

Cohesion Policy in the Netherlands: is there a situation of good accountability?

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1. Introduction

Over the last decade, a debate has emerged on the issue of accountability in the EU. Additionally, it is interesting to look at the accountability situation of certain policy areas. Cohesion Policy is an important policy field, because it involves one third of the EU budget in the form of the Cohesion Fund and the Structural Funds and is touching upon a lot of other policy areas, such as employment, social affairs, transport and research and innovation. It gives member states (MS's) for these policy areas financial resources in the pursuit of improvements in these areas. It is therefore also interesting to look at the accountability situation of Cohesion Policy.

As part of a dissertation research (Damen - Koedijk, forthcoming) an analytical framework on the concept of 'good accountability' has been developed that will briefly be outlined here. The main focus of the paper is the application of this framework on the Dutch situation of regional ERDF OP's in the 2007-2013 period. However, this framework will also offer possibilities to compare the Dutch situation to that of other MS's.

In paragraph 2, the analytical framework of 'good accountability' will be elaborated, followed by three (accountability) relationships on the European and national level that are identified in Cohesion Policy in the Netherlands in paragraph 3. We will discuss two developments in the 2014-2020 period related to accountability in paragraph 4, followed by the conclusions in paragraph 5.

2. Analytical framework of 'good accountability'

We have formulated four requirements that, following the identification of actors and accountability relationships, will enable us to form an opinion of the situation of accountability. These requirements are related to coverage, context, content and costs.

1. Coverage: accountability relationships on all levels

The basic premise of the idea of good accountability, is that there is the existence of accountability relationships within the system. Without these relationships visible on all levels - European, national and regional level - in the system, there can be no situation of good accountability. We classify the relationships between the actors within the policy area according to the four components as mentioned by Bovens (Bovens, 2007), which are:

- a) assignment of responsibilities,
- b) reporting by the agent,
- c) information seeking or investigating and also verification by the principal, and

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- d) direction or control by the principal, possibly posing sanctions on the agent.

2. *Context: elements of transparency, democracy and legal constraint*

As derived from academic literature (Fisher, 2004, Mulgan, 2003, Willems and Dooren, 2012), three important elements of accountability are transparency, democracy and legal constraint. These elements give some sort of counterweight to single accountability (principal-agent) relationships and therefore can be seen as an essential element of good accountability.

Without transparency it will not be possible for actors to hold an agent really to account. Transparency brings information into the open and makes it possible for (other) actors to hold an agent to account.

Elections give a pressure on actors subject to these elections, knowing they can be voted away by voters. Since elected actors also have a role in the policy area of Cohesion Policy, we also expect pressure from this democratic element, although in practice this might be limited.

Finally, also legal constraint plays a role in good accountability. The function of legal constraint is (also) a counterbalance to the principal-agent relationship, in the way that there is another actor that has a possibility to rule in a certain case and can have an influence on the accountability relationship concerned. In the system as a whole in a situation of good accountability, we consider there should be a role for legal actors to also, next to transparency and democracy, provide a counterweight in a single accountability relationship.

3. *Content: economy, efficiency and effectiveness*

The third requirement points at the object of an accountability relationship, thus at the policy process chain, or 'the 3 E's'. It should not (solely) be about the process (compliance), but actually also on the elements of the policy process chain, on economy, efficiency and effectiveness. On all levels in the system one of these three elements should be visible, to have all levels connected in the accountability chain of the policy area.

4. *Costs: absence of accountability deficit or overload*

Finally, the last precondition is directed at the extremes of an accountability situation: it should be balanced, in the way there is no situation of accountability deficit or overload. This mainly relates to the cost aspect of an accountability situation.

This means in the first place that the mechanisms used by the principal to influence the agent should match the shirking risk of the latter. As the preferences of both actors diverge, this risk will be higher. Thus in a situation of good accountability, there is a balance between both the mechanisms used by the principal and the shirking-risk of the agent.

Secondly, a downwards spiral in monitoring and bonding costs, born by respectively the agent and the principal (Groenendijk, 1997), should be absent.

Finally, explicit elements that indicate a situation of accountability overload (Bovens et al., 2008) should be absent. These elements are visible when a regime:

- a. imposes extraordinarily high demands on the agent's limited time and energy,
- b. contains a comparatively large number of mutually contradictory evaluation criteria for the agent,
- c. contains performance standards that extend way beyond their own and comparable authorities' good practices,

- d. contains performance standards that seem particularly conducive to goal displacement or subversive behavior.

We will now look at the accountability situation of Cohesion Policy in the Netherlands to see whether these requirements are met.

3. Accountability relationships in Cohesion Policy in the Netherlands

We have drafted a figure with all actors and accountability relationships (straight lines) and other relationships (dotted or dashed lines), see below. In this paper we will look at the relationships in the red circle.²

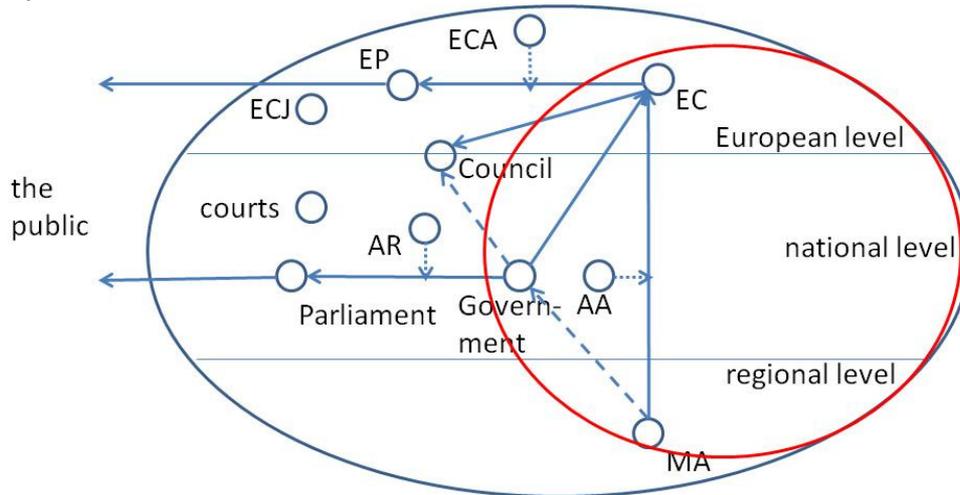


Figure 1. All actors and relationships in Cohesion Policy in the Netherlands

I. MS (agent) and European Commission (EC, principal)

Coverage: is there an accountability relationship?

Within the Treaty on the Functioning of the EU specific provisions are set on the relationship between the EC and the MS, in this case with the MS acting as agent in the implementation of policies of the EU. The EC is for a lot of policy areas dependant on the MS's executing them. In fact, especially the principle of shared management³ is an expression of this, leading to cooperation and shared responsibilities between the EC and the MS's in the implementation. Since the governments are responsible for policy execution on national level, this leads to a relationship between the EC as principal on the one hand and the national governments as agents on the other. Although the Regulation mentions obligations for the MS's as well as for the management authority (MA), it gets clear that the MS is the responsible actor for the implementation on national and regional level. This is also laid down in the Financial Regulation (FR).⁴

More specifically on Cohesion Policy, the Regulation is peppered with specific obligations of the MA's to inform the EC on. This means the first and second step of accountability,

² In the dissertation research, all actors and relationships that are visible in the figure are discussed and judged according to the components of an accountability relationship as mentioned by Bovens (see paragraph 2). Unfortunately, in this paper there is not enough room to discuss all, that is why a selection has been made.

³ Art. 14 of regulation 1083/2006. When we refer further on to the Regulation, we mean Regulation 1083/2006, unless otherwise stated.

⁴ Regulation 1605/2002. It has been repealed in 2012 by the new Financial regulation 966/2012. The principles that are mentioned here referring to shared management, are, although in different phrasings, also laid down in the new regulation. See for instance art. 59.

assignment of responsibilities and reporting by the agent, are met. The third step, information seeking and verification by the principal, is also met in the situation of Cohesion Policy. The Directorate Generals (DG's) concerned investigate the information reported by the MS's, analyze it and form an opinion on the issue concerned.

Finally, the analysis of the Regulation shows that the EC also has the possibility to pose sanctions. In the ex-ante phase, the EC has to adopt the national strategic reference frameworks and the OP's. But, since these are all measures in the ex ante stage, leading to a postponement of the start of a programme, it is especially interesting to look at measures the EC has during the implementation phase. In this respect, article 92 and 99 of the Regulation are important, giving the EC the possibility to respectively interrupt or suspend payments to an OP, or pose financial corrections. Although the MA is directly affected by such a decision, these are directed at the MS.

Context: elements of transparency, democracy and legal constraint

Regarding transparency, we can see that the situation has improved since the 2007-2014 period. Communication between the MS and the EC on Cohesion Policy is in general not made publicly available by either of the two parties. The EC however does publish information on its activities and the performance of the MS's in its Annual Activity Report (AAR) (European Commission, 2014a). These are published since 2010 and with the years have been more open on the performance of specific MS's. The EC also publishes its yearly Synthesis report (European Commission, 2014b).

When looking at the Netherlands, we see that the national government promotes transparency with the publishing of the national Declaration of Assurance (DAS) and the accompanying report issued by the Dutch Court of Auditors, the Algemene Rekenkamer (AR). However, the Annual Summary that is send to the EC has only been published in 2012 as an exception (Algemene Rekenkamer, Forthcoming, 2015).

Regarding legal constraint, there is the possibility for both the MS and the EC to start a case before the European Court of Justice. This means that there is legal protection possible for both actors.

Content: economy, efficiency and effectiveness

When looking at the nature of this accountability relationship, we see that the focus is on compliance elements, or elements of financial management, thus related to the aspect of 'economy'. MS's have to comply with the compliance requirements of the EC, leading to reports, reinforced correction and suspension procedures, MS action plans and its follow-up, increased scale and intensity of audits and more rigorous closure procedures (Mendez and Bachtler, 2011). Efficiency is not an issue in this relationship, there is no obligation for the MS to inform the EC on efficiency issues. Regarding effectiveness we can see in the regulation there is attention for effectiveness in the ex ante stage.⁵ During the implementation stage the MS's have to send in a report twice to the EC informing it on the achievement of the objectives of Cohesion Policy, which partly deals with effectiveness.⁶ The EC is using the information provided by the MS's in its yearly Cohesion report. Evaluation is the main source of information for the effectiveness of the policy. The EC obliges the MS's to perform an ex ante evaluation⁷ and also to evaluate during the implementation stage.⁸

⁵ See art. 27 and 32 of Regulation 1083/2006.

⁶ Art. 29 of Regulation 1083/2006.

⁷ Art. 48 paragraph 2 of Regulation 1083/2006.

To summarize, we see some attention for effectiveness of the policy concerned in this relationship between the MS and the EC, but the main focus of this relationship is put on compliance and economy issues.

Costs: absence of accountability deficit or overload

The preferences between the national government and the EC are expected to be in general more divergent than convergent, probably also depending on the MS concerned. The Netherlands for instance, is known to attach importance to accountability of the use of EU funds, whereas other MS's might attach less importance to this subject. The EC is representing the EU and thus promoting a fair use and accountability of the use of the funds in all MS's, whereas the MS's will always start looking at what a specific measure means for the MS itself. An example of this divergence between EC and the MS is the earlier mentioned N+2 rule.⁹ This gives the MS's an incentive to spend these funds, whether this spending is (exactly) according to the EU rules or not.

Regarding the mechanisms used, as mentioned beforehand, the EC has quite strong mechanisms in hand to influence the actions of the MS and also the MA, formed by the needed approval of the OP by the EC, the possibility to suspend payments and impose financial corrections. The fact that the EC has strong mechanisms matches the shirking risk of the MS's, which can be described as rather high.

Looking at the signs of a downwards spiral of costs between the principal and agent, we do not see these. Finally, when focusing on the characteristics mentioned by Bovens, we see these are also absent.

II. MA (agent) and MS (principal)

Coverage: is there an accountability relationship?

The relationships on ERDF in the Netherlands are set between the MA at the regional level and the ministry of Economic Affairs (EZ),¹⁰ representing the MS, on the national level.

The assignment of the MA is laid down in 'Besluit EFRO programmaperiode 2007-2013',¹¹ but specific relationships between all actors on national and regional level have been laid down in an agreement ('convenant').¹² This agreement mentions the obligations of the MA,¹³ the CA¹⁴ and the AA.¹⁵ In the articles 12 until 24 the obligations of the minister, and in fact of the ministry of EZ, are mentioned, which focuses on the tasks of the ministry in cases of incorrect use of funds and in sending information to the EC.

When we look at the specific elements of an accountability relationship, it is clear that the first two elements, assignment of responsibilities and reporting obligations, are present. Both the national legislation¹⁶ and the agreement mentioned above, point at specific responsibilities that are assigned to the MA and what the MA should report on to EZ.

⁸ Art. 48 paragraph 3 of Regulation 1083/2006.

⁹ Art. 93 of Regulation 1083/2006.

¹⁰ Ministerie van Economische Zaken.

¹¹ Translated in English as decision ERDF programming period 2007-2013.

¹² Every OP has its own agreement, that is signed by all actors, EZ, MA, CA and AA.

¹³ Articles 3-9 of – as an example we took OP Noord-Nederland- Convenant in het kader van het Operationeel Programma voor Noord-Nederland 2007-2013.

¹⁴ Articles 9-11 of Convenant in het kader van het Operationeel Programma voor Noord-Nederland 2007-2013.

¹⁵ Article 11 of Convenant in het kader van het Operationeel Programma voor Noord-Nederland 2007-2013.

¹⁶ Besluit EFRO programmaperiode 2007-2013.

However, this reporting is not directly aimed at the ministry, but at the EC. The ministry is therefore not assessing the information itself, other than checking whether the information asked by the EC is complete and seems correct. The last element is present, but in a more or less implicit form. The MS has the obligation to prevent irregularities and fraud.¹⁷ In case of irregularities the MS has the possibility to pose sanctions onto an MA to prevent this. Although this also follows from the Regulation,¹⁸ this has also been laid down in national legislation in the Nerpe law,¹⁹ which is also applicable to Cohesion Policy in the Netherlands.²⁰ However, this possibility will in practice only be used in the case where European institutions, for instance the EC, order the reclaim if misused funds. Although the possibility exists for the MS (in this case the ministry of EZ) to make financial corrections to an OP, it is only a hypothetical possibility. It will in practice only be used when the MS is accused by a European institution.

Also important to note in this respect is that the minister cannot retract the assignment as MA, CA or AA.

This shows that the relationship between the MS and the MA in the Netherlands does not show all elements of an accountability relationship. Instead, the ministry - and thus the MS - can be seen as some sort of 'service-hatch' for information being sent from the MA or MS towards the EC, and backwards in the case of sanctions posed by the EC.

Because we do not classify this relationship as an accountability relationship, we will not discuss the other three requirements.

III. MA (agent) and EC (principal)

Coverage: is there an accountability relationship?

When looking at the Regulation, it gets clear that the formal relationship in implementing the Structural Funds is set between the EC on the one hand and the MS on the other.²¹ However, when the Regulation discusses executing issues, it no longer speaks of 'the member state', but instead it refers to 'the member state or the management authority'²² or sometimes even directly of 'the management authority.'²³ At the same time, in article 67 paragraph 4, it says that the EC will inform the MS on its opinion on the annual reports of the MA, while article 68 mentions that '*the Commission and the managing authority shall examine the progress made in implementing the operational programme.*'²⁴ This shows that the relationship between the EC, MS and MA is in fact a triangular one: formally, there is a

¹⁷ Art. 53 paragraph 6 of the Financial Regulation, 1605/2002 and art. 98 paragraph 1 of Regulation 1083/2006.

¹⁸ Art. 98 of Regulation 1083/2006.

¹⁹ Wet Naleving Europese Regelgeving Publieke Entiteiten (translated in English: Law for compliance of European Regulations by public authorities) of May 24, 2012, to be found at <http://wetten.overheid.nl/BWBR0031640/>.

²⁰ Nevertheless, it is only applicable since May 2012.

²¹ This can be seen for instance in article 11 paragraph 1 of Regulation 1083/2006 where it says: '*The objectives of the Funds shall be pursued in the framework of close cooperation, [...], between the Commission and each Member State.*' Another clear expression of this relationship is mentioned in article 14, paragraph 1: '*The budget of the European Union allocated to the Funds shall be implemented within the framework of shared management between the Member States and the Commission, [...].*'

²² See for instance art. 57 on durability of operations, art. 69 on information and publicity.

²³ See for instance in art. 55 on revenue generating projects, art. 67 on annual and final report, art. 90 on availability of documents.

²⁴ Art. 68 paragraph 1 of regulation 1083/2006.

direct accountability relationship between the EC as a principal and the MS as an agent, but there is also a relationship between the EC and the MA, that encompasses the MS as well.

When looking at the four elements of an accountability relationship, it starts with the assignment of responsibilities of the agent. These are set in article 60 of Regulation 1083/2006. Reporting obligations, the second element, are also present, the regulation also mentions various issues the MA should inform the EC on.²⁵ When having received this information, the EC also has to verify it and form an opinion on it, leading to direction or control and possibly to sanctions. Since the sanctioning mechanisms are directed at the MS, but having direct effect on the OP and thus on the MA, the relationship formally runs from the MA via the MS to the EC.

In the Netherlands, the Audit Authority (AA) also has a substantial role in this process. Following the Regulation, the AA has an advisory role to the EC in verifying by audits whether the management and control system of the OP functions effectively.²⁶ This means they have an independent role to provide the EC as principal with information on the performance of the MA as agent. However, in practice, it is said that findings of the AA will have to lead to corrections that need to be included in the ACR. In its role as verification agency to the EC, one would expect that the EC as principal poses sanctions, not the AA. In reality, the AA has been given the authority to pose sanctions, instead of the EC. This means the relationship between MA and AA is somewhat blurred, not showing signs of the first three elements of an accountability relationship, but where the fourth elements of posing sanctions is present.

Also, there are detailed discussions between MA's and the AA in the Netherlands on the verification standards. Since the (European and national) regulations are not clear on all obligations, there are cases where the MA's have approved certain costs of beneficiaries and the AA has considered these as errors and mentioned these in its ACR. It is questionable whether these errors mentioned by the AA are real errors and should be corrected, it should be the EC as principal to decide on such issues. However, these are dealt with in the adversarial procedure between MA and AA and seem not to reach the EC.

Context: elements of transparency, democracy and legal constraint

As we have mentioned earlier, DG REGIO of the EC, responsible for Cohesion Policy, is issuing an AAR (European Commission, 2014a) on its activities and the performance of the MS's in implementing the policy. At the same time MA's also inform both the EC and the public on their performance.²⁷ However, other information on discussions with the EC or the ACR issued by the AA is not made publicly available.

The element of legal constraint is also directed via the MS, there is no possibility for the MA to appeal against a decision of the EC. The MS, however, can go into appeal. This means that also in judicial aspect, the relationship between the EC and the MA is running via the MS. But, since the preferences of the MA and MS might differ, this means that a possibility for a legal procedure is limited for the MA.

²⁵ See footnote 19.

²⁶ Art. 62 paragraph 1 under d. III of Regulation 1083/2006.

²⁷ See for instance for information the website of SNN, MA of OP Noord-Nederland, on www.snn.eu.

Content: economy, efficiency and effectiveness

When looking at the nature of this accountability relationship, we can see that this is directly aimed at compliance and economy. All the issues the MA has to inform the EC on are connected to compliance elements, instead on performance elements. The EC is primarily interested in money spend, error rates and financial aspects of the programme, although the MA also needs to inform the EC on the progress made with the performance indicators of the programme. On not reaching these indicators no sanctions are set,²⁸ while there are financial sanctioning instruments set on the compliance elements mentioned above.²⁹ Moreover, these performance indicators itself do not directly refer to effectiveness of the policy, it is only informing about the output of the policy. Efficiency moreover is not to be reported on by the MA.

Costs: absence of accountability deficit or overload

There are divergent tensions in the implementation of Cohesion Policy between both actors. This is originated in the fact that OP's are often governed by local authorities, where also local interests may play a role. Since these might be contradictory to the interests of the EU and EC, for instance in awarding a grant to a project that is important to a region but that does not fit perfectly in the goals of the EU, we consider there is tendency to divergence in this relationship. We have described previously that the EC has strong mechanisms to influence the actions of the MS and also the MA. These strong mechanisms then match the (possible) shirking risk of the MA's.

When looking at aspects that might play a role in a downwards spiral of accountability, we notice that with each programming period the demands on the MA's get higher. In the 2000-2006 period the thresholds for management verifications and checks on the spot were lower and since the 2007-2013 period the threshold of 2% has been introduced. In the 2000-2006 period in the Netherlands the MA's had assigned an external auditor for the verification of checks by the MA, currently the role of the AA. Furthermore, the function of certification was executed within the MA. Since the 2007-2013 period separate institutions for CA (Dienst Regelingen of the ministry of EZ) and AA (Audit Dienst Rijk) have been appointed in the Netherlands, thereby also heavying the institutionalization of controls. As we will describe in the following paragraph, the burden is further aggravated in the new period with also obligations on reporting on the performance of the policy. Concluding, we do see over time signs in this relationship of a downwards spiral of accountability.

Finally, when looking at the aspects of accountability overload as mentioned by Bovens, we can see three of the four aspects in this relationship.

First, we consider that the demands on the management authorities are very high. The obligations that are set on management verifications, reporting obligations in the annual report, verification of the work of the MA by the AA and reporting of irregularities to the EC take a lot of time of the MA. It can be questioned whether these obligations really contribute to a good execution of the programme, that will probably also be the case without these heavy reporting obligations.

²⁸ Regulation 1083/2006 mentions the possibility for member states to set up a national performance reserve of 3% of the budget, see articles 23 and 50, but this reserve is voluntarily. In practice this reserve hardly has been used by member states in the 2007-2013 period, it has not been used in the Netherlands.

²⁹ Decommitment, payment interruptions or suspensions and financial sanctions.

Secondly, the performance standards are quite high. With a maximum error rate of 2% the threshold of good governance is quite low. It is questioned whether this is realistic in shared management.

Third, we can also see goal displacement in the governance of the programmes. Especially when looking at the 2014-2020 programme, with more emphasis on effectiveness of the policy, it is expected that MA's will invest more in governance of the effectiveness of the policy. Since the money available for the 2014-2020 period has declined in the Netherlands,³⁰ it will mean that capacity will be shifted from other priorities to effectiveness. This implies there will be less attention for other areas, such as compliance or economy. It can be questioned whether this is a positive shift.

4. The 2014-2020 period

In this paragraph we will highlight two aspects to accountability in the new programming period.

Performance reserve

In the 2014-2020 period, the performance reserve, that was mentioned in the 2007-2013 regulation as a voluntary instrument for the MS, is set as an obligation.³¹ In total 6% of the resources allocated to the ESI funds³² are put into the performance reserve for every OP, and allocated to specific priorities. In 2019, the EC will take a 'performance review', together with the MS, *'to examine the achievement of the milestones of the programmes at the level of priorities.'*³³ This means the performance reserve has turned obligatory, and MA's have to set specific milestones in their OP to be achieved halfway the programme. Following the pressure for more focus towards performance of Cohesion Policy, the EC has introduced this instrument as an important step forward (European Commission, 2013). One would expect that not achieving these halfway milestones will lead to the loss of this performance reserve of 6%, thus leading to an extra sanctioning mechanism available for the EC. When looking more closely, it gets clear however that this instrument is not as harsh as it possibly could work. In case a programme has not reached its milestones, it has the possibility to *'propose the reallocation of the corresponding amount of the performance reserve to [other] priorities [...] and other amendments to the programme which result from the reallocation of the performance reserve.'*³⁴

This shows that there is more focus on performance elements, but the sanctions that are placed are not as harsh as they seem. First, MA's have the possibility to agree with the EC on allocation of the performance reserve, even when the OP has not achieved its milestones. Secondly, it is expected that the MA's will anticipate on these milestones that are set in the OP, trying to make them as realistic – and maybe even easy to reach- as possible. We will therefore have to see in the future whether this adaptation will have the effect it is supposed to have and will lead to more focus on the performance of Cohesion Policy.

³⁰ From €1,66 billion in the 2007-2013 period to €1,4 billion in the 2014-2020 period.

³¹ Art. 20 of Regulation 1303/2013.

³² This new abbreviation has been introduced in the 2014-2020 programme and stands for 'European Structural and Investment' -Funds, see art. 1 of Regulation 1303/2013.

³³ Art. 21 of Regulation 1303/2013.

³⁴ Art. 21, paragraph 4 of Regulation 1303/2013.

National declaration (DAS)

The Dutch minister of Finance issues a yearly Declaration of Assurance ('Lidstaatverklaring') since 2006, on a voluntary basis and based on partial statements by the ministries responsible. This declaration is covering all expenditure that is done by the Dutch government with money coming from the EU. The DAS is accompanied by a report of the AR (Algemene Rekenkamer, 2014).³⁵ On 2013, only three MS's have issued such a declaration besides the Netherlands: Sweden and Denmark. The Dutch government has been lobbying to get the DAS as an obligatory element of the accountability of EU money. However, in the Financial Regulation that is renewed in 2012, it is still only mentioned as a voluntary instrument.³⁶ However, both the EP and the EC support the use of this instrument, following an advice of the 'Working group on National Declarations' (European Commission, 2014c).³⁷ For a good accountability situation, it is important that the politically responsible actors also take their responsibility and this instrument serves this purpose. The future will show whether this instrument will become mandatory, since there is opposition to this instrument of a lot of MS's.

5. Conclusions

As we have seen from the relationships mentioned in this paper, there are still some deficiencies in the Dutch (regional) ERDF situation. We have summarized them in the table below.

	Requirements on good accountability (normative)	Summary of findings	requirement fulfilled?
COVERAGE	1. On all levels (EU, national, regional) an actor should be included in an accountability relationship	We have seen that relationships on all levels are present	√
CONTEXT	2. The elements of transparency, democracy and legal constraint should be visible and present within the system	Transparency is sufficient, has already improved. Element of democracy is visible in relationships with the public, with elected representatives. Is sufficient. Legal possibilities are lacking for MA's.	+/-
CONTENT	3. The elements of the policy process chain, economy, efficiency and effectiveness, should be visible somewhere within the system	Mainly on compliance and economy. Attention for effectiveness is growing in 2014-2020, but still limited and effects should be awaited. Attention for efficiency is lacking.	-
COSTS	5. There should be no situation of accountability deficit or overload, in the way that mechanisms used by the principal should match the shirking risk of the agent and a downwards spiral in higher monitoring and bonding costs should be absent. Also, the four elements of accountability overload should be absent.	In all discussed relationships, mechanisms match the shirking risk. However, a downwards spiral can be seen in the relationship between MA and EC, also in relation to the AA in the Netherlands. Also, in this lastly mentioned relationship, we see three elements of accountability overload, as mentioned by Bovens.	-

Table 1. Summary of findings on accountability requirements in Cohesion Policy in the Netherlands

³⁵ The DAS can be found as attachment in the report of the AR.

³⁶ Art. 59 paragraph 5 under b of Regulation 966/2012.

³⁷ See for more information http://ec.europa.eu/budget/biblio/documents/iwgnd/index_en.cfm.

We consider that the first requirement on accountability relationships is met. Regarding the second requirement, we consider the elements of transparency and democracy are sufficiently present. However, on legal constraint, we consider that legal opportunities for MA's are limited in the relationship with the EC. This is because of the triangular relationship between the MA, MS and EC, where the MS is acting for a major part as 'service hatch' for information flows between the EC and MA. It is important that there is also attention for the legal possibilities for the MA's.

Regarding the third requirement on the policy process chain, we see that there is no attention for efficiency in Cohesion Policy. This should not be neglected since efficiency stands for efficient use of resources, which is also important in accountability of the use of European taxpayers' money. Attention for effectiveness, as we have described, is growing with the obligated use of the performance reserve in the 2014-2020 period, but the proof of the pudding will be in the eating.

Finally, when looking at the elements of accountability overload, we have seen in the relationship between MA and EC that some of these elements are present. This is specifically related to the blurred role between EC, AA and MA. It is important to start discussions on these elements, to make sure that these examples of accountability overload disappear in the coming years.

Further research will have to show whether the situation of accountability in the case of Cohesion Policy in the Netherlands is unique, or that other MS's suffer the same problems.

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