



PILOT ON GOOD GOVERNANCE AND CAPACITY BUILDING FOR COHESION POLICY

- PILOT ACTION IN COOPERATION WITH THE OECD -

THE BACKGROUND

Quality institutions and well-functioning administrations matter for the effectiveness and impact of EU funds in the Member States and regions. Focusing on EU Cohesion Policy funding, the VII Cohesion Report and recent research from academia and the Organisation for Economic Co-operation and Development (OECD) have shown that regions with weak institutions face greater difficulties effectively absorbing regional development and cohesion funds and making the most of the investments that these funds support. The quality of governance at all levels of government influences how cohesion investment translates into greater growth. In addition, quality institutions (and through these institutional practices) can positively affect the returns to Cohesion Policy investment, regional competitiveness and economic growth, whereas poor institutions will have an adverse effect. Thus, it is essential to invest in governance, to build adequate capabilities at all levels of government to manage EU funds, and to design strong investment strategies.

THE PILOT PROJECT

The pilot action 'Frontloading administrative capacity building to prepare for the 2021-2027 programming period' was launched in June 2018 to provide hands-on support by experts from the Commission and the OECD to strengthen the administrative capacity of the authorities dealing with EU funds on a daily basis. The goal is to test and develop new solutions to strengthen administrative capacity in the post 2020 budgetary period.

Phase I

- ▶ Identification of strengths and specific weaknesses to address through a participatory process, involving all relevant actors.
- ▶ Preparation of roadmaps to address the weaknesses with milestones, targets and deadlines.

Phase II

- ▶ Implementation of key relevant actions from the roadmaps.



This analytical framework, developed by the OECD, informed the diagnostic process used to develop the roadmaps for administrative capacity building

THE 5 PARTICIPATING PROGRAMMES

- The „Transport Infrastructure, environment and sustainable development“ programme in Greece
- The Lubelskie regional programme in Poland
- The Extremadura regional programme in Spain
- The „Competitiveness and cohesion“ programme in Croatia
- The „Regions in Growth“ programme in Bulgaria.

KEY FINDINGS



Challenge Area 1: People and organisational management

- Managing authorities generally have skilled and professional staff, the challenge is to manage them as a strategic asset.
- There is a widespread desire for more training, aligned to organisational needs assessment and career development.
- Improving managing authority communication, flexibility and agility can help them respond to complex challenges.



Challenge area 2: Strategic programme implementation

- Authorities face common challenges in their strategic approach to implementation of investments, which affect their effectiveness.
- There is room to build stronger partnerships among stakeholders, particularly with beneficiaries, including through more tailored and targeted approaches.



Challenge area 3: Enabling framework conditions

- Framework conditions like regulatory quality, legal certainty and stability, red tape, and quality of institutions exert significant pressure on the overall capacity to invest and the quality of the results.



Higher-level challenges:

- There is room for greater innovation in how managing authorities operate and in the practical implementation of programmes.
- Initiatives to build the administrative capacity of managing authorities should be undertaken at the appropriate scale and with a strategic and comprehensive approach.

KEY RECOMMENDATIONS



Develop an evidence base for organisational improvement initiatives through more **systematic employee engagement surveys**



Identify desired competencies and orientate business processes such as performance management and learning and development to **improve and reward** those competencies.



Review candidate outreach and **employer branding strategies** to broaden the pool of qualified candidates



Explore **internal mobility** options for staff, i.e. short-term „rotation“ in different parts of the MA.



Set OP investment priorities that reflect national and regional development needs by including OP **stakeholders** in the definition and validation **investment priorities**



Establish a **forum for exchange** among Managing Authorities and Coordinating Bodies



Undertake training programmes or workshops dedicated to designing robust **output and outcomes indicators, data and action-evaluation** techniques, and their application



Develop a **strategy and action plan for capacity building** tailored to different types of local authorities involved in the OP in a participatory approach (dialogue with local authorities and relevant national bodies)