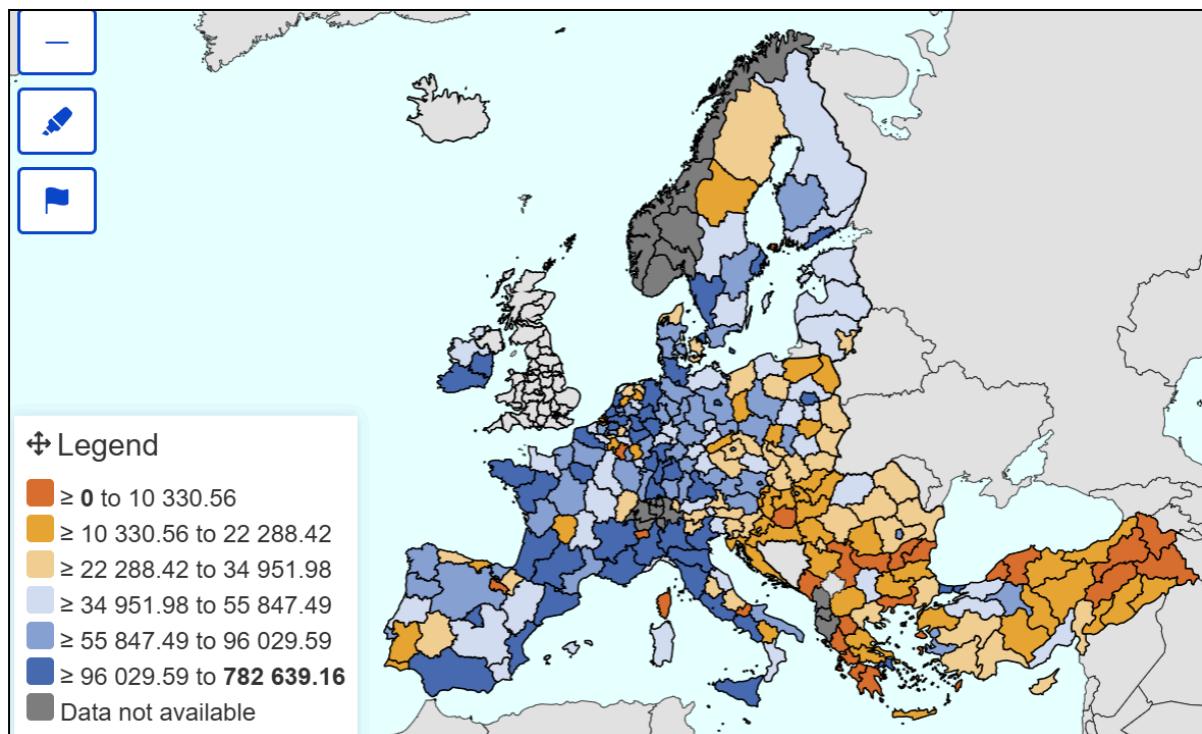
2. The European Semester provides recommendations which are expected to be implemented by member states' budgets during their "national semester"
(Netherlands Court of Audit, 2024).

In the case of the ERDF, Partnership Agreements are submitted by member states to the Commission alongside annual National Reform Programmes (EUR-Lex, 2021a, Articles 21 and 23). The same happens with reform plans associated with the RRF (EUR-Lex, 2021b). The Commission is in charge of approving these documents, which is a pre-condition for receiving the funding. The documents are assessed according to their alignment with the country-specific recommendations submitted by the Commission in the European Semester. The Commission is, therefore, having a powerful institutional stronghold to implement its political agenda in exchange for disbursement of funding. This conditionality practice is known as earmarking (Patrin, 2023, 3).

However, ERDF and RRF funding requirements are not totally comparable. First of all, because traditional Cohesion is a long-term development policy while RRF payments should be disbursed by 31 December 2026. In addition, the ERDF is linked to the co-financing of projects under some spending categories by the Union and the other partners while the RRF's payments are evidence-based, associated with the gradual fulfilment of milestones and targets indicated in the reform plans (Böhme et al., 2023, 38). Secondly, the RRF does not have a multilevel governance perspective and only mentions that "regional and local authorities can be important partners in the implementation of reforms and investments" without giving them a role in the project cycle apart from recommending consultations (EUR-Lex, 2021b). The fact that most regions have lacked from real involvement in the drafting of RRF plans and have expressed their outrage for centralized management outcomes derived from NGEU demonstrates that the partnership principle -lacked by the RRF- is the key element of regional participation in EU solidarity policies (Government of Catalonia, 2022).

The answer to the first question raised in the analysis (*Are the partnership and additio*nality principles of the ERDF maintained?) is that both the principles continued to exist in the ERDF for the MFF 2021-27 as strong as they were in the 1990s. Further, the comparison with the RRF -that has an additionality principle but not a partnership one- exposes that without the legal requirement of involving regions as partners, their participation in the management of the funds is as neglected as if it was state budget. Besides, during the research the author has identified a third resort of power for the role of regions, which is not normative but technical and will be explained in a nutshell before raising the next research question: the NUTS system.

The *Nomenclature des unités territoriales statistiques*, popularly known by its acronym NUTS, is a classification of territorial units below the state level provided by the Eurostat. It serves for statistical data collection and diagnoses and was chosen as the basis for cohesion policy allocation of funding (Eurostat, 2024a). Structural funds “placed emphasis on the region as the main unit of development policy” through the adoption of the NUTS classification criteria because it showed that member states are heterogeneous and have regions with different levels of economic development (Bache, 2008, 44-45).



3. Gross domestic product per capita at a NUTS 2 (regional) level in 2021. It evidences regional heterogeneity. The unit of measure is “million EUR”. (Eurostat, 2024b).

This system is behind one of the major mysteries of the Cohesion funds: the designation of regions as “managing authorities”. This position, established by Articles from 72 to 76 of the Regulation 2021/1060, is in charge of selecting the operations to be done, carrying out verifications of costs, providing the monitoring committee with data about the performance

of the programme and submitting payment applications to the Commission. Member states have to designate the different managing authorities, which is a different role of the partners that an ERDF programme compulsory has. During the MFF 2021-27, 13 of the 27 member states -the bigger ones with the exception of Finland- have designated regional governments as managing authorities and delegated this powerful task to them: Austria, Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Spain and Sweden (European Commission, 2025d). Why would a central government renounce this control job to competing authorities such as regions?

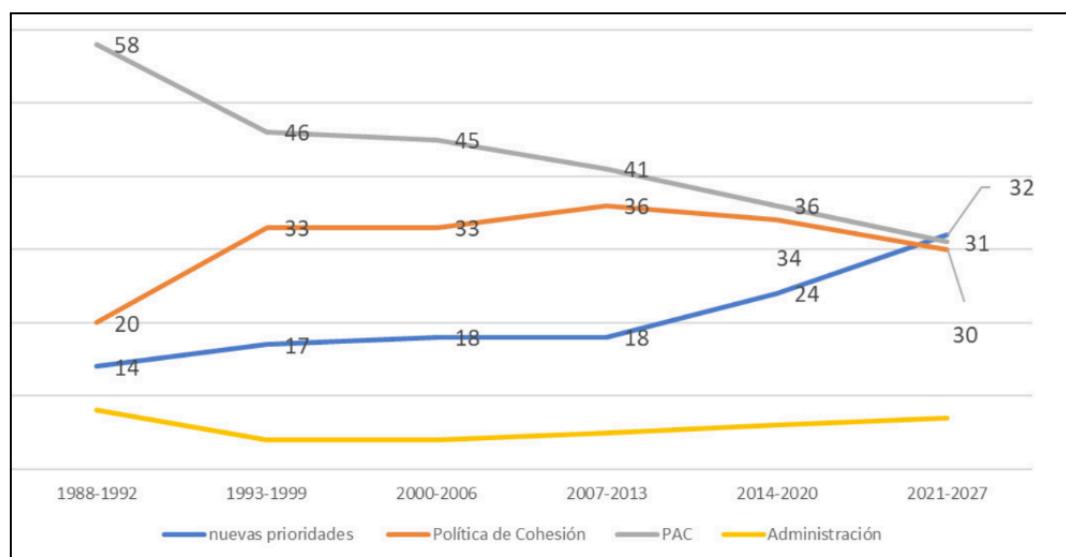
The answer is related to big member states applying for regional selection criteria for funding allocation instead of national criteria. Currently, each state is classified as pertaining to group 1, group 2 or group 3 depending on its average wealth -similar but not equal to GDP *per capita*- in relation to the average in the Union. The same criteria can be applied to the NUTS 2 level, classifying regions in more developed, transition and less developed ones (EUR-Lex, 2021c). The category in which either a member state or a region falls determines the financing they can receive and the thematic concentration where they have to spend a minimum percentage of the funding. Less developed regions receive EU financing up to 85% of the cost of the selected projects while transition and more developed regions receive 60% and 50%, respectively. All regions have to allocate at least 30% of their ERDF budget to green transition while their investment in digital transition depends on their wealth: 25%, 40% and 85% of minimum allocation for less developed, transition and more developed regions (Schwarz, 2024). To sum up, poorer regions receive more funding and have softer rules to follow in order to favor a catch-up with richer ones. Because of their internal heterogeneity, large member states are incentivized to apply under regional criteria to receive more funding. Thus, regionalized selection through NUTS2 could also be considered a friend of regional involvement in the management of EU solidarity policies.

Eligibility at national level	Eligibility at regional level	Thematic concentration requirements
Group 1. Gross national ratio equal or above 100% of EU average	More developed regions	Allocating at least 85% of resources to digitalization and at least 30% to greening.
Group 2. Gross national ratio equal or above 75% and below 100% of EU average	Transition regions	Allocating at least 40% of resources to digitalization and at least 30% to greening.
Group 3. Gross national ratio equal or below 75% of EU average	Less developed regions	Allocating at least 25% of resources to digitalization and at least 30% to greening.

4. Own elaboration from Article 4 of Regulation 2021/1058. Eligibility and spending conditionality for the ERDF.

Is Cohesion the actual purpose of Cohesion policy?

As we have seen in Chapter 1, ESIF were born from the conviction that an Economic and Monetary Union (EMU) would not be possible without redistribution between member states, as well as because of the pressure from poorer member states such as Ireland, Portugal, Spain and Greece to receive side-payments for accepting the establishment of a single market in which they had a competitive disadvantage. The momentum of 1988 was considered “the watershed of Cohesion policy” (Manzella, 2009, 15). Apart from introducing the additionality and partnership principles, the reforms doubled the funding delivered in order for regions to converge: as poorer regions received more money, they were expected to grow faster and catch-up richer ones. Cohesion policy would “ensure equitable participation in growth and prosperity across Europe” avoiding the periphery from being left behind (Schwab, 2024b).



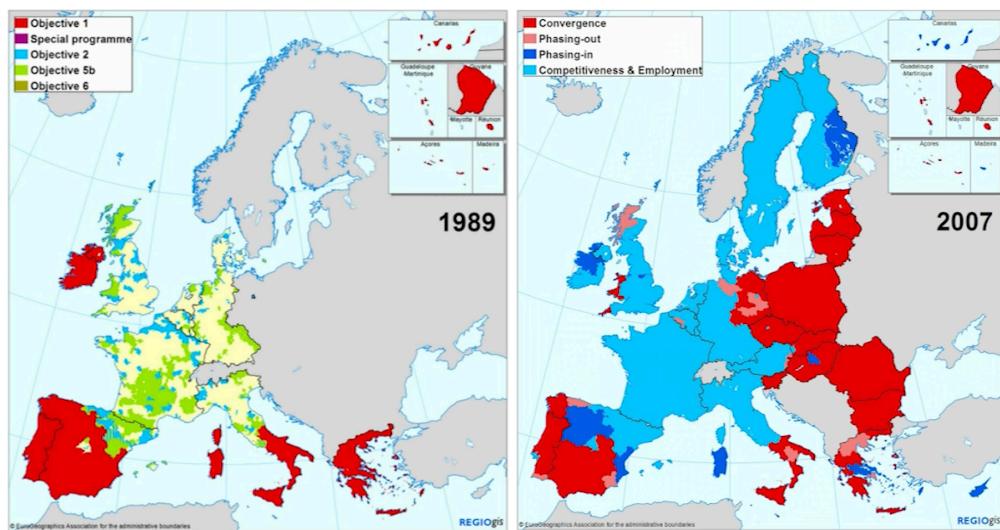
5. The % of EU Budget destined to cohesion policy (in orange; Next Generation not included) has remained stable since the 1990s (Kölling, 2022a, 17).

Territorial cohesion remained prioritarian in the decade of the 1990s, with more money allocated to Ireland, Portugal, Spain and Greece through the newly created Cohesion Fund to support their transition towards the EMU, but part of the money was targeted for addressing specific issues such as sparse population zones -after the 1995 accession of Scandinavian countries-, fishing declining regions, transborder connections (Interreg) or urban agendas (Manzella, 2009, 15-17). Yet, with the turn of the millennium cohesion policy would face increasing criticism because of three reasons: doubts about its effectiveness, widening list of priorities and, finally, emergence of a competitor.

Previous to the 2004 Eastern enlargement of the Union, some economists started affirming that Cohesion policy was not leading to convergence among EU regions and member states were going to repeat failed and expensive policies, as well as divert funding from poorer regions by creating new policy objectives (Boldrin & Canova, 2001). Although literature is

very inconclusive, mainly because of the difficulty to know if economic performance would have been worse without the Cohesion policy, many studies have neglected the impact of the ESIF in the European economy (García-Milà & McGuire, 2001; Rodríguez-Pose & Fratesi, 2004; Dall'erba & Le Gallo, 2008; Aiello & Pupo, 2012). This framework had an impact in the Lisbon competitiveness strategy which forced the reform of the Cohesion policy in 2007. The ‘lisbonisation’ of Cohesion policy, in spite of maintaining 80% of resources spent in the poorer regions, transformed it into an instrument to mobilize capital towards EU objectives (Manzella, 2009, 22).

After three decades since 1988, new studies have mitigated this criticism by pointing out that spending was necessary but it had heterogeneous results depending on institutional quality or other structural conditions in the receiving regions (Di Caro & Fratesi, 2022). Instead, the entrance of Eastern countries have motivated a new line of research: the development trap (Diemer et al., 2022). Southern countries stopped being the poorer EU member states with the entrance of Eastern countries to the Union in 2004 and that meant less funding for them (Herce & Sosvilla-Rivero, 2004; Forte-Campos & Rojas, 2021). Since then, while Eastern countries have significantly improved their GDP *per capita*, Southern middle-income regions have remained stagnated (Dijkstra et al., 2022, pg XIV), demonstrating that regional policies have not led to self-sustaining growth (Barone et al., 2016).



6. Poorer regions (in red) in 1989 and 2007 (European Commission, 2025e). The entrance of Eastern countries altered the system and motivated reforms.

Consequently, in the 2007 reform, middle income and richer member states were proactive in promoting new thematic objectives and selection criteria, such as support for ‘declining industrial regions’ which is far more ambiguous than support for regions under 75% of the Union’s GDP *per capita* average (Begg, 2009, 7). Large percentages of the ESIF started being spent in richer regions or poorer regions of richer member states (Begg, 2009, 11). The will to maintain funding for these regions through the establishment of a cause transformed the ESIF into “a policy searching for objectives” (Begg, 2010).

In this context, the pressure to reinforce the macroeconomic conditionalities of the policy and link it to better fulfilment of country-specific recommendations provided by the Commission grew. Cohesion was seen as an instrument for improving economic policy coordination in the EMU with the 2013 reform after the 2008 crisis (Méndez & Batchler, 2015, 13-14). Cohesion represented the 52% of total public investment in member states for the period 2014-2020 -in comparison with the 37% of the period 2007-2013- due to the contraction of national budgets with the austerity measures (Dijkstra et al., 2022, 19). The Commission saw the opportunity of an strategic use of the ESIF and in the Investment Plan for Europe presented by president Juncker for the MFF 2014-2020, it earmarked the ESIF to accomplish Europe 2020 targets by widening Cohesion priorities to 11 thematic areas with associated investment percentages: SME support, CO2 reduction measures, information and communication technology, research and innovation, resource efficiency, etc (Méndez & Batchler, 2015, 5).

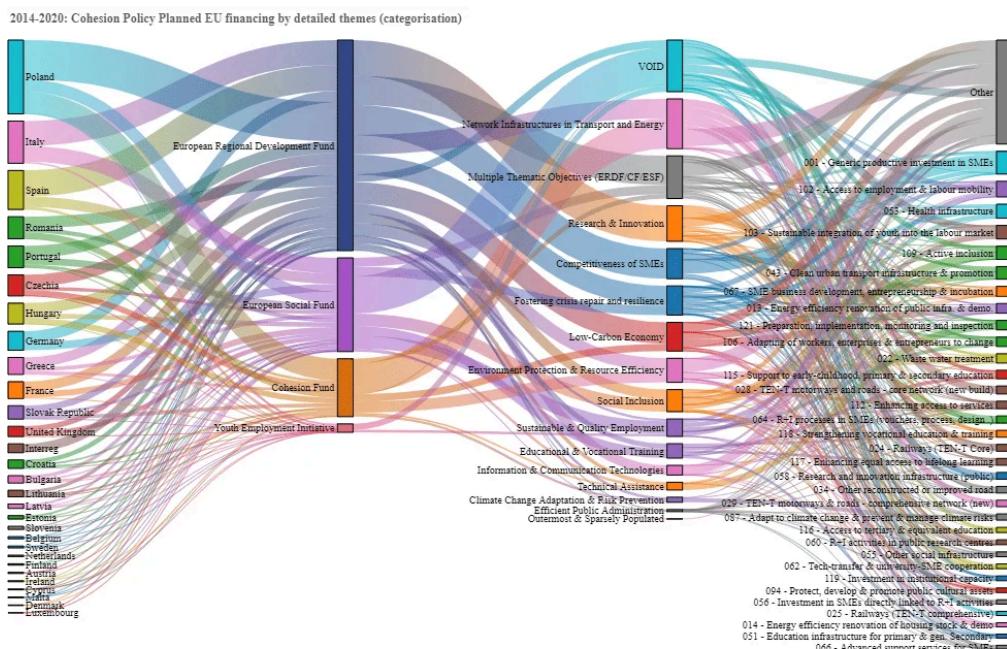
In the MFF 2021-2027, the ESIF added ‘horizontal principles’ that compromised 30% spending to attain the targets established through the European Climate Law and 10% to reverse biodiversity loss (Alessandrini et al., 2024, 10) -a reinforcement of the trend under Junker’s mandate-. Also, it has to contribute to ‘gender mainstreaming’ by introducing some methodology such as *ex-ante* reports about impact on women and disaggregated data (European Commission, 2024a). Disbursement is also performance-based (EUR-Lex, 2021d), which is difficult for a long-term policy, and associated with respect to the rule of law, this last condition with limited impact (Kölling, 2022b).

Currently, predictions of Cohesion becoming a ‘catch-all’ policy (Vogel & Brand, 2011) have been accomplished to the point that the 8th Cohesion Report warned against any action “that might hamper the social and economic convergence of EU regions, or that could contribute to regional disparities”, claiming for a ‘Do not harm to Cohesion’ principle in 2022 (European Parliament, 2023). However, the real problem for the continuity of the current role of regions in the ESIF is that Cohesion policy, with the bleaching of its leitmotiv, is overlapping with other policies as it shows the following comparison between the ERDF and RFF Regulation.

Specific objectives for the ERDF	‘Six pillars’ of relevance that NGEU has to address
PO1. Digitalisation	a) green transition
PO2. Green transition	b) digital transformation
PO3. Resilient mobility (very focused on trains and sustainability)	c) economic growth (smart, sustainable and inclusive)
PO4. Social rights (includes resilient health and developing labor skills)	d) social and territorial cohesion
PO5. Local initiatives	e) crisis preparedness with special attention to health
<i>In green, full overlapping of objectives.</i>	f) policies for the next generation of children and youth (focus on labor skills)

The fact that in the period 2021-2027 most of the funds provided under the RFF mechanism were aimed at cohesion purposes (Delgado, 2021, 6), but had far less obligations and controls for member states and much more agile and flexible set of rules on spending (Molica & Lleal Fontàs, 2020, 3) is a threat to the continuity of regional participation in Cohesion. As it has been exposed in the previous section, the RRF rules did not guarantee regional involvement in the management of funds. Overlapping slowed down the spending of the ERDF because there was no administrative capacity to spend so much money and RRF deadlines were more pressing (Annex 1). The lessons-learned are now questioning if the EU budget in general should have short-term targets, address new priorities, cut the number of beneficiaries or be delivered through different governance models (Schwab, 2024b). Competition for funding is high in a moment of historical defense anxiety among European elites, with unprecedented proposals of spending Cohesion funds in rearment policies (Castro, 2025).

The answer to the second question raised in the analysis (*Is Cohesion the actual purpose of Cohesion policy?*) is that reducing territorial economic disparities continues to be among the spending priorities of Cohesion policy, but it has also been transformed into the main delivery instrument of wider EU objectives and has equally been employed to cope with successive crises such as the Great Recession, the pandemic and the Ukraine war. This inconsistency of purposes has strengthened bakers of dissolving the fund into centralized thematic instruments managed by member states after the appearance of the RRF, which doubles the size of ERDF but finances the same activities with simpler payment methods but no territorial dimension (Pazos-Vidal, 2024). To sum up, although the loss of cohesion policy's identity can be traced back decades, the emergence of the RFF as a competing mechanism that overlaps with the same objectives than the ERDF but has a centralized simpler management is a major threat because for the first time there is an alternative model that could be replicated after 2027.



7. Cohesion's dozens of purposes (European Commission, 2025f).

Is the Commission a region-friendly ally?

In the 1980s and 1990s, Jacques Delors Commission was ‘activist’ in favor of a strong role for regions, as they were considered allies in the integration process and favouring them as main recipients of funding and important managers was pivotal to implement the principle of additionality and ensure that EU budget was not misspent or reimbursed by member states but guaranteed as an independent instrument. As we have also seen, yet, strategic priorities of the Union have gradually changed and the Commission was the pioneer in adapting Cohesion objectives and rules to emerging priorities. Furthermore, the permanent polycrisis era that the Union has navigated (Zeitlin et al., 2019) in the last years has strengthened the paper of the Commission and its *presidentialist* Ursula Von der Leyen in an unparalleled situación (Mortera-Martínez, 2023; Wax & Vinocur, 2025).

The best example of it is an unseen increase of Union’s own resources through borrowing of money to the international private markets (Zimmermann, 2020), the allocation of which is under the surveillance of the Commission. The EU’s unofficial executive can be more or less strict when deciding if conditions to disburse the RRF funds -the so-called milestones and targets- are being fulfilled or not (Sorgi, 2024b). Simultaneously to this pinnacle of power for the Commission, regions have only served as implementers rather than strategists (Alessandrini et al., 2024, 12) and have denounced that centralized management under RRF could threaten economic, social and territorial cohesion by favouring funding assignments to richer regions -for the sake of recovery- and allowing allocation through political discretion instead of through objective criteria (Committee of the Regions, 2024).

The current European Commission took office on 1 December 2024 and started working in the negotiations for the next MFF after 2027. Even so, it leaked some information to the press about the college’s intentions before the formal beginning of its mandate, highlighting that the incoming Commission wanted to unify more than 530 spending programmes -including the ESIF, the CAP and other funds- into single national ‘pots’ (Sorgi, 2024c). In particular, disbursement of the EU budget would be linked to a single plan per each member state associated with reforms and investments according to country-specific recommendations determined by the Commission (European Commission, 2024b). Although the regional role was not specified -partnership is not mentioned-, its paper was at least downsized by two factors: firstly, the prioritization of a state-centric point of view over multi-level and thematic perspectives; secondly, the connection between compliance of member states with reforms and payments of the packages independently of the funding purposes. The objective of the Commission, even if vaguely expressed, was understood by many as wanting to replicate the RRF centralized governance model of strong conditionalities for payments, less bureaucracy, single country plans, financement not related to specific projects and less number of actors involved (Baccini, 2024).

Heartbroken regions noticed the break-up of their traditional alignment with the Commission and opposed the so-called “balloon probe” with a non-paper -an unofficial document- signed by 134 regional authorities from 16 different member states defending respect for an active

and real subsidiarity and claiming for an adequate budget and participation for them (DeLaFeld, 2024). In spite of calling for dialogue with the new Commission's vice-president for Cohesion and Reforms, Raffaele Fitto, regions pointed out that any future Cohesion policy "should be based on the multi-level governance and shared management" (Helsinki EU Office, 2024). The main forum in which regions can officially express their views about EU politics, the Committee of the Regions, personally addressed the commissioner to oppose any attempt of centralization and underscore that Cohesion policy shall continue as a long-term investment instrument (Committee of the Regions, 2025). The Commission, still, formalized its position through the communication 'The road to the next multiannual financial framework' launched in February 2025 (European Commission, 2025g).

While the negotiations for the next MFF have not formally started and the balance of power is not clear yet, the Commission has called not to wait until the end of the current budgetary period and urges reforms to adapt Cohesion policy to risen challenges through a mid-term revision of rules. The legislation proposed further voluntary expansion of the Cohesion range of objectives through the addition of spending in strategic technologies, defense industry, housing, water resilience, the Clean Industrial Deal and Eastern countries bordering Ukraine. It provided for 100% of EU co-financing, erasing traditional percentages, for projects that support these ambitions. It also authorizes the funds to be intended for richer regions if they are more strategic for tackling emerging priorities and calls for an abandonment of the current SME perspective of the ESIF because large enterprises "steer research, innovation, knowledge, and technology transfer towards other companies in their value chain". Finally, the communication encourages member states to use the flexibility granted for funding part of projects selected by the Commission under direct management mechanisms such as the Innovation Fund, Invest EU and the Important Project of Common European Interest (IPCEI) initiative (European Commission, 2025h).

At this point, the answer to the third question raised in the analysis (*Is the Commission a region-friendly ally?*) is negative. The Commission is leading an accumulation of power that started with the creation of direct management funds such as Horizon Europe (see Annex 3) in the MFF 2014-2020 and may culminate in the following MFF. By the moment, the polycrisis and will of member states to act together in order to deal with current global challenges has opened a window of opportunity -that started with the RRF- for the Commission to complete the dream of European integration through some strengthening of supranational fiscal capabilities. With the uncertainty of how feasible a budgetary expansion is because of the traditional reluctance of states to delegate fiscal powers through Treaty reforms or to allow the issuing of common debt, the Commission has centered in re-defining the existing resources by dissolving long-standing policies such as the ESIF and the CAP into new thematic priorities and promoting mixed models of management of the current funds with participation of the member states but strong supervision of Brussels. In this wide re-framing of institutional relations which some have called "creative legal engineering" (Patrin, 2023, 6), regions could end up being totally neglected.

5. CONCLUSIONS

Fifty years after the establishment of the ERDF to tackle economic inequalities between the different European regions and thirty-seven years after the big reform of Cohesion policy to end with state deviation of EU -communitarian- funding from its objective, the causes which motivated the creation of redistributive policies persist. Differences of regional gross domestic product between European regions are still high (Eurostat, 2024b) and economists still warn, as the Werner report first foreseen, that a centralized monetary policy and single market without supranationalization of economic policies and fiscal redistribution is a danger for the continuity of the European integration project (Juncker, 2015; Letta, 2024, 14). In particular, the White Paper on the Future of Europe launched to address the causes of Brexit and Eurosceptic populism in the continent pointed out the importance of developing a social dimension of the integration process (Commission, 2017). In this context, according to a supportive deputy, the structural funds have been the real social pillar of the Union by acting as the only instrument that has invested in health, education and transport like a welfare state (Annex 1.1).

Yet, Cohesion policy has been watered down and its redistribution or development purposes clearly downsized because member states could not agree in restricting funding to the places where it was needed the most due to the constant bargaining between countries with different economic realities in the MFF negotiations (Boldrin & Canova, 2001) and the Commission could neither dispose of enough own economic resources to back the implementation of the Union's broad regulatory agenda. In both the legitimate causes of guaranteeing budget returns to rich and middle income countries and strategically using any tool to execute strategic Commission, the Cohesion policy has paid the piper of an unfinished European integration process through the widening of its policy objectives and the dissolution of its main goal in a sea of reforms and uncertainty.

All this context has been navigated by subnational authorities such as regions and localities, which saw in the partnership principle the opportunity to decide about their own development priorities (Annex 1.1) and have contributed to the adoption of EU reforms (Berkowitz, 2017) while strengthening their capabilities (Polverari et al., 2024) and seen their role recognized by some states (Bache et al., 2011). Regional authorities have been responsible for delivering approximately 70% of EU legislation in recent years (Pavy, 2024), but have been excluded from having real influence in many decision-making procedures since the start of the integration process. While it is clear that member states historically renounced sovereignty in favour of a supranational authority in some issues but continued their involvement in those topics through their vote in the Council, regions were deprived from constitutionally owned powers without gaining more than a consultative Committee as compensation. The Cohesion policy, in contrast, represented for them a unique opportunity to demonstrate that other ways of integration in which regions are taken into account were possible, thanks to the efforts that were made in the 1980s to deliberately design a multilevel governance framework in which regions could have a significant role and a say in the formulation, implementation and evaluation of massive EU funding programmes.

However, according to this analysis, the schemes of regional participation that inspired multilevel governance theories in the decade of the 1990s were only possible due to the convergence of three factors: the establishment of compulsory and active participation of the regions through the partnership principle in the management of ESIF, the incentivisation of this participation as a way to avoid dispersion of funding away from its purpose of supporting poorer regions development and the activist role played by the Delors Commission at the end of the 20th century in order to empower subnational governments as allies of the European integration process.

In this MFF for the years 2021-2027, two of the three conditions have not been found anymore: while the partnership principle has been saved for this budgetary period, the cause that motivated regional involvement has disappeared as deviation of budget from poorer regions is not only ignored but promoted by member states and the Commission through the widening of thematic spending priorities of the policy. Still, as long as a significant proportion of the budget remains tied to a true partnership principle in the next MFF, there is room of maneuver for subnational governments to keep participating directly in EU policies.

Surely, the creation of the RFF as an instrument that overlaps with many Cohesion purposes but has acted fastly because its simplified Finance-Not-Linked-To-Cost system and unified management at national level, is an unprecedeted threat to the continuity of rules that allow for regional participation in the post-2027 Cohesion policy. The Commission already started proposing changes in the current MFF through the *Communication for a mid-term review of the Cohesion policy* published on April 1st 2025 and has expressed through a “balloon probe” its intention to centralize EU funding in national plans for the post-2027 MFF.

However, the results of the negotiation are not decided yet. Even in a present thought moment for decentralization, some policies that have been launched such as the JTF have integrated a NUTS3 perspective (Commission, 2025i) -which is even closer to the territory than NUTS2 level used for ERDF allocations- as a recognition that there is no better decision than the one which is taken as closer and targeted to the citizen as possible. There are also voices, from the 15 member states self-described as ‘Friends of Cohesion’, that have clearly spoken against any “step away from cities” of the ESIF management (Europa Newsroom, 2024). The Council has expressed, through its conclusions in March 28th 2025, that any post-2027 Cohesion policy shall maintain the involvement of subnational actors through a multilevel governance model and by based on active participation of all partners in the shared management of EU funds, and so the Parliament (Council of the EU, 2025; Ojamo, 2025).

For the reasons mentioned above, the disappearance of the factors that converged in the last decades of the 20th century to make possible the regionalized Cohesion policy is not leading to an automatic demise of the multilevel governance model. In fact, the Commission proposal for the post-2027 MFF is facing backlash against centralization of power from many different actors -including the political parties that sustain the Commission- that seem to have aligned for the continuity of the shared-management of EU funds (Euractiv, 2025).

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Annex 1. Qualitative interviews. Field research with an implementation and a decision-making authority

1.1. Interview with a Member of the European Parliament from the REGI Committee.
24/03/2025

Were you involved in the negotiations on the previous Multiannual Financial Framework?

No (...)¹, but I will be in those for the next MFF regarding Cohesion policy.

¹ Information about the personal political career of the deputy has been omitted to preserve anonymity and allow a full reproduction of the interview.

Do regional governments contact you to assert their interests?

Yes, of course they do. The regions have two ways of contacting us. On the one hand, our work in REGI [the European Parliament's Committee on Regional Development] is very much linked to the Committee of the Regions and through the Committee of the Regions we have many individual contacts with regions. On the other hand, we receive visits from directors-general at regional level who meet or pass on their concerns to the spokespersons of the different political groups.

How are these interests conveyed to the BUDG committee?

Our relations with them are frequent. We have just issued an opinion on what the next multiannual financial framework should look like from REGI. Our opinion transmits amendments and views on regional development and cohesion policy to BUDG [the European Parliament's Committee on Budget] even though we do not yet know the whole of the new European budget and only the outlines are known. Opinions and inter-committee meetings are our way of expressing this.

Do you therefore consider that regional governments have mechanisms to convey their interests to the people in charge of the budget?

Regional governments are not an interlocutor per se in Parliament. They don't have an official channel for that. But they still do their job of trying to influence through informal meetings. Where these governments have a direct dialogue and a prominent role is in the Committee of the Regions, which as a consultative body of the Union issues an opinion on any strategy, legislative document or budget presented by the Commission. It is true that its opinions are not binding, but they tend to have a strong influence on the final wording of legislative or budget documents.

Do you think, then, that there is sensitivity on the part of parliamentarians to the opinions of the Committee of the Regions?

Yes, there is.

Why was a multilevel governance approach not included in the Recovery and Resilience Mechanism?

These funds were not earmarked for regional policy. They are specific time-limited funds as a response to the economic paralysis resulting from the total and partial closures of activities due to the pandemic. They had a very clear objective: the rapid recovery of national economies. They were allocated to member states and empowered to set out the needs of each state, linked to strategic reforms that the Commission has put forward. For example, on the rule of law or the sustainability of the welfare state.

The Structural Funds, which are designed as a multi-level governance model, have a longer duration. For more than 40 years, the continuity of these funds has been aimed at the harmonised and balanced development of the regions. In contrast, the NGEU was the response to an unprecedented one-off economic crisis. The two funds do not share the same objective or management methods, they are different instruments.

Do you think the NGEU governance model will consolidate? Will there be a second version? Could traditional cohesion policy be reformed through the lessons learned from the NGEU?

This is an emerging debate. Cohesion and solidarity are linked to Article 174 TFEU and are projected in a long-term policy, with very successful investments for the development of some regions. The Structural Funds are the real social pillar of the Union. They are the Union's only instrument for investing in health, education, transport, etc.

The recovery plans, on the other hand, were not intended for that purpose. However, they have been easier to implement because of their one-off nature of rapid investment to recover economies hit by the crisis. These plans require less bureaucracy and give more flexibility to invest where the economic fabric needs to be restored.

By overlapping these plans with traditional cohesion policy, the latter has slowed down because there is no administrative capacity to spend it. Many administrations are asking us to simplify the bureaucratic burden of cohesion policies and the idea is gaining support. However, we should remember that recovery plans invest a lot of money but do not give the regions a say in defining spending priorities, as traditional cohesion policy does through partnership agreements. Therefore, the debates should not be mixed. The administrative burden must be simplified but the multilevel governance model of cohesion, which is the only thing that guarantees the role of regions and cities in defining their own development priorities, cannot disappear.

The Commission presented a few weeks ago a revolutionary plan to create a single fund that would merge cohesion policy and the common agricultural policy and be allocated to the states. Parliament will work to ensure that, if this single fund is created, the multilevel governance model is respected. Nevertheless, the debate for the next budget has just begun and the outcome will depend on strategic decisions beyond the field of cohesion. We are living at a shifting point in which the priorities of the Union are shifting towards defense and economic competitiveness.

1.2. E-mail conversation with a Technician in charge of monitoring the RRF from the Directorate General for European Funds of the Autonomous Government of Catalonia.

04/03/2025

Have you perceived a recentralisation of power with the RRF? How do the two fund management models (ERDF vs RRF) affect the distribution of authority between the three territorial levels?

According to the European Court of Auditors in the Analysis Report 1/2023: *EU funding through cohesion policy and the RRF*, the main differences between the funds coming from cohesion policy and the RRF funds arise from programming, management, payment, control and temporality.

To begin with, the RRF Funds arise from National Plans that each EU Member State has submitted to the Commission, which, in addition to including the specific recommendations for each State, also include the Commission's proposals. The design and structuring of these plans is the exclusive competence of each national government, which has drawn them up centrally. Although they may have carried out consultations or participatory processes, their final definition and implementation responds to a state strategy, without direct decentralisation to regional or local administrations. The Plans serve as a programming document that establishes milestones and qualitative and quantitative objectives to be achieved. Whereas, cohesion policy operates through a partnership agreement at national level and is broken down into one or more national or regional programmes.

The direct management of the RRF is also a novelty, since until now, in cohesion policies, this has been shared and articulated through the regional operational programmes. This change means that, as direct beneficiaries, it is the states that are in charge of management, in order to receive payment from the Commission (provided that they have first presented the milestones achieved).

Historically, the funding of European programmes only took into account the declared expenditure for its evaluation and control. Whereas in the RRF funds, the control is based on

the satisfactory achievement of the milestones, since the Commission makes an initial verification of the payment requests and subsequently, the audits (once the payment has been made) are in charge of deepening this control. In addition, each Plan establishes an internal control system, which has to start from the managing units through the constitution of an Independent Verification Unit and an Anti-Fraud Committee/Referent to the organisation.

Finally, the most obvious difference between the two types of funds lies in the temporality. Cohesion policy has always been the main long-term investment policy included in the EU budget, as it reinforces the principle of economic, social and territorial cohesion. While the RRF funds were born out of an exceptional situation, their purpose was to help the states that suffered most from the COVID 19 crisis to reduce the socio-economic consequences they suffered.

In the case of the Generalitat, do you think that the RRF has an impact beyond the fund on its legislative competences? Does the willingness to receive funding influence political priorities or the promotion of regulations?

In terms of legislative powers, it could be the case that some of the reforms included as Milestones and Targets [in the Spanish plan] could have some impact. However, in principle, these legislative reforms only affect State competences and not those of the Autonomous Communities.

In terms of the projects proposed, the priorities established in the plan seem to be largely aligned with the Generalitat's sectoral plans. Even so, it should be borne in mind that since the Plan was designed, the Generalitat has undergone changes in government, which has led to a possible reorientation of political and strategic priorities.

Were you personally involved in any negotiations? How did your subnational institution participate in the negotiation of the MFF 2021-27? Do you know the reasons why there has been a change of model with the RRF with respect to the ERDF?

No, I did not and I do not know that.

Do you think the model change will be consolidated? Will the RRF model be extended to the Cohesion Policy post-2027 or was it rather the result of an exceptional moment such as the pandemic? What is the position of the organisation for which they work in this respect?

In line with the calendar of the European Semester, the political debate on budgetary policy for the next policy cycle is currently underway. Although opinions vary, one thing is clear: the new management procedures put in place have been very well received, especially the implementation of the cross-cutting principles. As for the possibility that this change will entail the disappearance of the traditional funds and that everything will be managed solely through the RRF for each of the funds, only time will tell if this transformation materialises.

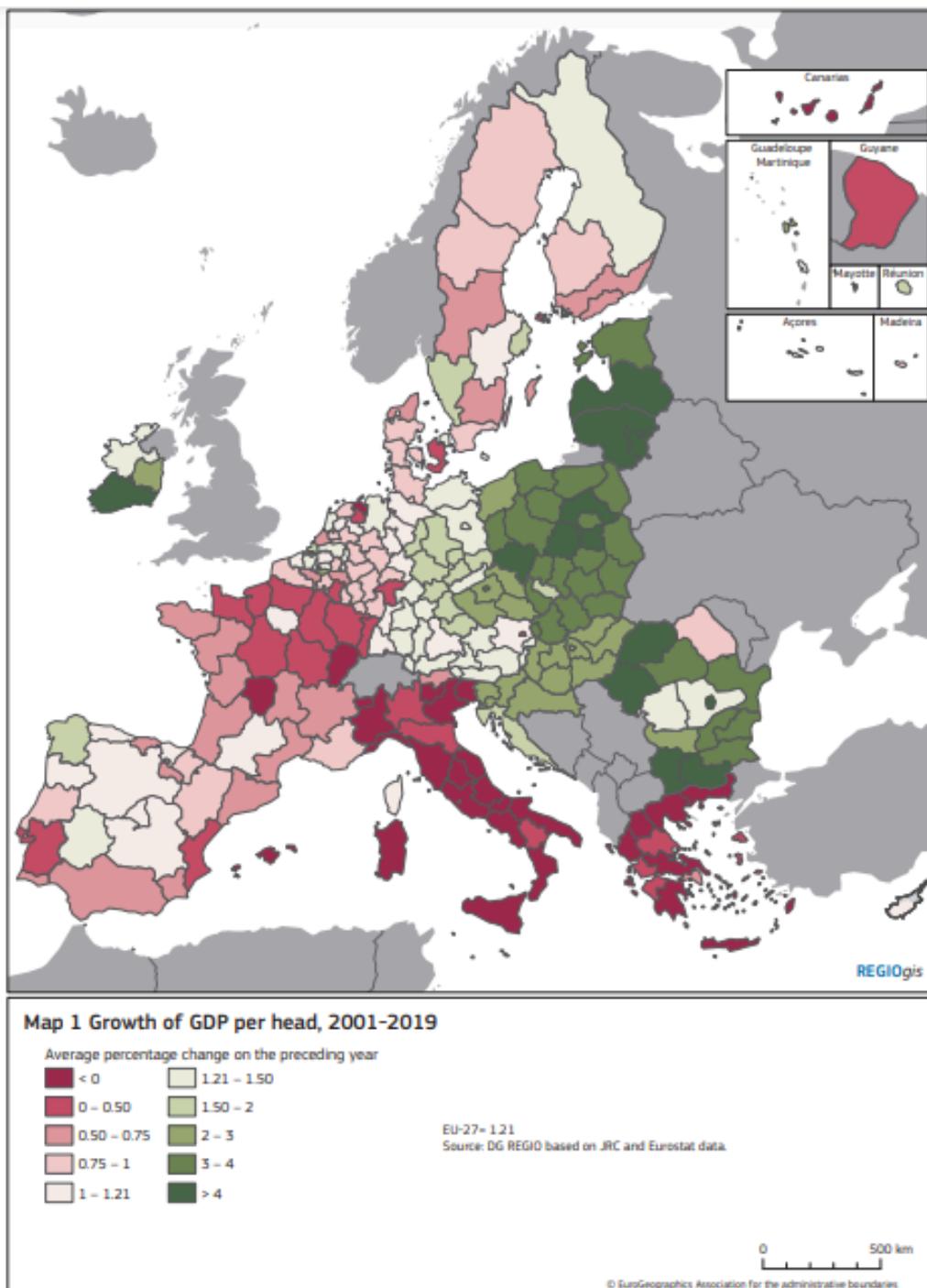
Beyond the distribution of authority between territorial levels, do you think that the new model brings more efficiency (for example: more effective results, less bureaucracy, etc.) to European funds or, on the contrary, more problems (like lack of coordination because the implementing institution has not been involved in decision-making)?

In my view, the centralised, top-down management of NGEU sub-projects has significant shortcomings in terms of communication and coordination. The fact that each Ministry manages sub-projects linked to specific Milestones and Objectives, while the Ministry of Finance plays a partial coordinating role, leads to a disparity of approaches between the different departments.

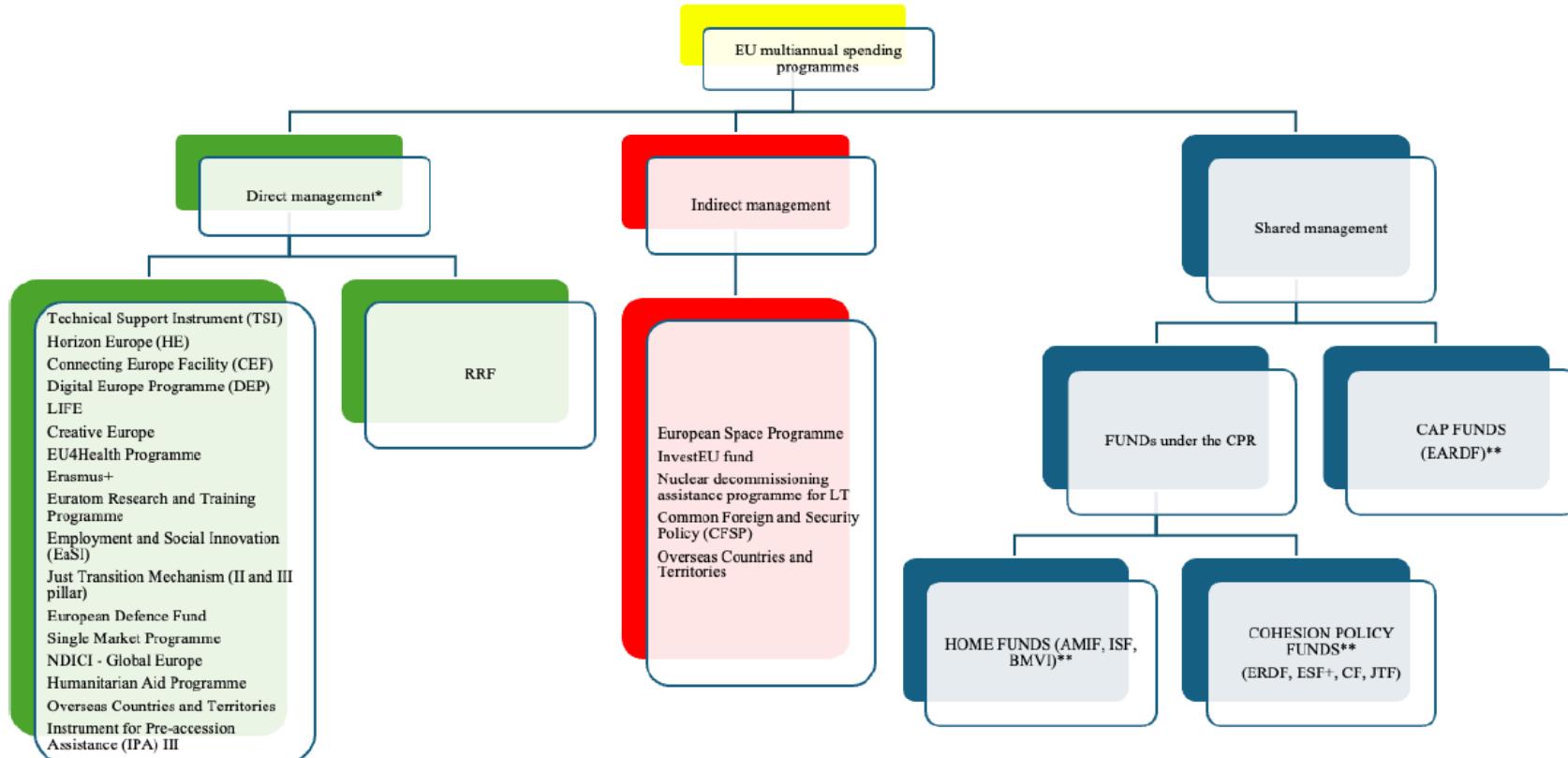
While some ministries are more communicative than others, in general, there is a perceived lack of certainty and clarity in management, with long periods without response to queries. However, when it comes to certifying the milestones linked to disbursements, the demands arrive urgently and with no room for manoeuvre, requiring the immediate delivery of the documentation in the terms established by the central administration. In the end, therefore, one gets the feeling that there is a great deal of opacity (for example in the progress of the same project in other regions) and discretion.

As for the reduction of bureaucracy promised by the NGEU and [Spanish implementation law] RDL 36/2020, we note that it has not materialised at all, given that compliance with the cross-cutting principles associated with the funds has in many cases generated an administrative burden greater than that of the other funds. A clear example of this reality is the anti-fraud principle, which, in the framework of the NGEU funds, has entailed a much greater burden compared to other funds. While in other calls this principle would only require the signature of a few Declarations of Absence of Conflict of Interest (DACIs), the NGEU requires a much stricter and more complex control system. This implies not only the signing of these declarations, but also a continuous management and auditing of all operations, with the aim of ensuring transparency and legal certainty of all processes. This need to comply with the control requirements of the anti-fraud principle entails additional tasks and a more efficient system, such as the use of MINERVA, a tool that centralises and manages all the documentation necessary for the monitoring and control of funds. Moreover, in many cases, it implies the creation of an anti-fraud committee in local authorities, where there is often not enough staff to assign differentiated tasks within the fund management process. This is overstretched, as the available staff has to manage multiple functions at the same time, making it difficult to efficiently implement all the required controls.

Annex 2. Convergence between EU regions according to the 8th Cohesion Report published in February 2022 (Dijkstra et al., 2022, pg XIV)



Annex 3. Map of the main EU multiannual spending programmes (Alessandrini et al., 2024, 50)



*Many multiannual spending programmes under direct management, such as EU4Health, CEF, DEP, TSI, Erasmus+, and LIFE, can also be managed partially or implemented through indirect management under certain circumstances. Part of IPA III is also implemented under shared management.

** These multiannual spending programmes include some specific strands which fall under direct and indirect management.

