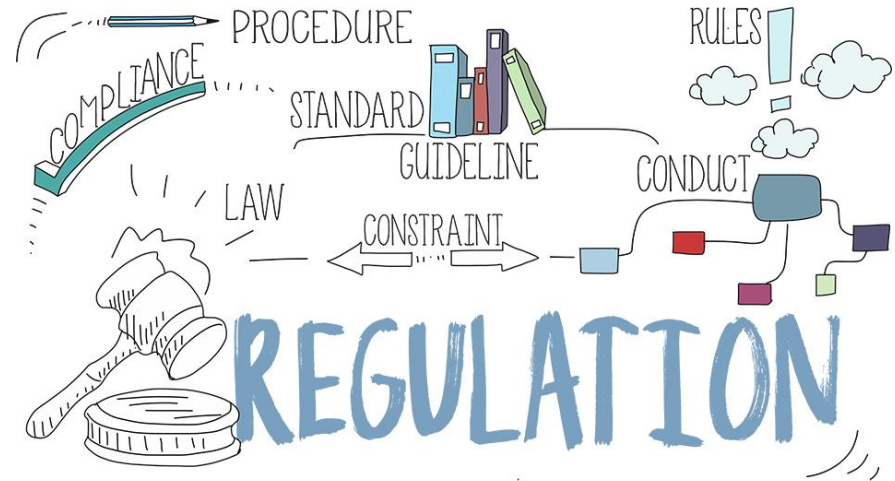# 2021-2027 Capacity Building and Technical Assistance

DG Regional and Urban Policy - Unit E1 "Competence Centre for Administrative Capacity-Building and the Solidarity Fund"
and DG Employment, Social Affairs and Inclusion – Unit F1 "ESF and FEAD: Policy & Legislation"

Context

- **Capacity matters!**

- **More emphasis on capacity building in 2021-2027**

- **Novelties:**
  - **Flat rate TA**
  - **Financing not linked to costs**
  - **Roadmaps for administrative capacity building**

Opportunities for capacity building in 2021-2027

Stronger focus on ACB as proposed by COM:

Capacity building linked to investments

2 types of Technical Assistance
« Standard TA » - flat rate or real costs
« Financing not linked to costs for TA»

More strategic use of TA/capacity building – possibility to develop roadmaps on ACB

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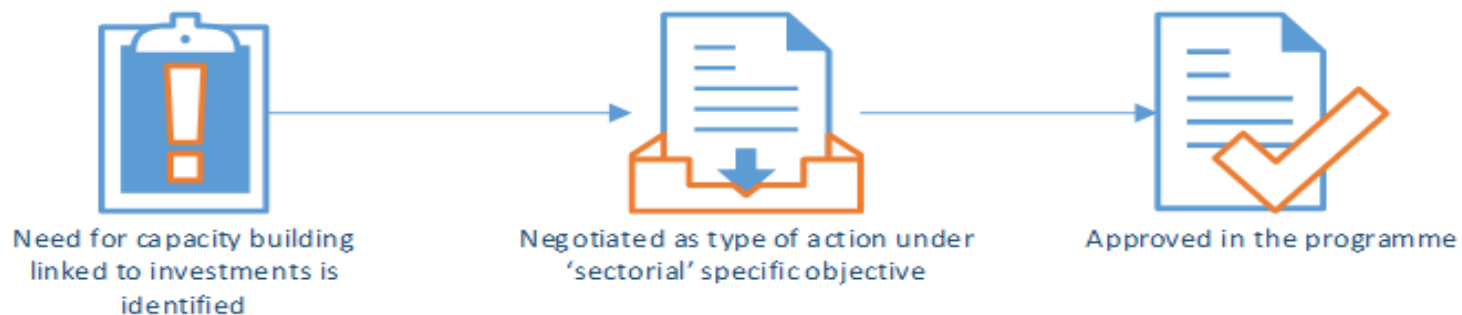# Capacity building directly linked to investments

For programme authorities and bodies linked to the implementation of the funds

To address sectorial and/or territorial (PO5) administrative capacity challenges + it complements/enables more effective ERDF/CF investments   **Article 2(3) ERDF/CF regulation**

✓ Needs are identified in 2019 European Semester Country reports (Annex D) and other relevant sources.

Examples: Capacity building of road or rail agencies or competent regional/national bodies responsible for managing the smart specialisation strategy

| Need for capacity building linked to investments is identified | → | Negotiated as type of action under 'sectorial' specific objective | → | Approved in the programme |

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ESF+ 2021-2027

Will there be Thematic Objective 11 in post-2021 ESF?

Horizontal themes are outside of the scope of ESF+

(Examples: Judicial system, E-governance, Taxation system, Public procurement capacity)

Stronger concentration in core ESF+ policies

<u>However:</u>

- Specific elements of horizontal reforms can be financed under up-skilling or re-skilling: <u>Examples</u>

    - Trainings for re-skilling or upskilling of civil servants (teachers, medical staff, officials from the Ministries or Regional and Local authorities)

    - Trainings for social assistants of the Ministry for Social

    - Trainings of judges, notaries or mediators

    - Trainings of the police force

<u>And…</u>

Synergies are important

Mind elements for programming

ESF+ will support…

Interventions that our important for the implementation of policies!

- institutional capacity for policies and system reforms:

  - employment

  - social inclusion and protection

  - education and training systems

  - health systems and services

  - relevant stakeholders (investment priority ii. of TO11)

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Examples Policy Objective 4 (art 4 ESF+)

SO 1.i - access to employment...

- Capacity building of support structures for social enterprises and social entrepreneurship and actions to support the new business models in social economy

SO 1.ii - modernising labour market institutions

- Modernise labour market institutions (public, non-profit or private), such as PES and social services for a more integrated approach between the various services providers;

SO 1. iv - improving the quality, effectiveness and labour market relevance of education and training systems…)

- Introduce or reinforce quality assurance and monitoring and evaluation of education and training, through evidence-based decision-making.

SO 1.v - promoting equal access to… inclusive education and training

- Capacity-building for teachers, trainers and academic staff   in an inclusive school system with a diverse classroom environment

SO 1.ix - … improving accessibility, effectiveness and resilience of healthcare systems and long-term care services

- Support the re-skilling and upskilling of healthcare and long-term care workforce;

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Partnership – Art. 8 ESF+

ESF+ - Article 8

- MS to ensure participation of social partners and civil society in the **delivery** of employment, education and social inclusion policies under ESF+

- Member States to allocate appropriate amount of ESF+ in each programme for the **capacity building** of social partners and civil society organisations.

Social Innovation – Art. 13 ESF+

- **Commission suggest MS to promote social innovation: content and process component – process:** new ways of working together, e.g. in particular bottom-up approaches, partnerships

- MS may support the upscaling of innovative approaches testes on smal scale debeloped under the EaSI programme

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Technical assistance of Member States

Similar scope as in 2014-2020

- Actions may concern previous and subsequent programming periods,

- **necessary for the effective administration and use of the Funds,**

- including for capacity building of the partners,

- for carrying out functions such as preparation, training, management, monitoring, evaluation, visibility and communication etc.

New code of intervention for TA:143 Reinforcement of the capacity of MS authorities, beneficiaries and relevant partners

Choice of flat-rate or real cost TA

IfJG goal: The Union contribution for technical assistance in a Member State shall be made either pursuant to point **(b) of Article 46** *(real costs)* or pursuant to point **(e)** of that Article (*flat-rate*) .

- Shall be indicated **in PA**

- This choice shall apply to **all programmes** in the Member State concerned for the **entire programming period** and **cannot be modified** subsequently

- National TA programme only possible with real-cost TA (*or financing not linked to costs TA*)

ETC goal: no choice, flat-rate TA will apply

TA allocations*

ERDF: 3.5%

Cohesion Fund: 2.5 %;

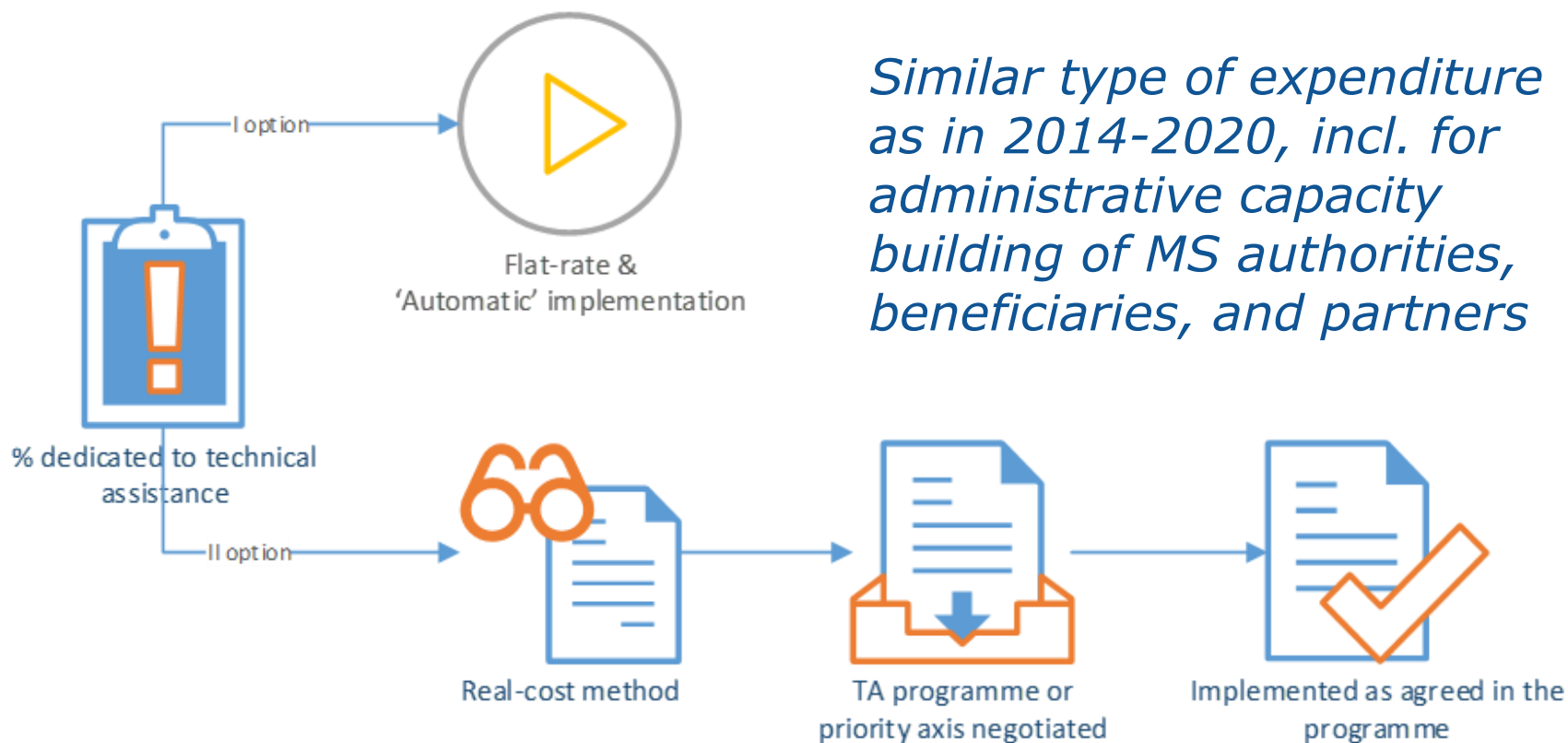ESF+ support: 4% and for programmes under Article 4(1)(xi) of the ESF+ Regulation: 5 %;

ERDF, ESF+ and Cohesion Fund, where total amount allocated to a MS under the IfGJ goal does not exceed EUR 1 billion: 6%;

EMFF support: 6 %;

outermost regions programmes under IfGJ goal : + 1% point.

*) For real-cost TA these are maximum allocations

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« Standard » Technical Assistance

I option

Flat-rate &
'Automatic' implementation

% dedicated to technical
assistance

II option

Real-cost method

TA programme or
priority axis negotiated

Implemented as agreed in the
programme

Similar type of expenditure as in 2014-2020, incl. for administrative capacity building of MS authorities, beneficiaries, and partners

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Flat-rate TA (1)

- the amount shall be identified as **part** of the **financial allocations** of each priority
  - shall <u>not</u> take the form of a separate priority or a specific programme*
- the reimbursement is made:
  - as **a "top-up",** i.e. **+% of eligible expenditure** in each payment application
- from **the same fund** to which the eligible expenditure is linked
  - *i.e.* proportional to Fund allocation
- reimbursed to one or more bodies which receive payments from COM

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Flat-rate TA (2)

- It is a "flat-rate scheme" at the level of EC-MS

- SCOs advantages apply:
  - No reporting to EC on where the Funds are used, etc.
  - Audit follows the same logic as for any SCO scheme

- Nevertheless, MS can maintain their current TA management and coordination practices, fund same institutions, etc.
  - Main difference – this does not have to be endorsed by EC

- Pro-rata allocation to categories of regions is "automatic"

Real cost TA

- Programmed as a separate **priority**, or specific **programme**, or a **combination**

- **Mono-fund** priority! Each Fund can cover TA expenditure under any of the other Funds

- Pro-rata division per categories of regions applies

- SCO schemes are possible (at MS – Beneficiary level)

Financing not linked to costs

- Additional actions to **reinforce capacity and efficiency** of Member State *public authorities and bodies, beneficiaries and relevant partners* necessary for the effective administration and use of the Funds

- Support for such actions shall be based on ***conditions*** to be fulfilled or ***results*** to be achieved
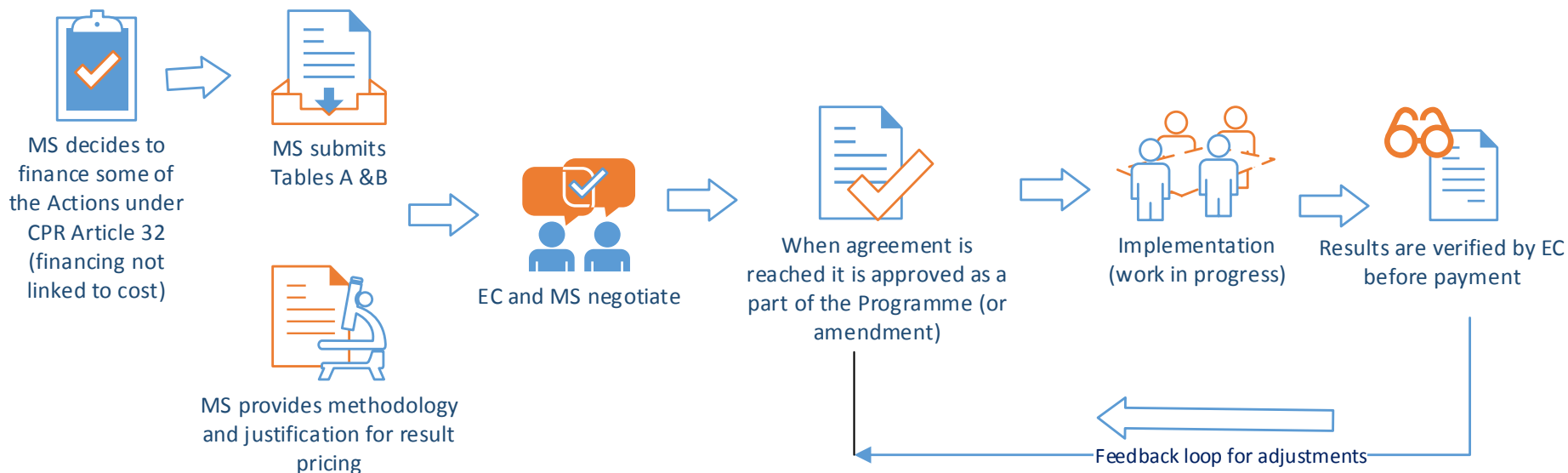
∗ ∗ ∗

There is no ceiling for how much funding can be allocated to this type of capacity building actions

COM and MS audits will only verify if conditions are fulfilled or results achieved

May take the form of a priority or a specific programme

Process: main steps

MS decides to finance some of the Actions under CPR Article 32 (financing not linked to cost)

MS submits Tables A &B

MS provides methodology and justification for result pricing

EC and MS negotiate

When agreement is reached it is approved as a part of the Programme (or amendment)

Implementation (work in progress)

Results are verified by EC before payment

Feedback loop for adjustments

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Information needed for linking payments to results achived/conditions fulfilled

Identification of:

- the **conditions** to be fulfilled and/or the results to be achieved,

- the **timeline**,

- any **intermediate deliverables** triggering reimbursements,

- **indicators** and measurement units,

- overall **amount** and amounts linked to deliverables,

- the **schedule** for reimbursement,

- the **arrangements** for verification of the intermediate deliverables and of the **fulfilment** of conditions or achievement of results,

- the methods for **adjustment** of the amounts where applicable , and

- the arrangements to ensure the **audit trail**.

Rationale of financing not linked to costs schemes

Characteristics of Art. 32 schemes:

(1) additional actions (meaning doing smth more than "standard" TA actions)

(2) dedicated to capacity building and efficiency gains and

(3) "suitable" for payments based on results/conditions achieved (it should be possible to define clear indicators, their values, set a price tag, etc.)

The assessment of proposed schemes will be case by case based on the above logic.

Intended as a 'simplification measure' – testing a new approach for financing

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Financing not linked to costs and Roadmaps

Financing not linked to costs scheme:

- Without roadmap – √
- With roadmap – √

Roadmap for administrative capacity:

- Without Art 32 scheme – √
- With Art 32 scheme - √

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What is an ACB roadmap?

- A roadmap is to be seen as a **strategic** document that can include **all types of capacity building actions** linked to the management and use of the Funds combining funding options from different sources

- It is a **voluntary document –** regarded as **good practice**

- It is flexible in format and structure, and can be developed at national or programme level

- It is a self-standing document – not to be formally adopted by the Commission as part of PA or programme

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The practical toolkit

The toolkit is designed to provide inspiration for those seeking to develop the roadmaps

It must not be regarded as a formal set of guidelines containing legal interpretation of the cohesion policy regulations 2021-2027. Therefore it cannot be used by auditors to define eligibility.

https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/roadmap_admin/
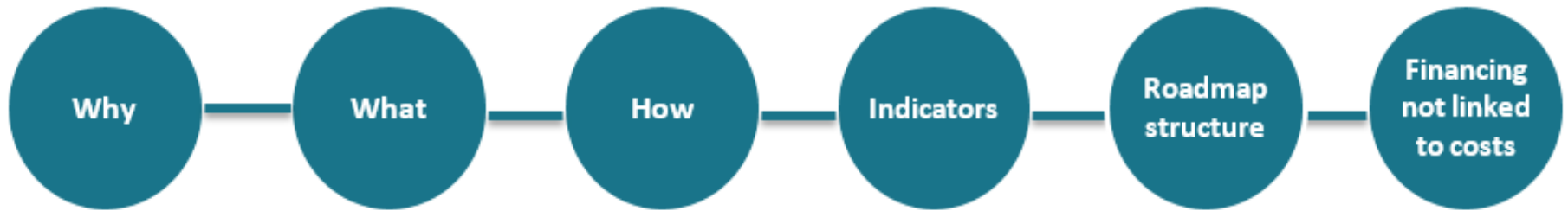
Introduction

1   Administrative capacity for cohesion policy

2   Context and purpose of roadmaps

3   Defining roadmaps for building administrative capacities

4   The search for indicators

5   Suggested structure of a roadmap

6   Financing that is not linked to costs

7   Summary of takeaways

8   References

ANNEXES

Developing ACB roadmaps – a process involving stakeholders
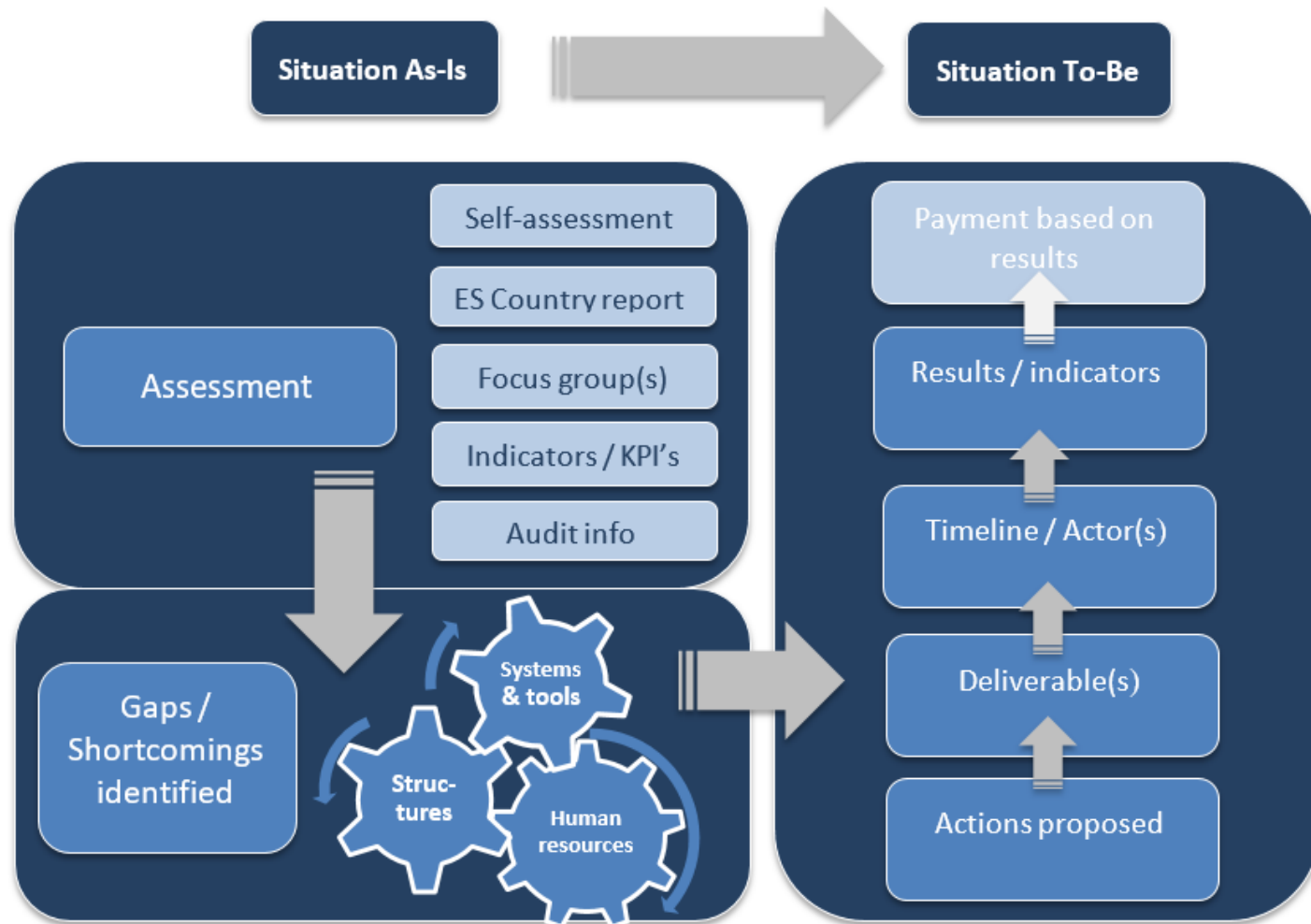
➢ **Section 1: General aim and structure of the roadmap**
Introduction

➢ **Section 2**: **Methodology used to design the roadmap**
- o Major stages in designing the roadmap
- o Stakeholder involvement
- o Info/data sources used
- o Timing
- o Consent and approval

➢ **Section 3: State of play (situation AS IS)**
Brief description of the analysis conducted and the main issues identified

➢ **Section 4: Mapping the future (situation TO BE)**
Outline of the changes to be achieved (*Section 4 can be merged with Section 3*)

➢ **Section 5: Identifying actions**
- o Description of actions
- o Indicators, timelines, parties responsible, budgets & source of funding

➢ **Section 6: Roadmap implementation**
- o Supervision and monitoring arrangements
- o Risks and mitigation measures
- o Sustainability of results
- o Communication strategy

Example

Structure of a roadmap

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Thank you for your attention!