The secrets of a successful administration for Cohesion Policy

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RSA European Conference
Tampere, 6 May 2013
Major concern of Commissioner Hahn, responsible for Regional and Urban Policy:

Wide divergence on performance EU27 Member States in relation to cohesion policy

- absorption capacity
- efficiency
- effectiveness

• An example......
Important factors influencing absorption capacity, efficiency and effectiveness

- *macro-economic conditions*: in terms of GDP
- *financial absorption capacity*: the ability to co-finance programmes and projects
- *administrative capacity*…..

Administrative capacity is therefore regarded by EC/Commissioner Hahn as one of the key factors contributing to success of cohesion policy
Administrative Capacity for Cohesion Policy

Policy life cycle:

1. General management of the programmes
2. Programming
3. Implementation
4. Evaluation and Monitoring
5. Financial management and control
How to design administrative capacity?

Three *interrelated factors* determine the success of each step in the policy life cycle:

- *Structure*
- *Human Resources*
- *Systems and Tools*
## Assessment grid administrative capacity for Cohesion Policy

<table>
<thead>
<tr>
<th>Design</th>
<th>Functioning</th>
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<tbody>
<tr>
<td>Structure</td>
<td>Human Resources</td>
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- Management
- Programming
- Implementation
- Evaluation & Monitoring
- Financial management and Control
Structure

- *Basic architecture* of the administrative organisation
- *Number of Operational Programmes*
- *Clear assignment of responsibilities* and tasks to key institutions
- Level of *sub-delegation* and degree of *complexity*
- *Supervisory and ancillary bodies*, such as Monitoring Committees, auditing tasks, partnership with stakeholders/NGO's, etcetera.
Government effectiveness

*Data source: World Bank – Worldwide Governance Indicators (2010; 2011)*
Human Resources

• Ability to detail tasks and responsibilities at the level of job descriptions, to estimate the number and qualifications of staff, and to fulfil the recruitment needs.
• Securing the timely availability of experienced, skilled and motivated staff is a key success factor in the management of the Structural Funds.
• The conditions within the administrative system need to be favourable towards recruiting and retaining such professionals.
Utilisation of strategic human resources management practices in central government (2010)
Data source: OECD (2010)
Systems and Tools

• the availability of instruments, methods, guidelines, manuals, systems, procedures, forms, etcetera.: all job-aids that can enhance the effectiveness of the functioning of the system.

• Systems and tools enable organisations to transform tacit and implicit knowledge (within the heads of individual people) into explicit knowledge that can be shared across organisations.

• Systems and tools therefore make organisations less vulnerable (e.g. when key staff is leaving), reduce the risk of malfunctioning and enhance overall effectiveness.
eGovernment use by citizens 25-54 years old

Data source: Eurostat
Competence Centre  
Administrative Capacity: who we are what are our priorities

We are a brand new small unit set up to enhance the capacity of the Commission services to help Member States and regions to overcome implementation bottlenecks linked to administrative capacity problems in order to accelerate the absorption of Funds and improve the quality of spending in the current and future programming period. (E1 mission statement)
Scope of our work:

- Administrative capacity *linked to the management* of the funds
- **Geographical:** Member States and regions with weaker administrative capacity
- **Horizontal:** institution building for policies/bodies with an important impact on cohesion policy: e.g. public procurement, environment, state aid, Land Registers
- **Sectoral:** institution building for sectors which lag behind in absorption
- **Knowledge development:** WB, OECD, EIB/Jaspers, Interact, IQ Net, RSA...: methodologies, indicators, training, networks
- **Good practice** database: exchange of good examples
Two short term objectives:
- **Stocktaking**: country fiches and analytical grid
- **Guidance** to country desks for negotiations 2014-2020 on administrative capacity and use of technical assistance for institution building

Two longer term objectives:
- **Toolkits**: tailor made solutions for specific Member States and regions
- **Systemic solutions** available for all Member States and regions
1. Stocktaking:

- **Objective:** to bring together available knowledge on implementation structures and linked bottlenecks in *all 28 Member States* (focus on 15 MS)
- **Analytical grid:** financial, audit, risks, general indexes
- **Sources of information:**
  - EC: Country desks
  - EC: Audit findings
  - Others: External: World Bank, OECD, Transparency International…. 
1. **Stocktaking: first findings:**

- **Complexity** of administrative organisations in some MS
- Management of programmes *linked to national and regional administration*
- *High staff turnover* in some MS: lack of clear HR policy
- Development and implementation of *strategic plans*: weak in several MS
- *Weak project development capacity* of (local) beneficiaries
- *Underperforming sectors* due to administrative capacity
- Bottlenecks linked to *public procurement*
- Insufficient *monitoring systems* in place
2. Guidance to Country Units:

- Critical questions:
  - The set-up of the administrative organisation for the implementation of programmes should be transparent and efficient.
  - The administration should be able to deliver what it proposes.
  - The technical assistance proposed must be consistent with the needs and the total allocation of the EU Funds.
  - Special attention for countries which are going to change their implementation system.
2. Lines to take on:

- Support to salaries
- Public administration buildings
- Tasks linked to horizontal policies
- Anti-fraud and corruption strategies
- E-cohesion: application, selection and monitoring of projects
- Indicators for administrative capacity
- And other topics depending on requests coming from country desks....
3. Toolkits:

- *exchange of experts:* measures similar to 'twinning', 'twinning light' and 'short term expert' models

- *targeted trainings, workshop/capacity building activities and other tailor made solutions*

- *joint actions with instruments* available from International Financial Institutions (IFIs)

- Develop a *delivery method* for the agreed toolbox: customised interventions best suited for the identified weakness and for the particular Member State ("ownership")
4. Systemic solutions:

- Horizontal solutions available for all Member States and regions
  - existing networks
  - training modules on horizontal topics
  - workshops/seminars

- Methodologies to measure administrative capacity
  - indicators
  - studies, e.g. salaries co-financed by EU funds; development of benchmarks for managing programmes

- Cooperation with external organisations like e.g. OECD, World Bank, EIB/Jaspers…….
Thank you!