Talking to the people
Perceptions of cohesion policy accountability in the Netherlands

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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 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) an analytical framework on the concept of ‘good accountability’ has been developed, based on agency theory, that will briefly be outlined here (paragraph 2). In paragraph 3, (accountability) relationships between four actors on the European and national level that are identified in Cohesion Policy in the Netherlands are described. We will end with some conclusions and discussion points in paragraph 4.

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), which are:
   a) assignment of responsibilities,
   b) reporting by the agent,
   c) information seeking or investigating and also verification by the principal, and
   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; Mulgan; Willems and Dooren), 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), should be absent. Finally, explicit elements that indicate a situation of accountability overload (Bovens, Schillemans and Hart) 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.¹ 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](image)

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

We have questioned representatives of the different actors by a structured interview. Below, responses of all actors (also from outside the red circle) on the relationships between the government (in practice the ministry of Economic Affairs, EZ), the EC, AA and MA are mentioned.

The questions in the questionnaire that is used focus on the first (coverage), third (content) and one of the parts of the fourth requirement (costs).³

I. Member state (agent) and European Commission (principal)

*Coverage: is there an accountability relationship?*

The respondents are not unanimous on the question whether there is an accountability relationship between EZ and the EC. Some mention this relationship as an ‘indirect’ one, in the way that EZ is in the case of ERDF and the regional programmes responsible as member state, but not as an directly active actor in an accountability relationship. EZ is indirectly accountable to the EC by the reports the MAs are drafting and sending to the EC. The role of

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¹ Where the abbreviations stand for European Commission (EC), European Parliament (EP), (European) Council (Council), European Court of Auditors (ECA), European Court of Justice (ECJ), Dutch court of Auditors, also mentioned as Algemene Rekenkamer (AR), audit authority (AA) and management authority (MA).

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 The second requirement (context) and the parts of the fourth requirement on a downwards spiral and the accountability overload elements mentioned by Bovens are left aside in this paper, because these are better dealt with on the basis of documents (downwards spiral) and because the answers on the relationships dealt with in this paper were not very profound (elements of accountability overload).
the responsible ministry on national level is fulfilled in different ways in the different member states. ‘Compared to other member states, the role of EZ is not very pronounced.’

Content: economy, efficiency and effectiveness

Based on the answers of the respondents, EZ seems to be focusing on all elements, but the respondents differ as far as what they perceive as the ‘real’ focus of EZ. To start with, there is (limited) attention for economy at EZ because of the fact that the content of the OPs are primarily drawn up in a dialogue between EC and the MA, with a limited role for EZ. It does use its authority to make a proposal for the TK for the allocation amongst the MAs of the available funds for the Netherlands. The TK decides on this allocation. In contrast to its limited focus on economy, it has stronger authority in the use of the Rijkscofinanciering (national cofinancing), a budget that is meant to be used as cofinancing facility for ERDF money in projects. That is thus the main instrument of EZ to use its authority.

Regarding efficiency, there is also a focus on this aspect, in the way that the position of the Netherlands in hesitating to make ERDF available for rich member states leads to focus within the member state itself on what it costs to have the policy executed. However, there is also one respondent that is of the opinion that EZ does not focus at all on efficiency. This relates to the fact that EZ has had a role in the discussions and regulations on national level, related to the efficiency in the use of national funds (not specifically related to Cohesion Policy), in which EZ is not showing an active position in the debates on the Structural Funds. As one of the respondents stated: ‘EZ is not acting in a coordinating role to work towards efficient use of the funds.’

Effectiveness then is also mentioned as a focus of EZ. This was mentioned by multiple respondents as the main focus of EZ, or at least as an important one. Regarding the role of EZ towards this element, in the perception of some respondents it is focusing on how the funds can have the most impact.

Finally, the attention of EZ for compliance is dividing the respondents: on the one hand there are a few respondents who mention this aspect as the main focus of EZ, and there are also respondents who point at the fact that compliance is not really an issue on national level. It is stated by multiple respondents that compliance is an issue on the national level because the EC is focusing heavily on this aspect. This attention for compliance is also connected to the risk of political damage: potentially leading to problems for the EZ government leaders.

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4 Mentioned by respondent 20.
5 Mentioned by respondents 18, 22, 23, 25 and 26.
6 Mentioned by respondents 9, 16, 22 and 23.
7 Respondent 15.
8 Mentioned by respondent 25.
9 Mentioned by respondents 4, 15, 16, 18, 22 and 23.
10 Mentioned by respondents 4 and 16.
11 Mentioned by respondent 16.
13 Mentioned by respondents 23 and 28.
14 Mentioned by respondents 22 and 23.
15 Mentioned by respondents 22, 23 and 26.
These respondents point at the fact that the 2% materiality threshold for errors gets a lot of attention on European level.\textsuperscript{16}

Regarding the focus of the EC, it is perceived by respondents that the main focus of the EC is on compliance issues.\textsuperscript{17} As one of the respondents stated, quoting an EC official: ‘I am having the ECA auditors in my back.’\textsuperscript{18} However, as one of the respondents mentioned, ‘I don’t have the impression there is only focus on compliance of the EC, especially not coming from the organization itself.’\textsuperscript{19} It is stated that in the 2014-2020 period the focus of the EC will be put more on effectiveness\textsuperscript{20} and on efficiency,\textsuperscript{21} which can be seen in the enclosure of the performance reserve,\textsuperscript{22} simplification measures\textsuperscript{23} and e-cohesion\textsuperscript{24} in the Regulation.\textsuperscript{25}

\textbf{Costs: absence of accountability deficit or overload}

With regard to the policy goals it is interesting that multiple respondents mention a perverse incentive that is baked into the regulations. The Regulation has specific articles referring to the decommitment rule,\textsuperscript{26} which means that funds assigned to a specific year on OP level not being used are decommitted to the EU budget, thereby lost for the member state and region.\textsuperscript{27} According to the respondents, this rule is also having its effect on the actors: both on national level, referring to EZ\textsuperscript{28} but also to the EC.\textsuperscript{29} As one of the respondents stated: ‘A newsitem in which it is stated that the Netherlands have not been able to spend a million euros is killing’.\textsuperscript{30} This means that there is some kind of intrinsic motivation on national and regional level to make sure the funds are spend, more or less irrespective on what it is spend on. However, things are also changing in this respect, as one of the respondents stated: ‘The main goal is no longer absorption in itself, but taking care of the fact that in the future there will be ‘better absorption.’\textsuperscript{31} The majority of respondents therefore is of the impression that the main policy goals of both EZ and the EC are not varying that much, focusing especially on spending the funds, although there is also attention for effectiveness and the fact that projects should really contribute to the goals of the policy.

\textsuperscript{16} See for instance the AAR of DG REGIO, where the error rates of the member states are published. See for the latest version European Commission 2015. ‘Annual Activity Report 2015 DG Regional and Urban Policy’.

\textsuperscript{17} Brussels: European Commission.

\textsuperscript{18} Mentioned by respondents 15, 16, 18 and 27.

\textsuperscript{19} Mentioned by respondent 15.

\textsuperscript{20} Mentioned by respondent 20.

\textsuperscript{21} Mentioned by respondent 19 and 20.

\textsuperscript{22} Mentioned by respondent 19.

\textsuperscript{23} Mentioned by respondents 3, 7, 8, 16, 22, 23 and 27.

\textsuperscript{24} See articles 20-22 of Regulation 1303/2013.


\textsuperscript{26} See article 122 section 3 of Regulation 1303/2013. See also European Commission 2014. ‘Implementation Guidance e-cohesion’.

\textsuperscript{27} Regulation 1303/2013.

\textsuperscript{28} Articles 93 until 97 of Regulation 1083/2006 and in the new period articles 86 until 88 of Regulation 1303/2013.

\textsuperscript{29} This decommitment rule is also known as N+2 of N+3 rule (referring to the fact that funds are supposed to be used within 2 respectively 3 years).

\textsuperscript{30} Mentioned by respondents 3, 16, 19, 20, 22, 23 and 28.

\textsuperscript{31} Mentioned by respondent 22.

\textsuperscript{32} Mentioned by respondent 20.
The mechanisms available for the EC are diverse, according to the respondents. It is interesting to see that most respondents did have problems with separating the mechanisms of the EC towards EZ and towards the MA. This also underlines the blurred relationship between those actors in the way that it is difficult to identify which responsibilities belong to the member state and which belong to the MA.

When looking at the mechanisms available for the EC to influence the actions of the member state and MA, a lot of mechanisms were mentioned by the respondents. These vary from strong mechanisms like payment interruptions and corrections\(^{32}\) and the use of the performance framework in the 2014-2020 period\(^{33}\) to weak instruments like acting on reports\(^{34}\) and organizing visits and meetings.\(^{35}\) Also, the ECs role in the monitoring committees (MCs) was mentioned,\(^{36}\) although the EC has only an advisory role in these committees. Practice shows however, that the EC is taking its advisory role in the MC very serious, leading to a balancing act on the edge of advising and instructing. At the same time, a respondent was mentioning that it is very difficult for the EC to have a good view on the implementation: ‘without a good AA the EC is nowhere to be found.’\(^{37}\) This respondent is in fact mentioning the AA as a mechanism for the EC to make sure the MA is acting according to the Regulation. In conclusion, according to the answers of the respondents, the EC has strong mechanisms available towards the member states and MAs.

\textbf{II. Management authority (MA, agent) and member state (EZ, principal)

Coverage: is there an accountability relationship?}

Respondents consider there is also some sort of accountability relationship between the MAs and EZ, in the way that EZ has to appoint the authorities and also has mechanisms to manage the implementation of the policy, especially through the use of Rijksofinanciering as national cofinancing funds next to the Structural Funds.\(^{38}\) However, in the 2007-2013 period the cofinancing funds have been delegated to the MAs, and although EZ does have mechanisms to guide the acting of the MAs, such as using the NERPE law,\(^{39}\) retract the appointment as MA,\(^{40}\) using its vote in the MCs of the OPs\(^{41}\) or using more ‘soft’ powers in the national committees in which all actors in the national cluster (EZ, MAs, CA and AA) work together,\(^{42}\) these are rarely used. Thus, although EZ does have powers, its role in the implementation in the 2007-2013 period has been limited.\(^{43}\) As one of the respondents

\(^{32}\)Mentioned by respondents 18, 20, 25 and 26.
\(^{33}\)Mentioned by respondents 7 and 20.
\(^{34}\)Mentioned by respondent 8.
\(^{35}\)Mentioned by respondent 8 and 18.
\(^{36}\)Mentioned by respondents 4, 19 and 20.
\(^{37}\)Mentioned by respondent 8.
\(^{38}\)Mentioned by respondents 3, 15, 18, 22 and 23.
\(^{39}\)Mentioned by respondents 3, 15 and 18, referring to the fact that based on the NERPE law EZ can give a prescriptive instruction to an MA with an obligation to act in a certain way. NERPE stands for Naleving Europese Regelgeving Publieke Entiteiten (Law for compliance of European Regulations by public authorities) of May 24, 2012, to be found at http://wetten.overheid.nl/BWBR0031640/, retrieved at 28-08-2015.
\(^{40}\)Mentioned by respondents 18, 22 and 23.
\(^{41}\)Mentioned by respondent 15.
\(^{42}\)Mentioned by respondents 15, 18, 22, 23 and 28, referring to Financiële Werkgroep (FWG) and Programmamangers overleg (PMO).
\(^{43}\)Mentioned by respondent 4.
mentioned: ‘The member state is the main responsible actor for the implementation of Cohesion Policy on national level. But it seems [EZ] doesn’t want to have that responsibility, because it’s referring to the delegation of powers in the direction of regional authorities. How is it possible to give up a responsibility that lays upon you?’

To conclude, in the interview some respondents did go into detail of the relationship between MA and EZ, however, the conclusion of most of them was that EZ does have mechanisms in place, particularly focusing in this respect on the Rijkscofinanciering, but that EZ is hardly using these powers it has. This relationships is thus considered as an indirect accountability relationship, based on the answers of the respondents.

Content: the 3E’s – economy, efficiency and effectiveness
Some of the respondents feel there is hardly a focus at EZ. The most important focus of the ministry, as was said, is not directly connected to the policy process chain, but to the prevention of fuzz, or said otherwise ‘to be in control’. As far as there is attention for Cohesion Policy, the respondents are quite clear on the focus of both EZ and the MA in this relationship: with a focus on compliance there is less attention for the other elements of the policy process chain, although it can’t be said these do not get any attention.

Costs: absence of accountability deficit or overload
With regard to the preferences between both actors, these are considered to be convergent, directed at spending the money on the best projects fitting into the goals of both the member state and the region. Most respondents consider that these goals of both EZ and the MA show an overlap.

When we look at the mechanisms available for EZ, most respondents mention the use of Rijkscofinanciering, which gives EZ direct possibilities to intervene when they feel funds are not spend correctly. However, although Rijkscofinanciering is coinciding with ERDF funds and EZ focuses primarily on these funds, the influence of EZ on the spending of ERDF is limited. Thus, as far as the respondents are concerned, the preferences match the weak mechanisms available for EZ.

III. Management authority (MA, agent) and EC (principal)
Coverage: is there an accountability relationship?
Various respondents specifically mentioned the relationship between MAs and EC as a clear accountability relationship. The MAs have the obligation to report to the EC on the implementation of the OP. However, the formal responsibility for the accountability within Cohesion Policy on national level is laid down at the member state, since this actor is the

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44 Mentioned by respondent 3.
45 Mentioned by respondents 3, 7, 15, 18, 22, 23, 25, 26.
46 Mentioned by respondents 15, 25 and 26.
47 Mentioned by respondent 16, and acknowledged by respondents 22, 23, and 27.
48 Mentioned by respondents 7, 8, 15, 16, 20 and 28.
49 The other elements are also mentioned by respondents 16, 19, 20, 22 and 23.
50 Based on answers given by respondents 4, 7, 8, 14, 15, 18, 27 and 28.
52 Mentioned by respondents 15, 18, 19, 20, 27 and 28.
53 See article 125 of Regulation 1303/2013.
54 Mentioned by respondents 3, 19 and 20.
main attribute of the shared management relationship within Cohesion Policy. At the same
time, the member state, in this case the Ministry of EZ, has delegated the authority of
implementing Cohesion Policy to the MAs. This makes the MAs directly accountable to the
EC.

Content: economy, efficiency and effectiveness
Since the focus of the EC in this relationship is the same as in the relationship between EC
and the member state (as discussed in section I), the respondents consider this focus also
applicable on the relationship between EC and MA.

Regarding the MAs, the respondents consider that the primary focus is on compliance, especially because ‘they are assessed on compliance.’ As one of the respondents put it: ‘[The MA’s] work like hell for the receipts, but there is hardly any attention for the effects of the policy.’ This assessment then is being done by the AA. However, there is also said to be some focus on the other elements. Economy is primarily related to the aspect of ‘sound financial management’ and gives the MAs the obligation to assess the eligibility of costs. According to the respondents, it is quite difficult for MAs to focus on effectiveness, because of the fact that there is a measurement problem: it is very difficult on a detailed level of OPs to assess the effectiveness of the policy. That is also why the EC is performing evaluations of Cohesion policy especially on European level. A second problem with effectiveness is that it is not interesting for the actors concerned to show the positive side of Cohesion Policy: ‘no one is accountable on the positive effects.’

Costs: absence of accountability deficit or overload
The policy goals the respondents attribute to the EC relate to two aspects: at first a focus on
the broader goals of Cohesion Policy, related to the EU2020 goals. On the other hand,
respondents mentioned the perverse incentive of the decommitment rule, leading to a
pressure on both the EC and member states to make sure funds are spend. Regarding the policy goals of the MAs, the respondents are mentioning both aspects as are attributed to the EC: the regional goals of enforcing the economy and employment, and the fact that funds should be spend. As one of the respondents put it: ‘The role of the MAs is to make it possible to spend funds on projects.’ Considering these replies on the questions from the questionnaire, we feel that the respondents consider the policy goals of both the EC and the MAs to be similar.

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55 Mentioned by respondents 10, 15, 18, 19, 20, 22, 23, 25, 26 and 27.
56 Mentioned by respondent 23.
57 Mentioned by respondent 25 and confirmed by respondent 18.
58 Mentioned by respondent 15.
59 Mentioned by respondents 15 and 18.
60 Mentioned by respondent 15.
61 See footnote 27.
62 Mentioned by respondents 4, 15, 18, 23 and 27.
63 Mentioned by respondents 15, 18, 25 and 26.
64 Mentioned by respondent 26.
The mechanisms available for the EC to influence the MAs are the same as mentioned in section I, on the relationships between EC and member state. These mechanisms are considered as strong.

IV. The audit authority (AA, agent) and EC (principal)

Coverage: is there an accountability relationship?

The AA is also mentioned by some respondents as an accountable actor to the EC. The AA sends the reports on the performance of the programmes to the EC, and in that way is considered accountable to the EC. However, since they are judging the work of the MAs, they are informing the EC on the performance of the programmes, but they are accountable themselves on the way they have executed their task as AA, thus on process elements. This accountability is specifically directed at the audit directorate within DG REGIO, Directorate C. Thus a real accountability relationship on the content of the OP’s is lacking. One could therefore state that the AA can be seen as a monitoring agent on the relationship between EC and MA.

After the issuing of the reports by the AA, the EC acts on the findings mentioned in the report, for instance by applying financial corrections. The EC is also instructing in a very detailed manner how the AA should perform its role. In these instructions, having the form of implementing or delegated acts or guidance notes, the EC is guiding the AA rule based. This is considered by some respondents as quite strange: on the one hand the EC is recognizing the professional position of the AA, but on the other hand it is proscribing ‘to two decimal places’ how the AA is supposed to perform its duties. In a formal way they are thus only accountable to the EC on the way they execute their task.

Content: the 3E’s – economy, efficiency and effectiveness

All respondents are clear on the fact that the AA is considered to inform the EC only on compliance of the OPs, and thus of the work of the MAs. In their work they also incorporate the principle of economy, relating to the aspect of sound financial management. It is considered that in the 2014-2020 period the AA will also get a role in assessing the performance of the programmes, but this is still to be developed by all actors, how this is being done. One should consider that evaluating the effectiveness of a programme is work for evaluators, not for auditors.

Costs: absence of accountability deficit or overload

Regarding the policy goals of the EC and the AA, these are considered to be almost comparable, according to the respondents. The main issue, as was mentioned by some of the respondents, is that the AA is a national authority, but acting according to the principles of the EC and strictly instructed and monitored by the EC. In this respect, there is some tension between the national and European interests at the AA, but these are

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65 Mentioned by respondents 27 and 28.
66 As opposed to principle based, which is more common in auditing in the Netherlands.
67 Mentioned by respondent 27.
68 Mentioned by respondents 16, 22 and 23.
69 Mentioned by respondent 18.
70 Mentioned by respondents 15 and 27.
considered to be relatively low, since the AA is quite strict in this, ‘taking its role very serious’.\textsuperscript{71}

Regarding the mechanisms for the EC to influence the AA, although we have not asked a specific question on this, some respondents gave their opinion on this aspect.\textsuperscript{72} It was stated by multiple respondents that the norms the EC is giving to the AAs and the way they are instructed is very detailed and leaving hardly any room for the AA to interpret. This means that the EC has quite strong mechanisms to influence the AA, although another respondent considered there is room for AAs to interpret the norms of the EC.\textsuperscript{73}

V. The audit authority (AA, agent) and the national government (EZ, principal)

\textit{Coverage: is there an accountability relationship?}

The respondents were quite unanimous in what the relationship between EZ and the AA is all about: EZ is appointing the AA and, as has been mentioned in specific agreements per OP (‘convenanten’),\textsuperscript{74} the AA should send information on its quotation of man-hours and costs spend to EZ. In this way, ‘EZ is the client and the AA contractor, EZ pays the bills, but it has no control on the AA whatsoever.’\textsuperscript{75} The AA is considered to be independent.\textsuperscript{76} EZ is receiving this information of the AA of its spending, although in practice it is not seen to really attach consequences on these (often high) costs. However, since the AA is seen as a monitoring agent in the relationship between the EC and MA, the AA is not accountable on the content of its work, only on the process. This relationship can therefore be seen as a partial accountability relationship, according to the respondents.

\textit{Content: the 3E’s – economy, efficiency and effectiveness}

The content of this accountability relationship is only connected to economy, in the way the AA has to be accountable towards EZ on the money spend on their work. As is stated by one of the respondents, efficiency is not at all an issue for the AA, since they seem to be able to spend their time according to what they feel is necessary, there seems to be no accountability on their time spend and costs made towards EZ or the MAs.\textsuperscript{77} As was stated by one of the respondents: ‘The main goal of the AA seems to be to prevent the Minister of Finance\textsuperscript{78} facing problems.’\textsuperscript{79}

\textit{Costs: absence of accountability deficit or overload}

As mentioned in the previous section, there is some tension between the AA being a national authority, falling under the authority of the Minister of Finance, and having a task to give assurance to the EC. This means the national interests can be at odds with the instructions and interests of the EC. This is a delicate balancing act for the AA. In the Dutch system there is criticism from different actors towards the AA, although the perception of some respondents is that the AA acts as much as possible according to the instructions of

\textsuperscript{71} Mentioned by respondents 7 and 8.
\textsuperscript{72} Mentioned by respondents 7, 8, 22, 23, 27 and 28.
\textsuperscript{73} Mentioned by respondent 19.
\textsuperscript{74} Referring to an agreement per OP, signed by EZ, AA, CA and MA.
\textsuperscript{75} Mentioned by respondent 23 and confirmed by respondents 25 and 26.
\textsuperscript{76} Mentioned by respondents 7, 8, 15, 16, 23, 27 and 28.
\textsuperscript{77} Mentioned by respondent 26.
\textsuperscript{78} In his responsibility of signing the national declaration, see under ‘costs’.
\textsuperscript{79} Mentioned by respondent 26.
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the EC, attributing to assurance for the EC on the spending of Structural Funds in the
member state.\textsuperscript{80} This tension, which is also related to a ‘professional play between auditor
and auditee,’\textsuperscript{81} as one of the respondents mentioned, originates from the detailed
instructions and norms given by the EC, also mentioned above. It leads to a play where both
the AA and MA try to influence each other and where they try to reach shared norms to be
used in the implementation of the programme.\textsuperscript{82}

Within the member state on national level the AA is also having a pivotal role, standing in
between the ministries of Finance and EZ.\textsuperscript{83} On the one hand, the AA (ADR) falls under the
scope of the Ministry of Finance, but it is acting in its role as AA under the scope of EZ, being
its client. What also contributes to this pivotal role is the fact that the AR is issuing a report
on the national Declaration of Assurance based on the auditwork by the AA. This declaration
is signed by the Minister of Finance, which thereby has an explicit interest: by putting its
signature under the declaration he wants to be assured that the system works well. This also
means there is a possible influence from the ministry to the AA to make sure that the results
of its work are guaranteed enough to contribute to the declaration.\textsuperscript{84} In the Dutch system
there is a certain hierarchy between the ministries, of which the Ministry of Finance is on
top. EZ however, is lower in the hierarchy,\textsuperscript{85} leading to a perceived accountability deficit,
because of the fact that ‘Dijksma will be reluctant to go against the judgment of
Dijsselbloem.’\textsuperscript{86} It then comes back to the main question: who has the authority to decide on
what and which motivations play a role in the application of this authority? This didn’t
become ultimately clear from the interviews, but the answers of the respondents did touch
on this aspect and made it clear there are different motives for the acting of the actors.
To conclude this section, there is an assumed divergence between both actors and although
EZ has some formal mechanisms to influence the acting of the AA, it hardly uses these
mechanisms.

4. Conclusions

Coverage: is there an accountability relationship?

When we look at the answers of the respondents related to the existence of accountability
relationships, we see one of these are mentioned as an explicit accountability relationship:
the one between MA and the EC.

Two indirect accountability relationships are mentioned, which are the ones between EZ and
the EC, because of the fact that EZ is formally accountable, but dependant on the
implementation by the MAs, and the one between the MA and EZ, because EZ only has
mechanisms in place to influence the acting of the MAs connected to the Rijkscofinanciering.
Finally, the AA is only accountable to the EC on the performance of its work and to EZ on the
costs of its activities, which makes this a partial accountability relationship.

\textsuperscript{80} Mentioned by respondents 7, 8 and 28.
\textsuperscript{81} Mentioned by respondent 3.
\textsuperscript{82} Mentioned by respondent 8.
\textsuperscript{83} Mentioned by respondents 3, 15, 27 and 28.
\textsuperscript{84} Based on answers of respondent 28.
\textsuperscript{85} Explicitly stated by respondent 15 and implicitly stated by respondents 18, 23 and 28.
\textsuperscript{86} Mentioned by respondent 15, and confirmed by respondents 25, 26 and 28. Sharon Dijksma was the
Secretary of State of EZ, responsible for Cohesion Policy at the time the interviews were conducted and Jeroen
Dijsselbloem is the current Minister of Finance.
Also a partial accountability relationship is mentioned, the one between AA and EZ, although the AA is only accountable on its costs. Finally, based on the information on the role of the AA, it can be concluded that the AA is to be seen as a monitoring agent of the EC on the relationship between EC and MA.

**Content: the 3E’s – economy, efficiency and effectiveness**

When we look at the content of these complete, indirect and partial accountability relationships, we see that the focus is put on compliance (especially between EZ and EC, MA and EC and MA and EZ). This element is receiving a lot of attention because, as one of the respondents puts it, ‘MAs are assessed on compliance.’ At the same time, the relationship between the MA and EC is also perceived to deal with the other elements, although in a less explicit way. Because of the fact that the MAs are specifically assessed on compliance, the focus of the AA is also on compliance. In general, although a lot of focus is put on compliance, the respondents perceive that all elements of the policy process chain are dealt with to some extent in the accountability relationships.

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

With regard to the last element, the respondents considered that in a lot of relationships convergence is seen. On the relationship between AA and EZ respondents were clear that divergence is to be seen. Regarding the sanctioning mechanisms, we can see that the respondents consider especially the EC has strong mechanisms in hand, with the possibility to use payment interruptions and corrections and the use of the performance framework in the 2014-2020 period. The mechanisms EZ has in place are perceived as weak by the respondents. In this respect, there is a risk of accountability overload in the relationships between the EC and member state and MA, in the way that respondents perceive convergence in the preferences of the actors, whereas the EC has strong mechanisms. Thus the mechanisms do not match the shirking risk of the agents.

Regarding the relationship between AA and EZ, the respondents consider that the expected divergence in the preferences of the actors comes with formal strong mechanisms for EZ to be used (for instance retracting the appointment as AA) although these haven’t been used in practice so far.

Thus, our conclusion is that with the relationships identified, including the indirect accountability relationships, all levels are present. The primary focus of the elements of the policy process chain is on compliance, although the other elements are also dealt with to a certain extent, and finally there is a risk of accountability overload to be seen, according to the respondents, because of strong mechanisms in place for the EC (and a low shirking risk of the agents accountable to the EC).

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87 Mentioned by respondent 23.
88 See section I and footnote 32.
References


