FOREWORD

In 2014-2020, Cohesion Policy is investing more than EUR 351 billion to support growth and create jobs and better living conditions in EU Member States and regions. However, people will only feel the benefits of projects supported by the EU if the local, regional and national administrations managing these funds are robust and efficient. That is why, when I took office three and a half years ago, I made it my priority to strengthen administrative capacity to deliver the benefits of our policy’s investments through top-quality management at all stages.

I am happy to be able to show you some examples of the good results we have achieved so far. Thanks to their intense work, the Commission and its Directorate-General for Regional and Urban Policy (DG REGIO) have instigated a set of instruments that are being used successfully by Member States and their institutions involved in managing EU funds. For their part, the national, regional and local administrations are also making important efforts to improve the way in which EU funds are being invested and managed.

Good teamwork is essential for high performance and good results. This can be seen in practice at all levels: for instance, between the Commission and the Member States when preparing and discussing major projects; inside the Commission, with the cooperation of the different services working on public procurement or smart specialisation; in joint endeavours with other EU and international institutions, like the European Investment Bank, the World Bank or the Organisation for Economic Co-operation and Development; or by joining forces with civil society representatives, such as Transparency International.

Good-quality public institutions and administrations can strengthen competitiveness, boost economic growth and increase the impact of investments, including those co-financed by Cohesion Policy. They are also critical for implementation of the structural reforms needed to make our economies more resilient and growth more sustainable. Even more importantly, efficient and result-oriented administrative structures and services also mean more opportunities for both people and companies to redress regional disparities.

We are at a crucial moment for Cohesion Policy whereby the decisive phase of the current programming period meets preparations for the next one beyond 2020. Hence, it is of the utmost importance to continue to modernise public institutions and improve the conditions for effective investments on the ground. Cohesion Policy has a unique know-how that needs to be consolidated, upgraded and shared.

The right conditions and instruments are a must to ensure the effectiveness of our policy, today and tomorrow. Only the continuity of our joint efforts can help us make a strong case for Cohesion Policy as an authentic and complete investment policy based not only on financial support but also on shared values and models of good governance in the public interest.

CORINA CREŢU
European Commissioner for Regional Policy
Over the past decades, EU Cohesion Policy has made a real difference to people’s lives across Europe. It has supported thousands of business start-ups and helped people to secure new qualifications and new jobs. It has increased access to broadband and invested in rail and better road links in the less-developed parts of the EU in particular. It is fostering clean and efficient energy use and has markedly increased the number of homes connected to a clean drinking water supply and waste-water treatment facilities. More than ever, it is helping regions to innovate and plan growth and employment for the future.

During the 2014-2020 funding period, the European Structural and Investment (ESI) Funds are investing over EUR 450 billion to support competitiveness, growth and jobs in the EU. This vital funding is being channelled to hundreds of thousands of beneficiaries in the Member States and regions. For many of them, this is the main source of public funding.

To ensure that these vital resources are used to their full potential for the benefit of European citizens, it is imperative to have strong national, regional and local administrations. Indeed, the capacity of Member States to manage such investments effectively and efficiently is one of the key factors contributing to their success. Conversely, when public administrations managing the funds (managing authorities, intermediate bodies, certifying authorities, audit authorities, joint secretariats) are confronted with bottlenecks and challenges, the end result is that investments cannot deliver the expected benefits on the ground.

Furthermore, one of the main distinguishing features of Cohesion Policy is that it is delivered via “shared management” between the EU, national and regional levels. In fact, this is part of its richness since it ensures that all interests are taken into account and that there is authentic cooperation at all levels. At the same time, this implies shared responsibility which must be underpinned by a sound and efficient institutional context, based on mutual trust, common principles and values.
PRIORITY ACTIONS

This is why support for building high-quality institutions and strengthening their capacity to implement public investments is so important for the European Commission and is one of the priority actions Corina Crețu, Commissioner for Regional Policy, set for her mandate.

In general, supporting administrative capacity is about getting the right structures, human resources, systems and tools in place. In other words, it means making sure responsibilities and tasks are clearly assigned and that staff are motivated and have the competences required to manage the funds. They must also be equipped with the right tools – IT systems, manuals, rules, etc. Organisations are less vulnerable if such systems and tools are in place.

Another important element is governance. This includes ensuring interaction and coordination with stakeholders and holding responsible politicians and managers accountable for performance, safeguarding against corruption and conflict of interest and promoting transparency.

Taking all these aspects into account, the Commission has developed a series of initiatives and tools to support the authorities in the Member States and regions in their efforts to strengthen their administrative capacity.

TOOLBOX TO BOOST CAPACITY

The TAIEX-REGIO PEER 2 PEER expert exchange system was created to match needs with expertise in different countries, relying on the knowledge and invaluable know-how of more than 30,000 public officials involved in implementation of the ESI Funds. Real-time exchange of information and solutions is also possible through specific platforms, such as the S3 Platform on smart specialisation or the Urban Development Network for sustainable urban development.

A large part of the administrative capacity initiatives focuses on important horizontal policies which impact on Cohesion Policy, such as public procurement and state aid. To meet the specific conditions introduced by Cohesion Policy legislation, several Member States, assisted by the Commission, have implemented national action plans to redress structural weaknesses. The results are already evident and go beyond managing funding. It can be said that the actions triggered structural changes in key sectors of the economy.

Furthermore, to improve transparency in public procurement for EU-funded projects, the European Commission and Transparency International are currently promoting the use of Integrity Pacts. These are legally binding agreements under which civil society organisations oversee the public procurement process to ensure that it is carried out in a fair and transparent manner. Similarly, the integrated IT tool ARACHNE was developed for data mining and data enrichment, the aim being to help managing authorities with their administrative controls and management checks.

An e-library of good practices in public procurement in the context of ESI Funds has been established enabling easy reference and an exchange of solutions among peers.

To make systems more efficient, an easy-to-use guide was prepared to help public officials across the EU to avoid the most frequent errors in public procurement.
TAILORED TRAINING AND SUPPORT

Much of the work concentrates on the professionalisation of those officials implementing ESI Funds. As a result, a competency framework for institutions managing the funds and a self-assessment tool have been developed to identify and address competency gaps among both individual staff members and institutions as a whole. Specific professional training programmes are regularly organised on topics such as programme implementation, financial management and control, result orientation, state aid, and public procurement.

On several occasions, the Commission has joined forces with other international organisations such as the OECD – to promote more strategic public procurement – and with the World Bank to analyse the factors blocking growth and to help the catching-up regions to thrive.

Of course, the continuous and fruitful work carried out in close contact with the Member States and their authorities has played an important part here. For example, the task force for better implementation was created in 2014 to provide tailored support for several Member States experiencing difficulties in making full use of the funding available from the previous programming period.

Providing tailored support is also key to those helping industrial regions redesign their economies to make them more resilient and competitive. Thanks to the impetus from the Commission, transnational inter-regional partnerships were created to explore the scale-up of inter-regional innovation projects and to incentivise business investments, in line with the respective smart specialisation strategies. The Smart Specialisation cooperation in Central Europe initiative, involving Hungary, Slovenia, Germany, Austria, the Czech Republic and Croatia, also promotes complementarities and synergies between innovation priorities and investments across the borders.

In addition, managing authorities are being offered tailored EU advisory support to develop their administrative capacity to be better prepared for the post-2020 period. They will benefit from hands-on assistance, provided in close cooperation with the OECD, to further improve the way they manage and invest EU funds.

QUALITY PROCEDURES AND PARTNERS

The Commission has also set up a high-level group of experts to advise on streamlining and simplifying procedures and making it easier for beneficiaries to apply for assistance.

Long-standing cooperation with the European Investment Bank (EIB) has also borne new and important fruit. Apart from JASPERS – the partnership between the Commission, the EIB and the European Bank for Reconstruction and Development (EBRD) helping Member States to prepare high-quality major projects – FI-Compass, a platform for advisory services on financial instruments under the European Structural and Investment (ESI) Funds, was also created. More recently, URBIS, a new advisory service was set up to help cities plan investments to support their own urban development strategies and get easier access to finance.

Recently, the 7th Cohesion Report acknowledged that, in order to boost economic development and the impact of Cohesion Policy across EU regions, the efficiency and transparency of public institutions must be improved. This approach will remain central to Cohesion Policy beyond 2020. The Commission, together with the Member States, will continue to explore new approaches to building administrative capacities, improving the coordination of available instruments, improving the coordination of available instruments, and relying on a genuine strategic partnership with other international organisations, academia and civil society.
The TAIEX-REGIO PEER 2 PEER instrument provides a platform for EU Member States’ administrations to exchange experiences on EU Cohesion Policy topics. It helps public officials responsible for investments from the European Regional Development Fund (ERDF) and Cohesion Fund (CF) share knowledge and good practice with counterparts from other Member States. Events during which this knowledge transfer takes place include expert missions, study visits and workshops.

Expert missions involve an official from another EU country’s administration going to a requesting organisation to give advice. Study visits are an opportunity for a group of administration employees to see good practice in another EU Member State. At workshops delegates from several Member States share their experiences and develop new ideas.

National or regional administrations can request support on any topic directly related to ERDF/CF. Areas covered in previous exchanges range from urban development, waste management and energy efficiency to topics such as innovation and fraud prevention.

An administration seeking help on a specific issue has to apply online. On approval, the European Commission matches the applicant with an administration that has previously dealt with similar challenges or can share good practice.

TAIEX-REGIO PEER 2 PEER is open to public administrations that manage ERDF and CF funding. These include managing authorities, intermediate bodies, audit, certifying and coordinating authorities and the joint secretariats for European territorial cooperation programmes.

Set up in 2015, the instrument is based on the successful Technical Assistance and Information Exchange (TAIEX) programme run by the Directorate-General for Neighbourhood and Enlargement Negotiations.
Ensuring accessibility and non-discrimination are very important when developing public infrastructure. Everyone – regardless of age, mobility or ability – should have equal access to public services and resources. European Structural and Investment Funds (ESIF) require that new projects ensure access to all public buildings.

In June 2016, a delegation from the Central Project Management Agency (CPMA) in Lithuania made a study visit to the Swedish city of Borås to learn how to better ensure accessibility in infrastructure projects.

CPMA is responsible for ERDF investments in public infrastructure in Lithuania. For CPMA, Borås was an obvious choice for the visit. In 2015 the city won the European Access City Award, which recognises actions aimed at ensuring that everybody has equal access to the resources cities have to offer.

During the visit, the Lithuanian delegation discovered Borås’ strategic approach to becoming an accessible city. Participants learned how the city administration and other stakeholders cooperate to improve accessibility. They got acquainted with accessibility indicators and the city’s accessibility database. The delegation also visited public infrastructure sites that apply good practices for ensuring equal access: special needs school, recreational area, social care home, Borås zoo, etc.

“This visit to Borås city, which has won the European Access City Award, shifted our mindset to another level. We could see in practice that tremendous results are possible if there are constant priorities. TAIEX-REGIO PEER 2 PEER opened opportunities for us to learn from another country, adopt its good practices and develop competencies that we need to implement European Regional Development Fund projects and achieve more effective results.”

Justina Jakštienė, Head of social infrastructure projects unit, CPMA
The strongest lesson the visiting delegates took away was that accessible infrastructure should be designed to meet the needs of all inhabitants, regardless of ability – following a concept known as ‘universal design’.

Delegates found the examples of how Borås applies this principle particularly useful. They were impressed by the high standards of accessibility in infrastructure, whether publicly, privately or NGO-managed. The examples demonstrated how accessibility can be integrated into all stages of infrastructure development, from planning to design and construction. They also saw how good classification, management and availability of data can help promote equal access to public services.

Since the visit, the CPMA participants have shared their new experiences and knowledge widely within the country, including with specialists from various Lithuanian government departments, municipalities, NGOs and other beneficiaries.

CPMA now promotes accessibility best practices gleaned from Borås in Lithuanian public infrastructure.

In May 2017, delegates from the Spanish regions of Aragon, Castile and Leon, and Castilla-La Mancha, the region of Evrytania in Greece and the Croatian County of Lika-Senj visited Highlands and Islands Enterprise (HIE) in Scotland in the United Kingdom.

Participants were there to see solutions from this Scottish government development agency that have reversed depopulation and created sustainable local economic growth in the remote Highlands and Islands region.

All of the regions which participated in the exchange face similar challenges. They have areas that are among the most sparsely populated places in the EU and have to deal with challenges arising from an ageing population, depopulation and economic stagnation. These are issues that impact rural regions throughout Europe.

Initiated by the Government of Aragon, the three-day visit provided participants with examples of best practices HIE implemented to make it more attractive for people to live and work in the region.
Participants heard from HIE staff about the challenges and characteristics of the Highlands and Islands region, and the solutions HIE implemented to address them. They studied the agency’s good practice on such topics as the development of local businesses and communities, the opportunities offered by digital connectivity and educational measures that help to attract and retain young talent. Extensive visits to communities, businesses and a health-science campus demonstrated HIE’s solutions in practice.

Partnerships play an important part in addressing the challenges. Participants examined the roles of regional, national and European partners, along with social enterprises and the region’s university.

Overall, the visit provided a wealth of lessons and tools from HIE that participants can use to improve their economies and the quality of life in regions affected by depopulation trends. For example, the Government of Aragon used the experience to inform the drafting of a regulation on how to reverse rural depopulation.

The participating regions are now exploring opportunities for future partnerships. Meanwhile, participants have drafted a report “Successfully Combating Rural Depopulation through a New Model of Rural Development: The Highlands and Islands Enterprise Experience”. This is intended as a starting point for debate across the European Union on this subject matter.

“Through TAIEX-REGIO PEER 2 PEER, we received exhaustive information about the daily work of a public organisation responsible for the social and economic development of Highlands and Islands region, which has previously faced the challenges related to depopulation and stagnation. We could also hear about the experience from other regions with similar problems which joined the exchange. It has, without doubt, made possible a wide range of future joint initiatives between regions with similar demographic challenges.”

Joaquin Palacin Eltoro, Director General of Territorial Planning, Government of Aragon
In April 2017 the Commission published the report on “Competitiveness in low-income and low-growth regions”. The document focused on 47 lagging regions in 8 Member States: ‘low-growth regions’ with a GDP close to the EU average but with low growth rates (Italy, Spain, Greece and Portugal) and ‘low-income’ regions with a low GDP but with an encouraging upward curve (Bulgaria, Romania, Hungary and Poland).

In parallel to the analytical work, the implementation strand of the Catching Up Regions Initiative was launched. The initiative aimed to provide hands-on expertise to the selected low-income regions with the aim of removing barriers to their growth and innovation and ensuring a better use of European Structural and Investment Funds (ESIF).

The European Commission works with the World Bank in this initiative to provide additional development expertise and support. In partnership with national and regional authorities, experts from both institutions identify constraints to growth and investment in a region and develop a detailed plan to implement solutions.

Four pilot regions have taken part in the initiative so far: the Świętokrzyskie and Podkarpackie regions of Poland and the North-West and North-East regions in Romania. A Commission assessment of the Polish pilots in May 2017 found that they had successfully addressed bottlenecks to competitiveness, while in Romania the pilots led to a more efficient use of EU funds.

The initiative is now being rolled out to other regions, for example with a programme for Prešov in North-East Slovakia announced in January 2018.

Podkarpackie has a high level of private research and development investment, particularly in the aviation industry, where the region accounts for 90% of Polish aircraft production and over 23000 jobs in the sector.

Despite this investment, the region has a low rate of spin-off and start-up formation, with poor links between private companies and universities and research centres. The ‘Catching Up’ initiative helped Podkarpackie identify measures that could foster more
dynamic collaboration between researchers, innovators and businesses and a more supportive business environment for all sectors.

At the heart of this transformation was the creation of the Podkarpackie Region Innovation Centre. This technology transfer office gives companies better access to research facilities at the region’s universities, identifies university research with market potential, supports its commercialisation and has a prototyping workshop for students. World Bank and Commission experts designed the centre based on European best practices (Leuven, Toulouse and Aalto), which were adapted to local requirements.

Another outcome of the initiative is an innovative voucher scheme for tailor-made business services for SMEs from underdeveloped districts. This support is provided as part of the EU’s 2014-2020 operational programme for the region. The scheme offers easier application procedures compared to traditional grant programmes and effective quality assurance mechanisms. It envisages various types of services, from basic to more strategic ones, to address diverse firms’ development needs. The scheme is demand-oriented. SMEs select a service provider with a required level of quality through an online platform – the Podkarpackie Business Support Platform.

Podkarpackie has also simplified procedures for creating a limited liability company, which before the implementation of the initiative took over a month. Measures from the ‘Catching Up’ initiative included improvements in online business registration platforms, guidance on the process for entrepreneurs and changes to speed up paper application processing. More efficient inspections for the food sector and steps to adapt the Rzeszow functional area’s spatial development plans to better meet the needs of residents and businesses are part of the agenda to improve Podkarpackie’s business environment.

This pilot was an example of how stakeholder and expert collaboration can achieve results quickly. Once the experts had given their basic recommendations, it took just two months for the Commission, World Bank, Podkarpackie’s regional authority, the Polish Ministry of Economic Development and local stakeholders to agree on a detailed plan for the project.

Teams for each task included local and international experts, who held regular meetings with local and regional stakeholders and carried out monthly field visits. This close contact allowed the region to adapt the plan to new information and to respond to stakeholders’ needs and requests.

The initiative’s flexible, customised approach has allowed Podkarpackie to develop effective collaboration methods for shaping the development policy. These methods are now being applied to other projects being carried out by or with the participation of Podkarpackie local authorities.

“Working with the European Commission and the World Bank has brought us benefits on many levels. These include the direct results of the ‘Catching Up Regions’ project, such as the Podkarpackie Region’s Innovation Centre and the Business Support Platform. The collaboration allowed for a fruitful exchange between our regional officers with the Commission, improving our mutual understanding of expectations.”

Władysław Ortyl, Marshal of the Podkarpackie Region
Smart specialization is a concept that can help regions unlock their innovative potential and so boost economic growth and prosperity. For smart specialization to work, regional policymakers engage with local stakeholders such as SMEs, universities and industrial clusters to rigorously assess the strengths and weaknesses of the local economy. Then they set about developing a regional smart specialization strategy (RIS3) for their region that could kick-start innovation and investment in selected areas.

Delivering an effective RIS3 is a complex task, which is why the European Commission established the S3 Platform in 2011. Run by the Joint Research Council (JRC), the Platform offers science-based policy advice to Member States and regions for the design and implementation of their strategies.

The Platform has lots to offer to national and local innovation policymakers. It can provide guidance materials and good practice examples, facilitate peer-reviews and mutual learning, and help regions access relevant data. Training packages are also on offer to get policymakers up to speed. In addition, outreach seminars are held across Europe to explain and promote the RIS3 concept. A ‘Smart Stories’ section features contributions from regions that have already started to apply their strategies.

Registration to the S3 Platform is open to all EU regional and national administrations, as well as candidate and neighbouring countries. Workshops are available for registered regions, which address specific areas of concern to policymakers charged with drafting effective strategies.

Unlocking potential in Sweden

Sweden’s Värmland region used the services and expertise of the S3 Platform to help shape its smart specialization strategy and deliver real innovation in a variety of sectors. Värmland’s analysis of its own smart specialization capacities and innovation potential came up with five priority areas:

- forest-based bio-economy
- digitisation of welfare services
- advanced manufacturing and complex systems
- nature, culture and place-based digitalised experiences
- system solutions with photovoltaics.

These areas of focus are complemented by a cross-cutting specialisation entitled ‘value-creating services’. The goal here is to improve the way the private and public actors contribute to value creation for the benefit of customers, service users and society as a whole.
In addition, the Värmland Region European Office in Brussels has joined the European Regions Research Innovation Network (ERRIN) and the Vanguard Initiative, which also support smart specialisation.

Värmland’s approach is beginning to bear fruit. An Academy for Smart Specialisation coordinates researchers from different disciplines and facilitates contacts with businesses. The Academy is a collaboration between Karlstad University and Region Värmland. All projects focus on research that is relevant to the region’s smart specialisation priorities.

Moreover, a large number of activities are underway within the high-priority area of developing a forest-based bio-economy. The key actor here is the forest industry cluster Paper Province, which supports business start-ups and greater collaboration within the industry.

The cluster has joined other regional bodies to play an active role in the Vanguard Initiative. An incubator, Sting Bioeconomy, has been established in partnership with the forestry industry, the university, municipalities, and a leading international incubator. Talks are also underway with two Swedish and four Norwegian regions to develop a joint innovation system which will further advance the forest-based bio-economy.

Moreover, Värmland’s innovation managers have come together with colleagues from two neighbouring regions to develop a joint smart specialisation project. This development provides cutting-edge expertise to explore issues relating to smart specialisation including cluster development, monitoring progress, collaboration with universities, communications, internationalisation and policy development.

“RIS3 provides the opportunity for a dialogue and a strategic approach to business development, research, innovation and skills development that increases the chances of achieving our goals of transforming and renewing the local economy. The Värmland region is now perceived as an attractive partner for development projects, and has a greater impact on national and EU policy. The latest news is that the region has been chosen for the European Commission’s Industrial Transition Regions pilot.”

Anders Olsson, Manager of Research and Innovation
Bodies involved in administering the European Regional Development Fund and Cohesion Fund can call on a free-to-use resource to help them boost staff performance.

The EU Competency Framework can be used to identify the skills and knowledge employees need to successfully manage EU funds. It is available for national coordinating bodies, managing, certifying and audit authorities, joint secretariats and intermediate bodies. A complementary web-based self-assessment tool allows employees to rate their own levels of proficiency and then compare it with their supervisor’s assessment and development goals laid down in the Framework. Administrations can also compile the self-assessments to provide an overview of their overall performance and areas for improvement.

The results gained through the self-assessments are used to inform a learning and development plan to help employees and the institution as a whole fill gaps in their competences. Plans could include the delivery of classroom-based and on-the-job training as well as seminars and presentations of good practice for existing staff. They could also suggest the recruitment of new talent or the need to outsource to complete certain tasks more efficiently.

Use of the EU Competency Framework is voluntary and the Commission does not see data or benchmark results. The Framework’s bespoke website is now up and running with information available in English, with other languages to follow. Administrations must contact the Directorate-General for Regional and Urban Policy to access the tool.

Driving change in Austrian managing authority

The Secretariat of the Austrian Conference on Spatial Planning (ÖROK) is the managing authority for the ‘Operational Programme: Investments in Growth and Employment Austria 2014-2020’. It used the EU Competency Framework as part of a pilot project that also involved managing authorities from Bulgaria, Estonia, Greece, Hungary, Poland and Romania.

ÖROK found the answers provided through the self-assessment tool to be particularly useful as means of creating an individual profile for each of its employees.
The Framework promoted deep discussions between employees and supervisors about skills assessments, which led to a common understanding of each person’s qualifications for their roles. Jointly identifying training gaps means that learning options can be adapted more closely to an individual’s needs and responsibilities.

A final report was produced that contained a list of possible training courses for employees, as well as details about networks that promote know-how on the implementation of EU funds.

While the list of training options is now being used to meet individual employee objectives, the networking information has confirmed the managing authority’s strategy as a whole to improve its corporate knowledge of EU funding issues. For example, it has joined IQ-Net which brings together regional partners from across Europe to improve the management of structural funds programmes.

Using the Framework helped everyone working at ÖROK come together to talk openly about skills needs for different jobs and the abilities of each employee. The information will be used in the preparation of the annual work plan.

The ÖROK team recommends the Competency Framework to other institutions that are involved in administering EU funds like the ERDF. The Framework’s flexibility is a particular strength. The fact that it can be customised to meet the needs of different organisations means that it can be successfully implemented across the EU.

“The Competency Framework has helped us to determine an appropriate level of knowledge through a structured dialogue between managers and employees, in addition to identifying specific training needs. As always, in an exchange with partners from other Member States, there was also the opportunity to learn about management practices in other countries, to reflect upon them in comparison with our own, and to draw experience from them.”

Markus Seidl, Managing Director, ÖROK-Secretariat
Taking action in Greece

The managing authority for the ‘Western Macedonia Regional Operational Programme’ in Greece began using the EU Competency Framework as a pilot scheme involving half of its employees.

The results have spurred the authority to use the Framework more widely and to make far-reaching changes in training provision and personnel development. In fact, based on the results of the pilot project, the authority is going to revise its entire human resources strategy.

The authority found the Competency Framework and self-assessment tool to be extremely thorough in defining tasks and sub-tasks. This has helped both the institution and its personnel develop new procedures or adjust existing ones. The Framework allows for a qualitative – as well as quantitative – assessment and classification of competency gaps. The pilot self-assessment tool therefore provided significant assistance to the authority in terms of re-defining training priorities.

After using the resource, the authority took immediate action by creating a training and development plan, which included the following measures:

■ the delivery of training by specialised providers in areas such as programme and project monitoring, financial management of projects, communication and evaluation;
■ Peer-to-peer, on-the-job training on a range of subjects including project monitoring, financial management and setting-up systems;
■ networking sessions and the use of good practices covering programme monitoring, evaluations and communication;
■ use of outsourcing to deal with technical issues, evaluations and auditing.
“Implementing the pilot scheme helped everyone involved to gain a much better understanding of the EU’s philosophy with regard to the Competency Framework and, at the same time, it helped the authority to become much more aware of its training needs. It also encouraged us to take further action by planning initiatives to give better and more targeted information to the beneficiaries of the operational programme and to further disseminate the results of EU policies.”

Haralambos Kiourtsidis, Head of Managing Authority for the West Macedonia OP

The Framework and self-assessment tool proved so useful that the managing authority is expanding its use to cover all of its employees. It is using the results to establish an annual training plan to address skills gaps. In the longer term, the authority aims to use the self-assessment process on a yearly basis. Those using the tool will include newly appointed staff and those transferring to new jobs internally. The task of further implementing the Competency Framework has been assigned to the quality team.

The authority intends to present the Competency Framework to other institutional bodies in Greece.
The European Commission has put in place an action plan which includes a series of initiatives to help administrators and beneficiaries of EU funds improve their public procurement practices. A key goal is to find effective ways of sharing and transferring knowledge on the subject between Member States.

One of the actions is an e-library of good practices which provides an in-depth analysis of procurement issues across all 28 EU countries. The case studies are aimed at policymakers and public officials who are designing and implementing public procurement systems. Each fiche contains a summary of the good practice, a description of its impact, key success factors and inputs required for smooth implementation.

The Commission has also published ‘Public Procurement – Guidance for Practitioners’, which outlines ways to avoid common errors related to procurement for projects that receive EU structural and investment funding. The document is aimed at procurement officers working for contracting authorities responsible for tendering for works, goods or services. Managing authorities may also find the guidance useful as they conduct checks on public procurement instigated by EU-grant beneficiaries. The guide includes a toolkit of resources which addresses specific topics in detail, such as risk and contingency planning, designing selection criteria, writing specifications and compliance.

Another action recently launched by the Directorate-General for Regional and Urban Policy in cooperation with the OECD is about promoting the added value of strategic procurement in the context of Cohesion Policy. This pilot project will offer practical “hands-on” support to authorities managing the funds and demonstrate how the principles of innovative, green and inclusive procurement can be applied in daily practice. The lessons learnt from these pilots will be disseminated afterwards and will show how strategic procurement can contribute to jobs and growth in a sustainable manner.

The Commission also runs training seminars for administrators and technical experts who have to manage EU funds in their Member States and regions. One recent seminar examined key challenges in strategic public procurement. The two-day course focused in particular on issues relating to innovative, green and socially responsible procurement.
Seminar builds understanding

Teofil Gherca is Head of Unit for Administration and Management at ESPON EGTC, a European grouping on territorial cooperation based in Luxembourg. The organisation provides regions with policy support and territorial research relating to the EU’s Cohesion Policy and its funding instruments.

It is part of Teofil’s job to use public procurement procedures to buy services for ESPON EGTC, which itself receives support from the European Regional Development Fund. He took part in the training seminar ‘Key changes in public procurement directives & strategic procurement (innovative, green & socially responsible procurement)’.

“The training offered me the opportunity to understand that public procurement should be seen more as an opportunity than a challenge,” explains Teofil. “In the context of the programmes financed by the European Structural and Investment Funds, strategic public procurement could be a very useful instrument to achieve our objectives.”

For its current financing period, the ESPON Cooperation Programme replaced grant subsidies with service contracts, which means the organisation is using public procurement procedures to select its research providers. The transition is seen as a challenge because changing the system can lead to errors. Despite these potential hurdles, Teofil aims to be even bolder and more innovative in the use of the public procurement to achieve ESPON’s strategic objectives.

Participants to the seminar examined various situations that can occur during the implementation of a public procurement. While drawing on personal experiences, they exchanged ideas about solutions to problems based on existing legislation and case law.

“I appreciated the presentation and discussion on case law, and this led me to realise that we need to adjust some of our internal procedures, especially on communicating with the bidders,” says Teofil. “We were also provided with a general picture of all the relevant issues related to procurement – strategic policy objectives, legislation, recent developments and best practices. This will allow us to analyse further specific topics that are relevant to our professional assignments.”

Because the training provided Teofil with a complete overview of the key changes in EU legislation on public procurement, he now better understands the context and different provisions of the new PP Directives that should be taken into consideration.

“The training offered me a new perspective: public procurement is not just about buying things – it is also a tool to encourage innovation and sustainability. I have passed this message to my colleagues and we are already planning to implement some innovative procurements as a basis for a more extended use of this type of procedure in the future.”

Teofil Gherca, Head of Unit, Administration and Management, ESPON EGTC
Public support is vital for regional development. EU state aid rules make sure that such support does not distort Europe’s internal market. The European Commission supports national and regional authorities in Member States to navigate these complex rules in order to achieve both goals: regional development and fair competition within the internal market.

The European Commission organises different kinds of training for authorities applying state aid rules to European Structural and Investment Funds. The general state aid seminars explain how to apply state aid rules in the context of Cohesion Policy, touching upon topics like the General Exemption Block, regulation, *de minimis* aid or simplified cost options. They target Cohesion Policy practitioners who are not experts on state aid.

Thematic seminars focus on state aid for specific sectors, such as SMEs, broadband or research, development and innovation (RDI). They are more targeted to state aid specialists with a link to Cohesion Policy. All training materials are also publicly available on the website of DG Regional and Urban Policy.

The European Commission will also offer specialist training for national audit authorities and organise roundtables to discuss in-depth topics such as aid for infrastructure projects.

Authorities giving aid tend to avoid complex state aid schemes by relying on simple but often inefficient solutions, such as *de minimis* aid. To avoid this trap, national and regional bodies can request direct assistance from the European Commission in form of an external state aid expert who would provide independent advice.

Adding value in technology transfer

A priority in Romania’s current regional operational programme is to support technology transfer and innovation take-up by SMEs for smart, sustainable and inclusive growth.

To meet this goal, the programme’s managing authority planned to fund infrastructure investments and technology transfer services. The idea was to use regional investment aid for infrastructure and *de minimis* aid for technology transfer services.

However, both options were limited. Regional investment aid can only fund up to half of the cost of large undertakings, and then only the initial investment rather than operational costs. Meanwhile *de minimis* aid has a ceiling of EUR 200,000 for the whole project over three years.
When the Romanian managing authority asked for support, the European Commission contracted Cristina Lungu. She is a state aid expert with more than 10 years of experience at the Romanian and EU competition authority.

Ms Lungu analysed the situation and explored options to use the funds more efficiently within EU state aid rules. She advised to structure the financing for technology transfer organisations and science and technology parks in such a way that it would be classified as non-aid. This freed it from the restrictions of regional investment aid and de minimis aid.

In turn, the SME support could be qualified as ‘innovation aid’, as long as the aid complied with the General Block Exemption Regulation (GBER). This meant that the Romanian managing authority could invest up to EUR 200,000 per SME over three years for technology transfer and fully fund all innovation advisory or support services.

Key stakeholders in the technology transfer scheme helped Ms Lungu to come up with her recommendations. In a meeting in Bucharest, she explained to stakeholders how state aid rules would apply to the scheme and what financing options were available.

The meeting was also an opportunity for stakeholders to comment on the guides for funding applicants, which were then revised, and for Ms Lungu to note questions that the Managing Authority later clarified with the Romanian Competition Council.

“Cooperation between the national, EU authorities and industry stakeholders was excellent,” she says. “The pool of thematic experts initiative not only substantially increased the funding available for technology transfer in Romania, but also created a sense of shared ownership of the project.”

She found that work with an established network of stakeholders also improved her technical knowledge.

“It has been a very enriching experience and an opportunity to learn for all involved,” she says.
Corruption has important economic and social costs. Public procurement is often perceived as a corruption hotspot. To improve transparency and efficiency in public contracting for EU-funded projects and increase the effectiveness of the EU investment on the ground, the Commission and Transparency International (TI) are promoting the use of Integrity Pacts. The initiative – launched in 2015 – contributes to better protecting the EU taxpayers’ money and to enhancing accountability and trust in public authorities, thus benefitting both citizens and businesses.

The “Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds” pilot project brings together public authorities, private sector and civil society.

An IP is a legally-binding agreement between a contracting authority, bidders and an independent civil society monitor who oversees implementation of the pact and ensures all parties uphold their commitments. The IP aims to strengthen transparency and accountability, reinforce trust and reputation, save money and intensify competition through better procurement. Beyond the clear benefits for the society and the economy, Integrity Pacts can also trigger institutional changes, such as increased digitalisation, simplification of burdensome administrative procedures, improvements in the regulatory environment and eventually improved governance and administrative services for people and companies.

A total of 17 projects co-financed by the EU were selected to pilot Integrity Pacts in 11 EU Member States: Bulgaria, Czech Republic, Greece, Hungary, Lithuania, Latvia, Slovenia, Portugal, Romania, Italy and Poland. They cover a wide range of sectors: from research and innovation to environment and culture, from transport and territorial development to institutional building and healthcare.

In addition, TI and the partner civil society organisations are providing training on anti-corruption, transparency and capacity building to those involved in the IPs.

The experience from these pilots will be further disseminated and can be applied to other EU co-financed projects in the future.
Keeping hospital renovation on track

Corruption in public procurement is a serious issue and no EU country is immune. This is true also in Slovenia, particularly in areas such as infrastructure and healthcare. In the past, Slovenia had experience with hospitals being poorly built and furnished with equipment that costs more than it should.

That is why one of the first IPs to be signed tackles these issues head on and provides oversight of the introduction of energy efficiency measures at Trbovlje General Hospital, which lies 60 km east of the Slovenia’s capital Ljubljana. Slovenia’s Ministry of Health is partnering with TI Slovenia in this endeavour.

The IP has a strong emphasis on ensuring that all parties involved in the tendering process focus on their social responsibilities to provide a safe, good quality project for the hospital’s staff and patients. TI Slovenia is actively working on raising public awareness about the IP whilst contractors will be expected to buy in to the IP ethos by demonstrating honest business practices. Also, as part of its oversight, TI Slovenia is developing procedures to ensure safe reporting channels for whistle-blowers.

The IP is a continuous learning process: the contracting authority is improving its capacity to run complex procedures while TI Slovenia is increasing its capacity to monitor public procurement and its ability to identify risks and irregularities. All actors involved will use this knowledge to further strengthen their risk prevention mechanisms, as well as to develop whistle-blower protection programmes. Meanwhile, people using the hospital will be more informed on how public money is spent on the project for better results.

The success of the project will have a wider impact because EU’s Cohesion Policy is a key contributor to Slovenia’s infrastructure development, including investments for energy efficiency improvements in public buildings.

“Our Integrity Pact seeks to increase transparency of the procurement process and involve affected communities in the monitoring activities. If we manage to achieve both, we are certain to improve the levels of public trust which in Slovenia are among the lowest in the EU. This can have a positive effect on the participatory and democratic processes and on institutions in general. Not knowing enough about public procurement additionally fuels the distrust – but we are aiming to overcome this by using the Integrity Pact.”

Sebastijan Peterka, Project coordinator and researcher
Transparency International Slovenia
Public scrutiny of major cultural projects

Famed since antiquity for its great wealth and luxury, the 2,800-year-old Greek city of Sybaris had become a lost part of Italy’s history, buried without a trace somewhere in the Calabria Region until archaeologists discovered its ruins in the mid-20th century. Now it is considered one of the most important archaeological sites in southern Italy.

The Ministry of Cultural Heritage has established two major science and tourism projects to restore and preserve Sybaris. The first project involves the modernisation of the Sybaris Museum; the second will allow visitors access to a Roman-era religious temple known as the ‘White House’, which was discovered by archaeologists during recent excavations. Worth a combined EUR 2 million, these public works receive money from EU funding.

ActionAid Italy is monitoring both contracts using an IP mechanism in partnership with two independent NGOs – Monithon and Gruppo Abele. The objective is to ensure that the public procurement contracts for the projects are run successfully and deliver on their objective, i.e. to preserve vitally important ancient history, and also benefit nearby communities economically and socially.

The IP has featured the role of the ‘citizen monitor’, allowing members of the public to act as qualified observers of the local public authority’s decision-making process. The monitoring community has been established involving people from the local area and from other cities in Calabria. ActionAid is organising training webinars and monitoring classes to address issues such as rules on procurement, access to information, open government, and participatory mapping.

“There are many benefits from using an Integrity Pact on these important projects. The presence of a third party ensures that procedures are being followed in the proper fashion. The Pact has also enabled us to share knowledge about public procurement and reinforce people’s right to access information. Moreover, the tools we are creating to prevent corruption will benefit both the public authority and the bidding companies.”

Christian Quintili, ActionAid, Italy
Through the IP, regular meetings and discussions regularly take place – moderated by ActionAid – between the citizen monitors, the public authority and contractor firms. Additionally, a specific training has been developed for local authority officers to help them understand the IP and the instruments available to prevent corruption. The training will also help officials to establish a good dialogue with the general public.

Work is also in progress to improve the way digital documents are exchanged and to develop an Open Data tracing system that includes all project participants. The goal here is to increase the transparency of the tendering process.
JASPERS (Joint Assistance to Support Projects in Europe) provides independent advice to organisations so that they can prepare high-quality projects that are co-financed by the European Regional Development Fund (ERDF) and the Cohesion Fund. JASPERS’ technical assistance relates specifically to the preparation and submission of ‘major’ infrastructure projects such as building new roads and railways, constructing water and waste treatment plants as well as the development of large energy and urban transport initiatives.

The goal is to ensure that EU funds are well spent through projects that run to the highest possible technical, social and environmental standards. JASPERS expert staff can offer advice to authorities on strategic planning to ensure that the best quality projects will be realised on the ground. Help can include assistance to draft documents relating to project development and advice on addressing issues connected to EU legislation.

JASPERS provides independent quality reviews of project proposals, which can speed up EU approval procedures by preparing the ground for European Commission decisions on investments. In addition, the programme connects with the European Investment Advisory Hub*, which has been designed as a single point of contact offering a range of advisory and technical assistance.

JASPERS support is provided through a partnership between the European Commission, the European Investment Bank (EIB) and the European Bank for Development and Reconstruction (EBRD). Assistance through JASPERS is free of charge to local, regional and national authorities and project promoters.

* http://eiah.eib.org/
Helping to deal with technical procedures

In Slovakia, JASPERS expertise was called on during the development of a number of projects to build sections of the D1 motorway, which links the country’s capital Bratislava with the Ukrainian border. The sections received financing from the Cohesion Fund.

JASPERS helped Slovakia’s National Motorway Company to produce an environmental impact assessment report on the construction of 15 km of the D1 between Hubova and Ivachnova. The report includes technical procedures to prevent changes in hydrology resulting from tunneling work. In response to this document, the company is now also working on planning documents for other sections of the motorway so that it can estimate the impact of the construction on hydrological conditions. Thanks to the collaboration with JASPERS, it will also be possible to define technological measures that comprehensively protect Slovakia’s water resources.

A second project to construct a 13.5 km stretch of the D1 between Lietavská Lúčka and Dubná Skala also received help from JASPERS. Professional assistance was provided for the drafting of documents related to compliance checks. The guidance helped tackle challenges linked to water directives and the environmental impact of the section. Another D1 project, building the road between Budimír – Bidovce, has received help for the drafting of documents for an evaluation report about public procurement issues.

“Based on our experience, it can be stated that the cooperation with JASPERS has made a major contribution to improving the professional quality of our transport proposals. This has strengthened our position significantly in terms of defending the projects from the perspective of Slovakia’s transport and economic needs.”

Ing. Ján Ďurišin
CEO of Slovak Motorways Company
Cooperating with JASPERS to produce these guidelines has made it possible to defend the value of other major investments in transport infrastructure before the European Commission, including plans to build complex sections of the D3 motorway. For example, the construction of a 4.25 km stretch of the dual carriageway near the city of Žilina presented huge challenges for engineers. Just 90 metres of the new section is ordinary road, the rest is carried by tunnel or viaduct. The section costs around EUR 244 million, with EUR 202 million coming from the Cohesion Fund.

In general, involving JASPERS to support projects has helped to build confidence in the country’s delivery of large-scale EU-funded investments. The technical and methodological guidelines produced for the preparation of transport projects – plus help to draw up cost-benefit analyses – have improved quality standards over the past four years.
Practical support to address training needs

In Slovenia, JASPERS has been used to help develop training in the area of environmental impact assessment – addressing needs at both strategic and project level. The Ministry of Environmental and Spatial Planning worked with JASPERS to analyse weaknesses and drafted a training Action Plan for 2015 to 2019.

The plan provides 13 training modules covering issues such as climate change assessments, the EU’s framework directives for water and habitats, strategic assessments and national spatial planning, and the effects projects can have on the environment, cultural heritage and health. The training also covered ways of including the public in assessments, cross-border environmental issues and good practice in carrying out assessment acceptability in protected areas.

Overall, the training strategy devised with JASPERS has helped to improve the management team’s ability to understand the entire environmental impact assessment process and the advice given by specialists in this area. Seminars held to improve understanding of the EU’s framework directives and how they relate to one another were extremely valuable. Other seminars which proved to be particularly useful covered aspects like forecasting, dealing with cumulative impacts on the environment, evaluating water resources, as well as climate change and cultural heritage. JASPERS provided real examples delivered in a clear, technically sound manner.

According to the Ministry, one of the main advantages of working with JASPERS through this initiative has been advancing cooperation between experts who inspect projects and the national authorities which carry the strategic assessments to ascertain future environmental impacts. Bringing together both types of assessment delivers a more unified, coherent assessment process.

“The real advantage of implementing the training action plan was that our work has been supported technically and that various experts put forward by JASPERS have become involved in our processes. We believe that this has helped to ensure the sharing of experiences between national and European levels, which is beneficial for everyone. JASPERS is very good at recognising practical problems for national institutions and makes its professional checks and instructions available in a way that provides scope for practical application.”

Vesna Kolar Planinšič, Head of Strategic Environmental Assessment Division Ministry of Environment and Spatial Planning, Slovenia
Italian authorities charged with managing operational programmes co-financed by the European Regional Development Fund (ERDF) and European Social Fund (ESF) can call upon a successful measure to increase their efficiency, speed up distribution of funding and help beneficiaries.

The Administrative Reinforcement Plan (ARP) was launched across Italy in October 2014. ARPs involve 29 different authorities – 21 regions and eight ministries – and around 5,000 officials who oversee ERDF and ESF investments. Altogether, the authorities working with ARPs are already implementing more than 900 improvement measures.

When implementing an ARP, a managing authority must first identify problems affecting their supervision of an Operational Programme and then develop a detailed action plan to carry out improvements, which must be completed in two years.

Each intervention in the plan must have a quantifiable objective, explain who is responsible for the subsequent work and provide a scheduled completion date. The targets laid down in an ARP can include a range of activities, such as simplifying paperwork, reducing the administrative burden on project beneficiaries, speeding up decision-making and eliminating accounting errors.

The ARP methodology has been designed so that the implementation of measures and attainment of targets can be verified and guaranteed by the relevant administrative authority as well as a political authority – such as a governor or a minister. The goal is to avoid a top-down process by putting the managing authority itself in charge of making all the necessary changes. The European Commission’s role is to check ARP obligations are being met – and intervene if there are any problems.

To help oversee and monitor the implementation of ARPs, the Italian government created the ARP Steering Committee and the ARP Technical Secretariat. The Secretariat has in turn established an ARP Technical Coordinators’ Network, which has had a significant impact on the introduction of plans.

This network has been working since 2015 to build the competences of its members. In the new ARP phase (2018-2019), the network intends to form a contact and reference point for technical coordinators, which managing authorities can also access. The network allows coordinators to monitor the implementation of ARPs at the local level and contribute to on-going improvements to the instrument nationally.
In order to consolidate the network, the ARP Technical Secretariat intends to improve the technical panels, created for the second phase of ARPs. This action will enhance dialogue on topics common to ARPs, such as introducing cost simplifications and defining standards for public tenders. Among its other roles, the network also works to identify and share good practices.

The type of actions proposed by the administrations working with ARPs relate primarily to the definition and use of simplification methods, which will reduce the administrative burden on beneficiaries. Other components are modelling and process standardisation, and strengthening of management information systems support for the Programme’s reporting and controlling activities. Digitalisation, e-government and work to define business intelligence Information Systems will also help to better manage the operational programmes.

Other developments in the second phase of ARPs include the construction of a digital platform to boost stakeholder engagement and accountability in the ARP process. The platform will allow comparisons to be made between the performance levels achieved by the regional organisations involved in ARPs.

The second phase also includes efforts to simplify and standardise the ARP process. A structured, self-assessment questionnaire has been introduced as a way for each managing authority to present their next interventions, objectives, critical issues and implementation requirements.

Also in the second phase, those delivering ARPs will be expected to develop communication activities to strengthen public engagement with the process. In addition, the quality of monitoring activities will be improved, especially relating to the meeting of action plan targets.

“The ARPs are a cultural initiative and are generally recognised by the managing authorities as providing an important opportunity for growth. The ARP trial has enabled us to reinforce the process for analysing and identifying the management of weaknesses. It has made it easier to select improvement actions which can make the administrative machine more efficient. ARPs also provide a structured process of increasing responsibility which involves everyone charged with running an operational programme.”

Dr Riccardo Monaco and Dr Giorgio Centurelli, Members of the ARP Technical Secretariat for the Agency for Territorial Cohesion
TAIEX-REGIO PEER 2 PEER:
http://ec.europa.eu/regional_policy/p2p

CATCHING-UP REGIONS INITIATIVE:

TRAINING FOR MEMBER STATES EXPERTS:

COMPETENCY FRAMEWORK:
http://ec.europa.eu/regional_policy/competency

GUIDANCE ON PUBLIC PROCUREMENT:

INTEGRITY PACTS:
E-LIBRARY OF PUBLIC PROCUREMENT GOOD PRACTICES:

OPEN DATA PLATFORM:
https://cohesiondata.ec.europa.eu/

JASPERS:
http://ec.europa.eu/regional_policy/EN/funding/special-support-instruments/jaspers/

SMART SPECIALISATION PLATFORM:
http://s3platform.jrc.ec.europa.eu/

FI-COMPASS:
https://www.fi-compass.eu/

URBIS:
http://eiah.eib.org/about/initiative-urbis.htm
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