

The European Commission
Directorate-General for Regional and Urban Policy
Directorate D - European Territorial Cooperation, Macro-regions,
Interreg and Programmes Implementation I
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Legality of a Changed Structural Funds Set-up in Denmark

On April 6, 2018, an expert commission set up by the Danish Government has put forward a model for a new business development system. The model implies a changed set-up for the administration of the European Regional Development Fund and the European Social Fund in Denmark.

The expert commission recommends removing the regional foundation and the regional partnership of the EU by abolishing the regional growth forums (regionale vækstfora). Instead, the expert commission recommends transferring the funds to a new central body called Denmark's Business Promotion Board (Danmarks erhvervsfremmebestyrelse) consisting of maximum 14 members, among which there are no representatives of the regional authorities, but five members will be appointed by the local authorities. Currently, the EU funds are rooted in the regional growth forums, which are partnerships representing regional businesses, knowledge institutions, the labour market organisations and the local and regional authorities, in total 21 members in each of the five regions.

The Danish Government has expressed its support to the changed model for the administration of EU funds.

The Association of Danish Regions is questioning the legality of the changed set-up of the EU Funds in Denmark. Is the change in line with the EU requirements and the partnership principle? (EU Regulation no 1303/2013, Article 5, Partnership and multi-level governance, paragraph 1).

“For the Partnership Agreement and each programme, each Member State shall in accordance with its institutional and legal framework organise a partnership with the competent regional and local authorities“.

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EU Regional Policy

EU's regional policy aims at strengthening the economic development of the regions and reducing regional economic, social and territorial disparities throughout the EU. Therefore, the regions are central to the implementation of the European Regional Development Fund and the European Social Fund, with which the EU supports its regional policy. The European Council has confirmed this in the conclusions of the meeting on April 14, 2018.

To our knowledge, it is a basic EU principle that these EU funds are implemented in a cooperation between public authorities, economic interest organizations and social partners at national, regional and local level. The EU Commission adopted a Regulation on the European Code of Conduct for Partnership in the Structural Funds in 2014. The Regulation regulates the compliance with the partnership principle in the Member States.

In Denmark, the regional EU partnerships are the regional growth forums, which ensure that all relevant partners are involved in the implementation of the funds, including companies, knowledge institutions, workers and employers, municipalities and regions. The Association of Danish Regions is questioning whether the expert commission's model for the future implementation of the EU Structural Funds in Denmark meets the partnership principle, as the regional authorities are not a part of the model.

In the framework of the partnership principle, the Association of Danish Regions asks the European Commission to examine the legality of the expert commission's proposal to centralize the structural funds and leave no role to the regional authorities in Denmark.

I annex the official expert commission report and the official presentation. If needed, my secretariat will be available with more information and translation into English.

Best regards

A handwritten signature in black ink that reads "Stephanie Lose". The signature is written in a cursive, flowing style.

Stephanie Lose
Chairman