

DRAFT THEMATIC GUIDANCE FICHE FOR DESK OFFICERS
INSTITUTIONAL CAPACITY BUILDING (THEMATIC OBJECTIVE 11)
VERSION 2 - 22/01/2014

RELEVANT PROVISIONS IN THE LEGISLATION

<i>Regulation</i>	<i>Articles</i>
<p><i>Common Provisions Regulation</i> <i>(N° 1303/2013)</i></p>	<p>Article 9 (11) – “enhancing institutional capacity of public authorities and stakeholders and efficient public administration”</p> <p>Related provisions : ANNEX XI, Ex-ante conditionalities, (11) “enhancing institutional capacity of public authorities and stakeholders and efficient public administration”</p>
<p><i>European Social Fund</i> <i>(N° 1304/2013)</i></p>	<p>Article 3 Scope of support</p> <p>(d) (i) Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance;</p> <p>(d) (ii) Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels.</p>
<p><i>European Regional Development Fund Regulation</i> <i>(N° 1301/2013)</i></p>	<p>Article 3– Scope of support from the ERDF</p> <p>1 (f) networking, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners and relevant bodies representing civil society, referred to in Article 5(1) of Regulation (EU) No 1303/2013, studies, preparatory actions and capacity-building”.</p> <p>Article 5 - Investment priorities</p> <p>(11) "enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration“.</p>

<p><i>European Territorial Cooperation Regulation</i></p> <p><i>(N° 1299/2013)</i></p>	<p>Article 7 – Investment priorities</p> <p>(a) under cross-border cooperation (iv) enhancing institutional capacity of public authorities and stakeholders and an efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions);</p> <p>(b) under transnational cooperation: enhancing institutional capacity of public authorities and stakeholders and an efficient public administration by developing and coordinating macro-regional and sea-basin strategies).</p>
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This is a draft document based on the new ESIF Regulations published in OJ 347 of 20 December 2013 and on the most recent version of the relevant Commission's draft implementing and delegated acts. It may still require review to reflect the content of these draft legal acts once they are adopted.

This guidance presents ESF and ERDF support under Thematic Objective 11 “Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration” (TO11). TO11 does not apply to EAFRD and EMFF.

It explains the rationale of TO11 and outlines the potential scope of assistance under each fund.

As Technical Assistance (TA) targets strengthening Member States authorities and beneficiaries to administer and use the funds, this note provides guidance on how to differentiate between support provided under TA and investments under TO11.

Improving administrative capacity and public service delivery is also important for several other thematic objectives. This note therefore also provides guidance on demarcation of TO11 with other TOs.

DG EMPL and DG REGIO will always cooperate and coordinate closely to ensure clear demarcation and complementarities between the different aspects of TO11, TA and other TOs. DG EMPL is chef de file for TO11.

1. Regulatory scope of support

1.1 Policy framework

The quality of public administration has a direct impact on the economic environment and is thus crucial to stimulate productivity, competitiveness and growth. The 2013 Annual Growth Survey and, where applicable, the Economic Adjustment Programmes highlighted that link and clearly recognised the need for Member States to increase the efficiency and effectiveness in the delivery of public services as well as the transparency and quality of public administration and the judiciary. Modernisation of public administrations was thus listed as one of the key priorities of the EU for a successful implementation of the EU2020 Strategy.

Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration is included as a separate thematic objective (thematic objective 11 or "TO11") in the Common Provisions Regulation for the 2014-2020 programming period (Regulation (EU) 1303/2013). Where relevant, both the ESF and ERDF should contribute to this TO11.

Supporting public administration reforms under TO11 in the future programming period should be linked to the following fundamental building-blocks:

- (1) **Country Specific Recommendations (CSR)**, related Staff Working Documents, Economic Adjustment Programmes where applicable, and National Reform Programmes: in cases where these building-blocks and, above all, CSR related actions call for a thorough public administration reform, TO 11 should come into play. In other cases, TO11 should be used to address specific weaknesses identified in the CSRs to attain the national goals of the EU 2020 objectives.
- (2) **Commission services' Position Papers (CPP)**: these papers – building further on the CSRs and related Staff Working Documents – identified for certain Member States **specific investment priorities related to administrative reform**. These proposals are expected to be incorporated in the PA/OP.

(3) Experience from the 2007-2013 period, results of evaluations/assessments and in particular “administrative bottlenecks” identified in 2007-2013 period need to be addressed;

1.2 The context of building "excellent public administration"

Institutional capacity is not just a technical matter of training civil servants, but it relates to how public authorities interact with and deliver services to businesses and citizens. "Good governance"¹ is the basis and ultimate objective for institutional capacity building. Good governance builds trust and social capital. States with a high level of social capital tend to perform better economically.

Member States that plan to make investments under TO11 should focus on "principles of excellence", as illustrated below:



Principles of Excellence. Source: European Institute of Public Administration

If operations supported under TO11 pay attention to fostering these factors, there is a good chance that they will achieve an impact. These principles underline the spirit of the CPR to take a ***strategic and results-oriented approach*** to administrative reform.

Any reform proposal should indicate how they specifically contribute to these principles. If proposals for financial support of reform efforts do not reflect clearly how the reform will improve some or all of the above ***principles***, the reform efforts are probably not mature enough.

Any proposed action / reform should be supported by adequate analysis of the root causes of difficulties, in order to ensure the effectiveness of the actions. This analysis should ideally involve, whenever relevant, external stakeholders.

These principles are also reflected in the ***ex-ante conditionalities*** for TO11 (see **section 7**, below).

Desk officers should first of all check whether Member States' proposals for support under TO11 match the priorities set out in ***Country Position Papers*** and ***Country Specific Recommendations*** or, where applicable, the Economic Adjustment Programmes.

¹ This term can be defined as “the manner in which power is exercised in the management of a country’s economic and social resources for development”.

The table below shows which countries received *CSR in 2013*, related to TO11:

(Sub-)sector CSR	Member State	Number of MS
Improving the effectiveness and efficiency of the public administration	BG, CY, CZ, ES, EL, HR, IT, RO, SK	9
Judiciary reform	BG, EL, ES, HU, LV, MT, RO, SI, SK	9
Improve the business environment	BG, EL, ES, HU, IT, PL, RO	7
Anti-corruption	BG, CZ, EL HR, HU, IT	6
Public procurement	BG, EL, HU, HR	4
Absorption of ESI funds	BG, RO, SK	3

To aid prioritization, Member States should further be aware of *how their public management is rated* in comparison to other Member States. Extra effort should be made to improve the weakest indicators. Follow the link: http://ec.europa.eu/europe2020/pdf/themes/34_public_administration.pdf - for some examples for an assessment of Quality of Public Administration in Member States; other sources of indicators should be explored.

1.3 The Institutional Capacity Building Toolbox

Building institutional capacity covers three dimensions for interventions: (1) Structures and processes, (2) Human resources, (3) Service delivery. Therefore, funding under TO11 is likely to focus around these three broad dimensions. Typical support under each of these aspects is outlined below.

Structures and processes

Public sector organisations should (1) operate in a clear and stable institutional and regulatory framework, (2) have been assigned clear responsibilities and tasks and (3) have put in place an organisational chart that can deliver these tasks in an efficient way without being overly complex. While traditional bureaucratic structures are still relevant to deliver public sector services, modern public sector organisations will increasingly work on the basis of teams, networks and innovative ways of interacting with the public and communicating more effectively with citizens.

Support may cover different structural and institutional reforms. It targets, for example:

- Legal, regulatory, constitutional changes (for example how citizens can participate in policy making);
- institutional and administrative process reviews for efficiency gains;
- the setting up of new business models and management practices;
- the reorganisation of tiers of government, de-centralisation or re-structuring of individual institutions in order to match lines of delegation with tasks at the appropriate level;
- measures to improve policy-making, the design of reforms, including legislative actions;
- impact assessment, evaluation, monitoring and audit;

- the development of new codes of conduct and rules for cooperation, including with external authorities and stakeholders;
- the introduction of new methods for strategic planning and quality-based management;
- reforms of the budgetary process (e.g. participatory budgeting);
- actions aiming at the reduction of administrative burden;
- actions to improve the transparency and accountability of government and public services.

Human resources

The concerned institutions should have the ability to break down overall objectives and responsibilities into tasks and job descriptions, to estimate the number and qualifications of staff, to fulfil recruitment needs and retain qualified personnel. Securing the timely availability of skilled and motivated staff is a key success factor in the management of public policies. Conditions within the public administration need to be favourable towards recruiting and retaining such professionals.

Support should contribute to the development of a modern, effective and motivated public service which is ready to confront the growing challenges with innovative approaches. This might include:

- modernising recruitment and incentive policies;
- better management of human resources including division of tasks and responsibilities, retention, appraisal, career development, motivation, empowerment and incentives for personal development;
- review of the current systems and the development of proposals for more effective business models and procedures;
- internship programmes, programmes for middle and senior management;
- capacity building of training institutions and the HRM units;
- development of "smart" and learning organisations (knowledge management);
- the development of training programmes and the introduction of new training methods.

Service delivery

The concerned institutions should have appropriate instruments such as methods, guidelines, manuals, procedures, forms, IT systems, etc. This encompasses job-aids that can enhance the effectiveness of the institution. Systems and tools normally enable organisations to transform tacit and implicit knowledge into explicit knowledge that can be shared across the organisation. They make organisations less vulnerable to staff turn-over and reduce the risks of malfunctioning. Effective management of public policies requires strong systems and tools designed to support staff effectively.

Reforms should thus ensure more efficient and effective public services. They may include a broad scope of actions for:

- optimising and re-engineering business processes, diversification of the channels for the delivery of services through e.g. co-operation with non-governmental bodies, inter-municipal cooperation;
- the use of one-stop shops or e-services (see "demarcation issues");
- optimisation and quality improvement of services, which may be achieved through the integration of their delivery (for example through inter-service or inter-municipal cooperation);
- development of various systems and tools related to e-government, e-justice, etc. (if not explicitly covered under thematic objectives other than TO11, see also "demarcation issues");
- quality of service benchmarking and complaints, ombudsman procedures.

In order to secure European added value, ESF/ERDF investments in the above areas also have to take into consideration the priorities of the *Digital Agenda* (e-authentication, e-identification, small payments, e-procurement) and the Stockholm programme (judicial cooperation, judicial training, linking MS insolvency/business/land registers to EU e-justice portal).

1.4 Thematic Objective 11

In 2014-2020, the ESI Funds will continue to support institutional capacity building and reforms. The objective of this support is to create institutions which are stable and predictable, but also flexible enough to react to the many societal challenges, open for dialogue with the public, able to introduce new policy solutions and deliver better services. The investment in the structures, human capital and systems and tools of the public sector is oriented towards more efficient organisational processes, modern management, motivated and skilled civil servants.

It is **important to note** that **ESF support** to public administration will only be possible in Member States with at least one less developed region or in Member States which are eligible for Cohesion Fund assistance. In these two categories of Member States, ESF support may cover the whole territory of the country. These conditions do **not** apply to **ERDF**, however.

"Stakeholders", such as NGOs and social partners may benefit from support under ESF TO11 in all Member States.

Here below a number of key actions for the ESF and the ERDF under TO 11, as set out in Staff Working Document (2012) 61 on "Elements for a Common Strategic Framework"²:

Key actions for the ESF:

Investment in institutional capacity and in the efficiency of public administrations and public services (at all levels of government) with a view to reforms, better regulation and good governance:

- reforms to ensure better legislation, synergies between policies and effective management of public policies, and transparency, integrity and accountability in public administration and spending of public funds;

² http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part2_en.pdf

- development and implementation of human resources strategies and policies;
- Enhancing efficiency of administrative services;

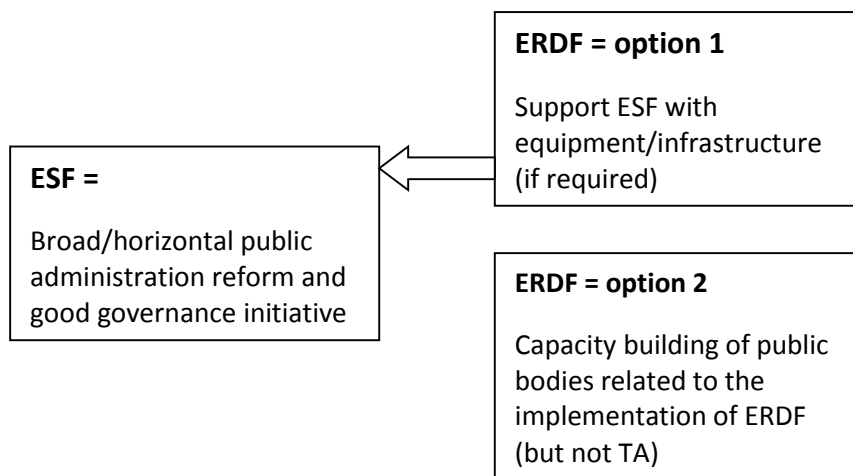
Capacity-building for stakeholders delivering employment, education, health and social policies, and sectoral and territorial pacts to mobilise for reform at national, regional and local level:

- enhancing the capacity of stakeholders, such as social partners and non-governmental organisations, to help them delivering more effectively their contribution in employment, education and social policies;
- the development of sectoral and territorial pacts in the employment, social inclusion, health and education domains at all territorial levels.

Key actions for the ERDF:

- strengthening institutional capacity and the efficiency of public administrations and public services related to the implementation of ERDF and in support of actions in institutional capacity and in the efficient public administration supported by the ESF, including where necessary the provision of equipment and infrastructure to support the modernisation of public services in areas such as employment, education, health, social policies and customs.
- administrative capacity related to European Territorial Cooperation can also be funded.

In **summary**, the above means, the focus of TO11 is:



2. Demarcation Issues

Administrative capacity building and good governance is a horizontal matter for all public administrations, as well as for individual "sectors" of social and economic development. Under thematic objective 11, the CPR includes both support to general public administration reform and to strengthen the institutional capacity and the efficiency of the public administration related to the implementation of the ERDF (but distinct from TA). Moreover, demarcation with other thematic objectives and with technical assistance needs to be considered.

The **next section** analyses various scenarios of "demarcation issues" in turn:

a) **Within Thematic Objective 11: Public Administration Reform vs Institutional capacity for ERDF implementation**

When the ESF funds public administration reform, the ERDF can support this with infrastructure, if necessary to achieve the objectives of the reform.

Attention should be paid to the fact that the ESF can support equipment purchase in 2014-2020. For practical reasons, such purchases for an administration could thus be funded under ESF. Nevertheless, for larger investments, for example, in ICT infrastructure, the ERDF may be more suitable. This is in line with the Digital Agenda, and there is a clear EU value added in such investments.

However, ERDF support under TO 11 for general investments in the construction or renovation of public administration buildings should be excluded, because:

- there is no clear contribution to growth and jobs in doing so,
- costs should be paid by national funds, in particular through the savings that may be achieved by the reform of State administration
- and the need for concentration of funding and prioritization of investments given limited resources.

This applies to all forms of office building financing: construction of new buildings, refurbishment of existing buildings, rental and leasing costs.

The ERDF also supports administrative reforms of public bodies, which are important to facilitate absorption and impact of ERDF supported investments, but which are not directly involved in management of ERDF.

Such support could cover areas such as: land register and wider reform actions for public procurement, environmental impact assessment, statistics, state aid, management of public utilities (waste, water, transport management, etc.)³, etc.

However, it should be noted that "reform and administrative capacity issues" related to public procurement, state aid and statistics are also a concern for the ESF (*see also next paragraph on "demarcation"*).

Demarcation between public administration reform on the one hand and capacity building for ERDF implementation on the other - depends on the objective of the action concerned. If the objective of the action concerns the national systems overall, then it is for ESF. If the issue primarily concerns ERDF implementation issues, then it is for ERDF.

For example, a new procurement law, introducing a new complaints procedure for public procurement, or making all public procurement information available online – this would be for ESF in the context of public administration reform. On the other hand, improving the procurement capacity or introducing e-procurement for a specific utility linked to ERDF implementation could be for ERDF TO 11.

Another example: Land registry – the introduction of digitisation of the land registry for a country would be under ESF TO11, but improving the cadastral system in the context of planning the infrastructure investment in a certain area, could be funded under ERDF TO 11.

³ Unless such capacity building is part of the general ESF funded reform.

b) TO11 vs Technical Assistance⁴

Contrary to TO11, TA is to support authorities which administer and use ESI Funds to perform the tasks assigned to them under the various Regulations (CPR and Fund specific), even when these tasks are delegated to or fall under the remit of other bodies.. Specifically this applies to public procurement, environmental compliance, state aid compliance and statistical requirements. It is also for supporting actions to reduce the administrative burden for beneficiaries, for actions to reinforce the capacity of beneficiaries to use the ESI Funds, as well as for actions to reinforce the capacity of relevant partners.

TA always has to be clearly justified and the direct link with improved Funds implementation should be demonstrated.

The use of TA in these cases should in no way replace longer-term crucial investments in general reform of these bodies, particularly when this is mentioned in the CSR and/or the Commission's Position Paper, which should be financed by ESF/ERDF under TO11.

Technical Assistance interventions should focus only on ESI Funds delivery (for example, by reinforcing the human resources necessary to manage the funds, hiring consultants for studies, project preparation or monitoring/evaluation activities, training, networking, etc.) and is therefore limited to the programming period.

Institutional Capacity Building (TO11) has a much wider and longer term goal. The focus is on genuine reform and systemic change to improve intrinsic public administration performance, independent from EU funds management.

NOTE:

TA is an essential means to help OP delivery, through providing staff, training, process tool and other resources linked to the management of the funds. TA in practice *is not directly aimed at delivering reforms and tends to focus only on more effective and efficient use of EU funds*. TA should however not replace or delay longer term crucial investments.

Demarcation issues between TO11 and TA mainly relate to control of public procurement, state aid, environmental legislation and statistics. Problems in these areas are also highlighted in the respective *Country Position Papers* (CPP) and *Country Specific Recommendations* (CSR).

Member States, which have issues related to at least one of these areas mentioned in CPP and/or CSR should present a corresponding reform programme for funding under TO11 ESF or ERDF. But some actions under TA to remove operational bottlenecks with a direct impact on the OP implementation could be co-financed under TA. – *Pay attention however that TO11 is not used to expand programme management support, which should be exclusively supported by TA.*

Member States, whose CPP/CSR do not cover such issues are not obliged to present a reform programme under TO11.

⁴ see also Guidance and Policy Lines on Technical Assistance

c) TO11 vs Other Thematic Objectives

Key principle to help decide between TO11 or other TO:

When the focus is on taking an "integrated approach addressing institutional bottlenecks in the administration as a whole"⁵, this is for TO11.

Other thematic objectives can be used in the cases where capacity building is an integral part of the actions necessary to attain the specific target of the thematic objective, or to improve the delivery of the related public services.

The ESF also supports thematic objective 8 (employment/labour mobility), 9 (social inclusion/ combating poverty), 10 (education/skills and life-long learning). If support under any of these TO has a clear institutional capacity building focus (e.g. education reform), then this will be funded under the respective TO, and not under TO11.

For example, the reform of labour market institutions will usually fall under TO8, capacity building for delivery of social services will be under TO9 and capacity building for education institutions or training organisation will fall under TO10.

Any cross-cutting issues from a good governance perspective (transparency, accountability, participatory, responsiveness, effectiveness and efficiency) of the public administration in these areas will fall under TO11.

The ERDF may fund complementary support (e.g. infrastructure) under TOs 8, 9 and 10 within the framework defined by ESF.

Note on Judiciary – the judiciary is no "sector" as such, but is one of the three institutional pillars of a modern state. Judiciary reform may be essential to provide the legal security investors and business need. This is a clear and important funding priority under ESF TO11. Supportive infrastructure investments can be covered by ERDF TO 11, as long as not eligible under the ESF. Eight Member States received CSR in 2013 related to reform of judiciary: BG, EL, ES, HU, LV, MT, RO, SI, SK

Thematic objective 1 to 7 are mainly for the ERDF (and CF, EAFRD, EMFF). The ESF does not have any investment priorities under these TOs. If support under any of these TOs has also an administrative capacity building element addressing a specific sector (e.g. transport, environment, energy), then this will be funded under the respective TO by the ERDF. However, if an aspect of one of these TOs is considered a fundamental part of general governance, then the ESF should address it under TO 11.

For example, improvement of the business environment, especially for SMEs, by: creating better relations between employers and trade unions, reform of the business law, enhancing the rule of law and the effectiveness of small claims procedures (so all part of a wider plan to improve the "business environment", rather than a specific SME support measure), is clearly a task for ESF under TO11.

⁵ See Commission staff Working Document, Elements for a Common Strategic Framework 2014 to 2020, ANNEXES, p. 40, 14.3.2012,

Some **more examples**, of demarcation and mixed funding:

e-Government: (1) Planning, providing the legal and organisational basis for allowing effective use of e-government applications – this should be funded from ESF under TO11, (2) the corresponding e-government infrastructure can be funded under TO2 by ERDF

Public Procurement: (1) Regulatory basis for effective national public procurement system – this should be funded by ESF under TO11, (2) Developing the capacity of utilities to prepare quality tenders – this could be funded by ERDF under TO11, (3) TA could fund training on public procurement to staff of managing authorities and stakeholders and ex ante controls of public procurement procedures for ESIF co-financed projects by the national procurement agency.

Anti-corruption: A national anti-corruption strategy falls within TO11. TA can support practical anti-corruption and control tools to help prevent corruption in the context of ESI funds management (e.g. hotline, ARACHNE tool)

Business environment: Assessment and delivery of legislative and procedural reforms to reduce red tape for business, should be funded by TO11 ESF. Web-tools to better inform SME about regulatory environment should be funded by TO 3 ERDF.

A **practical case:**

The Ministry of Environment intends to strengthen its administrative capacity:

- If the Ministry needs to boost its capacity to develop environmental policies, to monitor their implementation, to improve its services, to coordinate better with other national institutions or external bodies, such capacity building should be financed by the ESF under TO11. The ESF will also intervene if the Ministry of Environment needs to introduce changes resulting from horizontal actions undertaken by the government relating to e.g. strengthening inter-ministerial coordination, introducing coherent recruitment or human resources development practices within the public administration or actions focussing on particular challenges such as impact assessment capabilities.
 - If the Ministry identifies a particular obstacle which impedes public investments and which (i) is instrumental for directly improving the conditions in which ERDF investments are made, and which (ii) will not be tackled through the above main-stream actions strengthening public administration, such capacity building should be under the ERDF investment priority of TO11. This support is not intended for institutions which are directly involved in the implementation of the ERDF but for institutions whose actions have a significant impact on the implementation of ERDF investments.
 - If the Ministry needs to improve the capacity of its unit managing an OP or implementing a specific operation, such actions would be funded from technical assistance. They may include external support for the implementation of a given programme / project activity, trainings of the staff, developing tools for monitoring, communication activities, etc. They need to be clearly linked to the OP implementation.
- Desk officers are invited to consult the guidance fiche on technical assistance for ESIF administrative capacity-building to understand fully the scope of TA support versus the scope of the ESF/ERDF investment priorities under Thematic Objective 11.
 - The **table on the next page** provides a summary overview of demarcation lines between ESF/ERDF under TO11, TA and other TO, as outlined above by categorising: the objective of the intervention, target groups and examples of support.

	ESF support under TO11	ERDF support under TO11		Support to Administrative Capacity Building under other TO	Technical assistance under ERDF & ESF ⁶
		In support of ESF funded operations	To support implementation of the ERDF		
Objective	<p>Focus on reform</p> <p>Support structural, systemic, horizontal change – integrated approach</p> <p>Reforms, better regulation, good governance</p> <p>On national, regional and local level</p>	<p>Provide infrastructure – necessary for effective administration reform</p>	<p>Build capacity and institutional reforms of public bodies which are necessary for the absorption and achievement of results of the ERDF</p> <p>Reform linked to ERDF effectiveness in specific contexts, for example: issuing of permits, managing infrastructure, meeting legal obligations</p>	<p>Reforms and administrative capacity and better service provision in certain sectors of social and economic development, funded by ERDF (TO1-7) and ESF (TO8-10)</p> <p>ERDF and ESF could intervene if it is specific - not a general or horizontal activity (otherwise it is TO11) and it should not be directly linked with the implementation/management (otherwise it is TA)</p>	<p>Ensuring capacity for the management of ESI funds</p> <p>Operational support</p> <p>Removing "bottlenecks"</p> <p>Not reform oriented</p>
Target groups	<p>Public administration on national, regional and local level</p> <p>Stakeholders, such as social partners, NGOs/CSOs,</p>	<p>Same as for ESF funding under TO11</p>	<p>Public bodies, which are relevant to the absorption and achievement of impact of ERDF, but which are not directly involved in</p>	<p>Public bodies and other stakeholders for the delivery of TO1-10, including intermediate bodies and final beneficiaries</p>	<p>Managing Authorities, Certifying Authorities, Audit Authorities, Intermediate</p>

⁶ See also Guidance note on TA under ERDF and ESF

	ESF support under TO11	ERDF support under TO11		Support to Administrative Capacity Building under other TO	Technical assistance under ERDF & ESF ⁶
		In support of ESF funded operations	To support implementation of the ERDF		
	territorial pacts		managing the ERDF Capacity building of certain utilities or bodies responsible for managing infrastructure, unless covered by other TO		Bodies, Monitoring Committees, Joint Technical Secretariats, other bodies fulfilling tasks on behalf of above mentioned bodies Beneficiaries
Examples of support	Develop and implement regulation to increase rationalisation, de-politicisation, professionalization of the public administration Develop strategic planning capacity and evaluation capacity Develop public participation mechanisms for policy development Introduce regulatory impact	IT infrastructure – networks and applications Renovation and adaptation of buildings under restrictive conditions and if required/ clearly linked to achieve public administration reform objectives)	<u>If not covered by broader public administration reform:</u> Improve land register and cadastre systems as a precondition for investment in physical infrastructure Improve the capacity of regional water/waste management bodies to manage and maintain their infrastructure	TO 1: capacity building for R&I excellence and technological change – research infrastructure & equipment TO 2: e-Government applications (but see <i>examples</i> above for demarcation with TO11) TO 3: web tools to provide targeted information and facilitate regulatory procedures for SMEs	Systems and tools for better ESI funds management (e.g. e-cohesion) Staff to manage funds and/or to perform a direct role for the delivery of a programme Office running costs and equipment for bodies managing ESI

ESF support under TO11	ERDF support under TO11		Support to Administrative Capacity Building under other TO	Technical assistance under ERDF & ESF ⁶
	In support of ESF funded operations	To support implementation of the ERDF		
<p>assessment</p> <p>Benchmarking of public service effectiveness and quality</p> <p>Introduce organisational knowledge management systems</p> <p>Measures to enhance transparency and accountability, for example by introducing participatory budgeting mechanisms</p> <p>Development of inter-municipal cooperation for planning and delivering effective, cost efficient and quality public services</p> <p>Introduce or strengthen ombudsman functions and complaints procedures (for example for public procurement)</p>		<p>Strengthen administrative capacity for implementation and application of state aid rules</p> <p>Enhance transparency of public procurement systems</p>	<p>TO 7: Capacity-building for planning, implementing and managing projects (for railway infrastructure)</p> <p>TO 8: Capacity of employment services</p> <p>TO 9: Modernisation of social protection systems; enhancing access to affordable healthcare; investment in health and social infrastructure</p> <p>TO 10: Education reform</p>	<p>Practical actions to reduce the administrative burden for beneficiaries</p> <p>Actions to reinforce the capacity of beneficiaries to administer and use the ESI Funds</p> <p>Actions to increase capacity of relevant partners</p> <p>Knowledge management and sharing</p> <p>Communication and visibility</p> <p>Studies and evaluations related to management of EU funds</p>

ESF support under TO11	ERDF support under TO11		Support to Administrative Capacity Building under other TO	Technical assistance under ERDF & ESF ⁶
	In support of ESF funded operations	To support implementation of the ERDF		
				<p>Ex-ante controls of public procurement procedures for ESI Funds co-financed projects are performed by the national procurement agency on behalf of the Managing Authority</p> <p>The environmental authorities need to check, on behalf of the Managing Authority, that the Environmental Impact Assessment legislation has been correctly applied to a number of ESI Funds co-financed projects.</p>

4. Support to stakeholders

In addition to the public institutions, the ESF investment priority under TO 11 also focuses on social partners and NGOs delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level. Such assistance will cover a variety of actions that should increase the capacity of such organisations to engage in efficient co-operation and to interact with the administration for the development of good policies. As in the 2007-2013 programming period joint actions of the social partners and the administration will fall under the other ESF investment priorities.

The term "social and territorial pacts" refers to formalised partnerships between public and private organisations, which aim at introducing innovations and mobilising for reforms in employment, education and social inclusion. These pacts may be at different territorial levels and may concern one or several sectors.

When actions relate to building capacity and enhanced participation of stakeholders in policy making and delivery, with a focus on strengthening their position for co-design, co-decision, co-production, co-evaluation vis-à-vis government and public administration, this should be funded under TO11. Actual service delivery by social partners falls under the respective thematic objective.

5. Support to the reduction of administrative burden

The reduction of administrative burden is an objective of the Commission as a whole spread over all EU policies, especially those more directly affecting local authorities, enterprises and citizens, like cohesion policy.

The aim of reducing administrative burden is shared between the Commission and the Member States. It is considered a high priority.

The reduction of administrative burden can be tackled in both TO11 and TA, depending on the type of intervention to be put in place and according to the demarcation criteria set out in chapter 2.

For TO11 under ESF, reducing the regulatory burden would for example relate to time and effort for business licencing.

For TO11 under ERDF, reducing the complexity of public procurement rules related to ESI funded projects could for example be targeted.

The reduction of administrative burden for beneficiaries is essential for the smooth implementation of the programmes, for the full absorption of the Funds and therefore for the general effectiveness of cohesion policy. Reducing the administrative burden for ESI Funds beneficiaries (e.g. through e-applications, etc) would mainly be supported by TA.

Please see the ***policy lines on TA*** for more information on reducing administrative burden for beneficiaries throughout the programme cycle.

6. Horizontal principles

The application of horizontal principles in actions for administrative capacity building is sometimes challenging due to the characteristics of the target group – women are often well-represented in the public administrations and the access of disadvantaged people is seriously restricted due to the profile of the workforce. Still, there are several ways in which the application of the horizontal principles has to be encouraged:

Promotion of equality between men and women: while women often make a good part of the civil service as a whole, important disparities may be noticed at different grades and age groups. This is why Member States should be encouraged to have a focused approach and promote equal career prospects in grades and age groups where such disparities exist, instead of targeting the public administration in general.

Promotion of equal opportunities and non-discrimination: this principle can be applied to two different contexts: a) as regards equal opportunities for access to employment in the public administration (recruitment policies, managerial issues such as integration in teams, allocation of tasks, appraisal, etc.), and b) as regards access to administrative services. There should be a careful distinction between social services, service of general interest and administrative services. TO 11 will target the latter, which are related mainly to exercising civil rights (for example, ID cards, certificates for birth/marriage/family composition/inheritance/property, etc) but are a prerequisite to access to social services and services of general interest (see COM 2007/725).

7. ETC (ERDF) and transnational Cooperation (ESF)

Territorial cooperation under both ERDF and ESF can be an important element of the assistance for administrative capacity. Support under TO11 may encourage national, regional and local administrations to work together in many areas. Cooperation in the following areas will contribute significantly to the EU objectives:

- exchange of data, data protection, interoperability, especially in areas such as social security and health insurance rights, legal proceedings (mostly via ESF transnational cooperation)
- judicial cooperation; access to justice, especially on cross-border issues; cross-border co-operation in relation to environmental protection; etc.

For the ESF, support to transnational cooperation is an integrated part (for example through a dedicated priority axis) of an operational programme for strengthening public administration, for all types of actors, and for all types of exchange and cooperation. Such assistance needs to be properly planned already at OP drafting stage, in order to ensure that sufficient time is left for identifying funding partners in other MS.

8. Link to ex-ante conditionalities

There is a separate, detailed guidance on ex-ante conditionalities under thematic objective 11.

"The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration reform". The criteria for fulfilment of ex-ante conditionalities are outlined in the box below:

A strategic policy framework for reinforcing a Member State's public authorities' administrative efficiency and their skills with the following elements are in place and in the process of being implemented:

1. An analysis and strategic planning of legal, organisational and/or procedural reform actions;
2. The development of quality management systems;
3. Integrated actions for simplification and rationalisation of administrative procedures;
4. The development and implementation of human resources strategies and policies covering the main identified gaps in this field;
5. The development of skills at all levels of the professional hierarchy within public authorities;
6. The development of procedures and tools for monitoring and evaluation.

Ex-ante conditionalities should be fulfilled at the date of submission of the Partnership Agreement and programmes. In case ex-ante conditionalities are not fulfilled at that time, the actions to be taken, the responsible bodies and the timetable for their implementation need to be provided. Member States should fulfil these ex ante conditionalities not later than 31 December 2016 and report on their fulfilment not later than in the annual implementation report in 2017 or the progress report in 2017 in accordance with Article 50 (4).

Annex I: Links and further reading

European Commission

“Regional governance in the context of globalisation: reviewing governance mechanisms & administrative costs - Administrative workload and costs for Member State public authorities of the implementation of ERDF and Cohesion Fund” – SWECO International for DG REGIO, 2010

“Key indicators for Candidate Countries to Effectively Manage the Structural Funds”, NEI Regional and Urban Development for DG REGIO and DG ELARG, 2002

“Ex post evaluation of cohesion policy programmes 2000-2006 co-financed by the ERDF (objective 1 and 2) - work package 11: management and implementation systems for cohesion policy”, EPRC for DG REGIO, 2009

“Regional Governance Matters: A Study on Regional Variation in Quality of Government within the EU”, Nicholas Charron and Victor Lapuente (Gothenburg, Quality of Government Institute) and Lewis Dijkstra, DG REGIO, 2012

“JASPERS Evaluation”, AECOM Limited, 2013 (includes a chapter on administrative capacity)

“Measuring the impact of changing regulatory requirements to administrative cost and administrative burden of managing EU Structural Funds (ERDF and Cohesion Funds)”, DG REGIO, 2012

DG JUST: EU Justice Scoreboard: http://ec.europa.eu/justice/effective-justice/files/cepej_study_justice_scoreboard_en.pdf Council of Europe – Justice Scorecard
DG Enterprise - Excellence in Public Administration for Competitiveness in EU Member States: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/improving-public-administration/files/pa_report_en.pdf European Commission - Excellence in Public Administration for Competitiveness in EU Member States

External Documents and Links

“EU-8 : Administrative Capacity in the New Member States: The Limits of Innovation?” World Bank, 2006

World Governance Indicators (World Bank):

http://info.worldbank.org/governance/wgi/sc_country.asp World Bank governance Indicators

Transparency International 2013 report: <http://www.transparency.org/gcb2013/report>

Economist Intelligence Unit – Democracy Index: http://www.eiu.com/public/thankyou_download.aspx?activity=download&campaignid=DemocracyIndex12 Economist Intelligence Unit – Democracy Index

World Economic Forum, Global Competitiveness Report (see first indicator: quality of institutions): <http://reports.weforum.org/global-competitiveness-report-2012-2013/> World Economic Forum – Global Competitiveness Report

Comparison of Quality Management Systems in Europe (EUPAN): <http://www.eupan.eu/files/repository/QM.pdf> European Public Sector Award: <http://www.epsa2013.eu/>

Common Assessment Framework - Improving Public Organisations through self-Assessment. Report 2013: http://www.eipa.eu/files/File/CAF/CAF_2013.pdf