ROADMAPS FOR ADMINISTRATIVE CAPACITY BUILDING
PRACTICAL TOOLKIT

SITUATION TO BE
OUTPUTS/RESULTS
INDICATORS
GAPS & SHORTCOMINGS IDENTIFIED
SYSTEM & TOOLS
HUMAN RESOURCES
SITUATION AS IS

DELIVERABLES
TIMELINE/ACTORS
STRUCTURES
AUDIT INFO
ASSESSMENT
FOCUS GROUP(S)
US COUNTRY REPORT
SELF ASSESSMENT
REGIONAL AND URBAN POLICY
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**Glossary of abbreviations**

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACB</td>
<td>administrative capacity building</td>
</tr>
<tr>
<td>CF</td>
<td>Cohesion Fund</td>
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<tr>
<td>CPR</td>
<td>Common Provisions Regulation</td>
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<tr>
<td>CSO</td>
<td>civil society organisation</td>
</tr>
<tr>
<td>DG REGIO</td>
<td>Directorate-General for Regional and Urban Policy</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>HRM</td>
<td>human resources management</td>
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<tr>
<td>IB</td>
<td>intermediate body</td>
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<tr>
<td>MA</td>
<td>managing authority</td>
</tr>
<tr>
<td>MS</td>
<td>Member State</td>
</tr>
<tr>
<td>TA</td>
<td>technical assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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</table>

This document has been prepared by the Commission services to provide inspiration for Member State administrations seeking to develop roadmaps for building their own administrative capacities in order to facilitate the programme implementation and to encourage good practices.

The information contained therein is without prejudice to the on-going interinstitutional negotiations on the cohesion policy regulations for 2021-2027. It shall not constitute an interpretation of EU law and does not commit the European Commission. Where differences arise between the explanations given in this document and the printed text of the regulations the text published in the Official Journal of the European Union prevails. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law.
Introduction

Good governance is a crucial element of economic development and cohesion policy. It calls for good administrative capacity, meaning that the national, regional or local civil service needs to be efficient and effective in implementing the policies and/or tasks entrusted to it. Experience shows that EU Member States and regions with weak institutions have significant problems with absorbing available EU funds and putting them to the best possible use\(^1\).

The need to boost the administrative capacity to manage and implement the EU funds has definitely moved up the agenda. This is evident in the draft 2021-2027 regulations\(^2\) proposed by the Commission, which include new provisions that place more emphasis on capacity building. The aim of these provisions is to support a bespoke approach by making available a wider menu of tools and encouraging more strategic use of funding for capacity building measures. Administrative capacity is also identified as key to effective implementation of the funds, especially in the investment guidance of the 2019 European Semester country reports (Annex D).

EU Member States wishing to improve their administrative capacity are encouraged to take full advantage of the new legal provisions. One of the new features is the option of developing a roadmap\(^3\) for administrative capacity building. This is an optional document of a strategic nature that includes comprehensive measures for building capacities in managing and making use of the funds. Roadmaps have no prescribed format, and they can be developed for Member States or for individual programmes.

This toolkit is designed to provide operational insights, methodological and practical support and examples that can be used in developing roadmaps. It builds on experiences from the Pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period carried out by the OECD on behalf of and in close partnership with DG REGIO between the summer of 2018 and the autumn of 2019. In this pilot action, five managing authorities and one intermediate body\(^4\) were helped to further improve their administrative capacity. This was done

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\(^1\) DG REGIO, 2018: Seventh Report on economic, social and territorial cohesion, pp. 160-161

\(^2\) Content and references to legal provisions in this toolkit relate to the Commission’s proposals for 2021-2027 on the Common Provisions Regulation (COM(2018) 375 final) or, where relevant, the provisional common agreement on provisions related to programming reached by the co-legislators in December 2019, and to the ERDF and Cohesion Fund Regulation (COM(2018) 372 final). The toolkit may therefore need to be updated once the legislation concerned has been adopted.

\(^3\) Recital 25 of CPR

by analysing their needs and designing future actions to address them. This toolkit refers to practices, experiences and examples from the pilot action.

The **Italian Plans for Administrative Reinforcement (PRA)** to enhance administrative capacity and improve implementation of the 2014-2020 programmes co-financed by structural funds have also served as a source of inspiration, underlining the need for the Commission’s promotion of a more strategic approach to capacity building.

The toolkit falls into six main sections that reflect the main stages in the process of roadmap development.

![Roadmap sections](image)

**The first section (Why)** sets out the rationale for investing in capacity building.

**The second section (What)** outlines the various options for funding capacity building set out in the draft legislation proposed for 2021-2027 and describes how they can be combined in a roadmap for building administrative capacities.

**The third section (How)** explains the roadmap development process and methodologies, and stresses the importance of involving stakeholders.

**The fourth section (Indicators)** focuses on measuring performance. A well thought-out set of indicators is needed to monitor implementation of the roadmap and measure the success of the actions it encompasses.

**The fifth section (Roadmap structure)** gives an example of the possible structure of a roadmap for building administrative capacities.

**The sixth section (Financing not linked to costs)** provides support for Member States wishing to avail themselves of ‘Financing not linked to costs for technical assistance’. It deals with how to develop such schemes, and how to identify and price the results to be achieved or the conditions to be fulfilled. The use of indicators to measure success is also covered.
1 Administrative capacity for cohesion policy

1.1 Good governance and administrative capacity

Good governance is a crucial element of economic development and cohesion policy. Improving governance is a powerful way to drive growth. Good governance is thus directly relevant to the economic performance of regions in Europe. It is also indirectly relevant to the outcomes of other policies. Good governance helps make cohesion policy investments more efficient, boosting their impact, while also improving the overall performance of the civil service at national, regional and local level, and the quality of the services it provides to the public and to business.

Good governance should be at the heart of any policy. One-size-fits-all policies are not the solution: a differentiated, tailor made approach that uses flexible tools is needed. Improvements in governance are especially important to low-growth regions, as benefits from improvements in basic growth endowments have been exhausted. Reducing corruption and improving the effectiveness of government is the way forward5.

Good governance thus means having the right public policies in place, plus legal, institutional and procedural arrangements for implementation that work effectively. This calls for good administrative capacity, meaning that the civil service needs to be efficient and effective in implementing the policies and/or tasks entrusted to it.

An effective and efficient civil service should possess four distinct, but overlapping, capabilities: **analytical, regulatory, delivery and coordination capacities**. This includes having the capacity to define and implement strategies, including selecting and making investments to achieve cohesion policy objectives; measuring the impact on the basis of reliable data; and achieving results that are compliant with EU law, such as rules on public procurement and State aid.

In the context of managing the funds, administrative capacity refers to the ability of a public administration to manage and use EU funds effectively throughout the investment cycle and thereby contribute to successful implementation of EU cohesion policy. Experience shows that EU Member States and regions with weak institutions have significant difficulties in absorbing the EU funds available and putting them to the best possible use.

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5 Andrés Rodrigues Pose, London School of Economics (LSE), conference on Good Governance for Cohesion Policy, 24 May 2018
Administrative capacity for managing the funds is associated with a range of factors:\textsuperscript{6}

- **Structures**: the architecture for the set-up of a programme with clear assignment of responsibilities and tasks to managing authorities, intermediate bodies and other key bodies and their interrelationships largely determines the efficiency of a programme’s delivery mechanism.

- **Human resources**: securing the timely availability of experienced, skilled and motivated staff is a key success factor in managing the funds.

- **Systems and tools**: this means the availability of instruments, methods, guidelines, manuals, systems, procedures, forms, etc. These are all job-aids that can help the system work more effectively. Systems and tools make organisations less vulnerable to issues such as staff turnover, reduce the risk of malfunctioning, and improve overall effectiveness.

These factors are also reflected in the **OECD’s analytical framework\textsuperscript{7}**, which is designed to assess administrative capacity. There are four dimensions. First, people are the backbone of any organisation. This dimension examines the mix of skills and competences and related challenges. Second, the organisational dimension looks at systems, tools, business processes and culture. These should be aligned with the strategic objectives, supported by agile governance structures to facilitate effective data-informed decision-making. Third, the strategic planning dimension examines various aspects throughout the investment cycle, from strategy development, project planning and selection, to project implementation, stakeholder engagement, and monitoring and evaluation. Fourth, appropriate framework conditions are essential to create an environment enabling all levels of government to carry out public investment effectively. The enabling framework conditions across different levels of government include a fiscal framework conducive to the investment objectives pursued; sound, transparent financial management; transparency and strategic use of public procurement; and clear, consistent regulatory and legislative systems.

\textsuperscript{6} DG REGIO 2018

\textsuperscript{7} OECD (2019), Analytical framework used in the context of the pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period
1.2 Challenges affecting performance

Administrations managing cohesion policy funds face challenges that can have a major impact on their performance. Challenges can be internal, external, cross-cutting or systemic.

Internal challenges include staff skills, competencies and motivation; making the administrations attractive employers so as to avoid high staff turnover; organisational structure; and procedural rules. The administrations need to have managers with appropriate leadership skills in charge and to establish a merit-based recruitment and career advancement/management system. They should also establish simple rules, and avoid national gold plating of EU rules.

<table>
<thead>
<tr>
<th>INTERNAL CHALLENGES</th>
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<tbody>
<tr>
<td>WHAT FACTORS?</td>
</tr>
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</table>
| Structures: A well-designed organisational structure that supports policy-making and implementation is a key factor in the success of public institutions. | Key bodies for managing the funds should have:  
- well-defined institutional and regulatory frameworks  
- clear responsibilities and tasks  
- a clear, simple and transparent organisational structure that enables them to perform their tasks efficiently and is aligned with strategic objectives  
- a structure that is flexible enough to adapt to changing circumstances  
- effective coordination and communication mechanisms across structures |
| Human resources: securing the timely availability of skilled and motivated staff is a key success factor in fund management. | There needs to be a clear, strategic and comprehensive modern human resources strategy for the bodies managing the funds, developed on the basis of a sound needs analysis. It should ensure the following:  
- Clear institutional responsibilities for people management  
- Managers with appropriate leadership skills, upholding the highest standards of accountability, integrity and transparency  
- A merit-based recruitment and career advancement / management system ensuring full transparency of recruitment and appointment (e.g. open competitions), appropriate appraisal and promotion provisions (based on performance indicators), and provision for personal development  
- Fair and competitive remuneration that takes account of remuneration levels on the labour market, to retain staff and maintain or expand know-how within the administration. Any bonuses or top-ups should have a clear link to performance, which should be measured with objective indicators  
- Strategic HRM policies that take account of and address competency gaps, allow for mobility and flexibility, and collect and maintain data for decision-making  
- Professionalisation of senior civil servants and managers  
- Provision of adequate information, knowledge and competence development to enable staff to perform their duties effectively |
| Systems and tools: public institutions managing the funds need the right systems and tools to work transparently and efficiently. | Efficient systems and tools should be in place, such as:  
- Strategic approach - political and technical  
- Simple rules, no national gold plating of EU rules  
- Clear, simple and coordinated procedures, guidelines, manuals and forms to ensure that institutions maintain high levels of quality, transparency |
and resilience
  o A knowledge management system
  o Evaluation culture
  o Information management systems providing evidence and data-based input for monitoring, to improve the quality and transparency of decision-making
  o Performance management systems (e.g. effective and measurable indicators) to help institutions set goals and measure their progress towards them
  o E-cohesion
  o ICT systems to facilitate internal and external communication

The cross-cutting or systemic challenges also need to be addressed. This includes emphasising strategic planning; making decision-makers and managers accountable for performance; ensuring transparency and use of open data so as to maintain or increase public trust in the public administration and to prevent, detect and correct fraud and corruption; and engaging in coordination and interaction with internal and external stakeholders. These are examples of strategic planning and coordination and enabling framework conditions, as referred to in the OECD analytical framework.

<table>
<thead>
<tr>
<th>CROSS-CUTTING / SYSTEMIC CHALLENGES (ENABLING FRAMEWORK CONDITIONS)</th>
<th>HOW TO ADDRESS THEM?</th>
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</thead>
<tbody>
<tr>
<td>WHAT FACTORS?</td>
<td>The following elements should be in place in the bodies managing the funds:</td>
</tr>
<tr>
<td>Better policy-/ decision-making</td>
<td>o Strategic planning, procedures and mechanisms for consultation, coordination and cooperation.</td>
</tr>
<tr>
<td>Stakeholders’ ownership</td>
<td>o Open and transparent interaction and coordination with relevant internal and external stakeholders in all components of the policy / programming cycle, i.e. with national coordination bodies, relevant ministries and other competent public authorities at different levels of government, other administrative bodies dealing with EU funds, beneficiaries, regional development agencies, economic and social partners, the private sector, civil society including NGOs, etc.</td>
</tr>
<tr>
<td>Accountability</td>
<td>o Measures holding decision-makers and managers accountable for performance</td>
</tr>
<tr>
<td>Transparency</td>
<td>o Transparency to maintain/increase public trust in the administration</td>
</tr>
<tr>
<td>Prevention of fraud/corruption</td>
<td>o Effective and proportionate anti-fraud measures, including transparency and use of open data to prevent fraud and corruption, e.g. by using Arachne</td>
</tr>
<tr>
<td>Capacity of beneficiaries</td>
<td>o Boosting the capacity of relevant stakeholders, in particular beneficiaries of relevant public investment (e.g. knowledge development, project pipeline, public procurement, state aid etc.)</td>
</tr>
</tbody>
</table>
Important!

- Good governance is directly relevant to the economic performance of regions and contributes to more efficient cohesion policy investments. It calls for good administrative capacity.
- Measures to ensure adequate administrative capacity are considered enablers of cohesion policy investments. They should be an integral part of the programmes’ intervention logic.
- Administrative capacity building relies on a bespoke approach using a wide range of flexible tools.
2 Context and purpose of roadmaps

2.1 Legal provisions on capacity building (2021-2027)

The new architecture of cohesion policy after 2020 will enable each Member State’s specific needs for administrative capacity building to be taken into account through a bespoke approach. The new legal framework identifies a menu of different options to support administrative capacity building associated with fund management. Individual EU Member States should combine the various options available in the way that best meets their needs.

2.1.1 Capacity building directly linked to investments

Capacity building of programme authorities and bodies associated with implementing funds that is directly linked to investments under the ERDF or the Cohesion Fund can be supported by these funds and programmed as a type of action under any of the specific objectives. Actions could cover such initiatives as strengthening the capacity of beneficiaries such as road or rail agencies or of competent regional or national institutions or bodies responsible for managing the smart specialisation strategy.

Important:

- These capacity-building actions are not regarded as technical assistance and are therefore not included in the capped amount for ‘standard’ technical assistance.
- The amounts are taken into account for the purposes of thematic concentration.
2.1.2 ‘Standard’ technical assistance (flat-rate or real-cost)

Different types of capacity building measures needed to ensure that funds are administered and used effectively can benefit from technical assistance, as in the 2014-2020 programming period. This type of technical assistance can be programmed on the basis of one of two options for reimbursement from the Commission – flat-rate or real-cost. If flat-rate technical assistance is chosen, it means the Commission will top up interim payments to programmes by a percentage defined for each specific fund.

Real-cost technical assistance has to be programmed in a separate priority or programme for technical assistance. Flat-rate technical assistance does not require a separate priority and cannot be used if a Member State wishes to set up a national programme for technical assistance.

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Important!

- The Member State can choose between the flat-rate or the real-cost method for reimbursement of ‘standard’ technical assistance. This choice then applies to all programmes throughout the programming period; it cannot be subsequently modified.

- The amount that can be used for this type of technical assistance is limited to the percentage set in the common provisions regulation and will not be taken into account for the purposes of thematic concentration.

2.1.3 Financing not linked to costs for technical assistance

Member States can complement the ‘standard’ technical assistance and the capacity building measures directly linked to investments with a second type of technical assistance. Commission reimbursement for this second type is based on the results to be achieved or the conditions to be fulfilled. Targeted administrative capacity building measures for national authorities, beneficiaries

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8 For Interreg programmes, flat-rate technical assistance is the only available option.
and relevant partners can be supported under this option. There is no cap on the funding that can be allocated to such measures.

This type of technical assistance has to be programmed under a specific priority and detailed schemes for each financing not linked to costs actions will be adopted by the Commission as part of the programme. More detailed information on this option is available in Chapter 6.

### Important!
- These capacity building actions are not included in the capped amount for ‘standard’ technical assistance.
- The amounts envisaged are not taken into account for the purposes of thematic concentration.
- Capacity building measures using reimbursement methods that are not linked to costs are to be programmed as a specific priority of the programme.

#### 2.1.4 Combining different capacity building options

The above administrative capacity building options are complementary and can be used together (apart from the flat-rate and real-cost options, which cannot be combined). It will be up to individual Member States to select and negotiate with the Commission the right mix of options that corresponds best to their administrative capacity building needs. Moreover, actions, deliverables, responsible actors, funding options etc. can be agreed in a roadmap for administrative capacity building. Although it is not mandatory to develop a roadmap, it is regarded as good practice.

### Important!
- The administrative capacity building options proposed in the new legal framework allow flexible, bespoke approaches to capacity building of the Member States or regions.
- To tackle administrative capacity issues strategically, a comprehensive set of actions can be agreed in a roadmap for administrative capacity building.

#### 2.2 The nature of roadmaps for building administrative capacity

The roadmap is a voluntary strategic document that includes a set of comprehensive actions for capacity building for the management and use of the funds in a Member State or in an individual programme. It is designed to define and tackle administrative capacity issues, using a strategic approach that takes account of the short, medium- and longer-term perspective.
Although it is not obligatory to develop a roadmap, it is viewed as **good practice**, especially in Member States where weaknesses in administrative capacity have been identified. Developing a roadmap is a possible way of tackling capacity issues identified in the investment guidance of the 2019 European Semester country reports (Annex D).

There is no need for the Commission to formally adopt or endorse the roadmap, so it is not supposed to be part of any programme. This means that it can be readily adapted and updated as necessary at any time.

As shown below, the roadmap can include a number of actions funded under the various capacity building options covered by the new legal framework and from national resources or other technical support mechanisms.

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**Important!**

- Although it is not mandatory to develop a roadmap, it is regarded as good practice, especially in Member States whose administrative capacity needs to be strengthened further.
- It can be used as a strategic tool to identify and implement comprehensive capacity building actions.
- It can serve as a response to capacity issues identified in the European Semester country report and will facilitate negotiations with the Commission on the intervention logic of 2021-2027 investments.
3 Defining roadmaps for building administrative capacities

The process of developing a roadmap is as important as the roadmap itself, as it encourages strategic reflection on capacity building needs and how to address them. In designing a roadmap on administrative capacity building (as in any strategic document), the process of moving from the current situation ‘AS IS’ towards the desired situation ‘TO BE’ is crucial. The main steps in this process are set out below.

The following aspects are important for the roadmap’s relevance and to ensure that the appropriate parties have ‘ownership’ of it:

- A participatory approach – involving stakeholders, top management and other parties – should be used for co-designing roadmaps.
- Roadmaps should be living documents, i.e. they should be regularly monitored and updated, using the same participatory process.
- Regular communication with stakeholders helps to maintain ownership of the roadmap throughout the implementation phase.
3.1 Involving stakeholders, winning commitment and gaining ownership

Designing a roadmap is more than a technical exercise to be performed by an organisation in splendid isolation. Stakeholders appreciate consultation and involvement, which also make for a better outcome and broader ownership.

The demand for increased transparency, changing perceptions of the legitimacy of governments, and the need to involve stakeholders are pushing public sector organisations to become externally oriented, demand-driven organisations, and to develop new types of interactions and relationships with a variety of stakeholders. Public sector organisations are thus developing from closed, inward-looking service providers into open networking organisations that the general public and specific stakeholders can trust. This change occurs through transparent processes and accountability; through democratic dialogue, moving from an internal to an external focus (i.e. focus on output and outcome); and a move from a conventional ‘design-decision-production-evaluation’ cycle to one that involves stakeholders at every stage. Stakeholders thus become co-designers, co-deciders, co-producers and co-evaluators.

A mix of tools can be deployed to involve stakeholders: meetings / ‘town hall meetings’, written submissions, interviews, focus groups / workshops and surveys. It is important to ensure that stakeholders are broadly representative, to include more than just the most vocal ones or those who represent certain views, and to avoid the ‘tyranny of the majority’, where the dominant view overrides the legitimate concerns of a minority. Professional judgement is required to interpret the findings and feedback, to resolve dilemmas and to balance different views, so as to reach an outcome that can be widely accepted.

Example from the pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period

Workshops and round tables with a wide range of stakeholders were held for each participating programme. The purpose was to identify strengths and weaknesses and discuss the most urgent capacity development needs. The workshops included participants from national coordination bodies, the managing authority, intermediate bodies, relevant ministries, other ESIF administrations, regions and regional development agencies, intermediary governments, municipalities, metropolitan bodies, civil society, and other beneficiaries. The rich and stimulating discussions that ensued threw up many useful ideas providing a basis for further work. Moreover, all those involved appreciated the process of bringing these parties together to discuss common issues.
3.2 Analysing the state of play (AS IS)

Before identifying solutions and actions to be proposed, a sound understanding and analysis of the current ‘AS IS’ situation needs to be available. To build up a robust picture of the state of play, different types of information and data need to be analysed.

The EU semester country reports, which describe certain shortcomings and areas for improvement (see in particular Annex D to the 2019 reports), will provide particularly useful input for analysis. Information may also come from other sources, such as:

- self-assessment instruments, etc.
- existing evaluations, sectorial studies, etc.
- management performance information, including key performance Indicators
- stakeholder consultation (via interviews, workshops, structured discussions or focus groups)
- feedback from users, employees, etc. (questionnaires, comments, questions and complaints)
- audit findings and recommendations, incl. the programme’s error rates reported by audit authorities and ‘typologies of errors’ identified by the Commission and national audits.

The analysis should address key questions arising from internal challenges (structures, human resources, systems and tools) and external/cross-cutting/systemic challenges (coordination, policy-making, fighting corruption, etc.) Annex 1 contains a more detailed set of questions to serve as inspiration.

This exercise could potentially draw on simple techniques such as the SWOT analysis (Strengths, Weaknesses, Opportunities and Threats). This is a technique for examining an organisation’s existing internal attributes, including what works well and what needs improvement, and the external situation, to identify which upcoming developments the organisation can use to its advantage and which ones represent potential problems to be overcome.

Example from the first workshop with stakeholders held in the context of the pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period:

Based on an analysis of information collected from various sources, five topics were identified for the first workshop:

- engaging stakeholders;
- setting priorities, project selection and advance assessment;
- organisational decision-making and efficiency;
- enabling framework conditions; and
- people management, HR system, skills and training.

These topics were discussed in five different groups and participants could choose their preferred topic/group. During the first part of the workshop, each group discussed strengths/opportunities, weaknesses/challenges, and the top three priorities which could be addressed by the roadmap. During the second part, participants were asked to identify the most pressing problems, and to propose initial steps towards solving them, and the main parties responsible.

The workshop generated great interest and lively discussions among participants, leading to conclusions that could potentially feed into the roadmap on administrative capacity building.

### 3.3 Designing the future and identifying actions (TO BE)

Based on the situation analysis, organisations and relevant external stakeholders need to propose solutions, i.e. a set of actions corresponding to the issues identified. These should not be isolated, stand-alone actions. Roadmaps should make clear the links between existing problems, the actions proposed to tackle them, and the results sought. They should thus:

a) put forward a set of actions designed to tackle the problem(s) identified, and

b) demonstrate how these actions are interconnected, i.e. how implementing them will trigger a process of change.

A **problem tree** can be used to illustrate these links. The key issue (the problem) becomes the trunk of the tree, the causes are its roots, and the effects are its branches. A problem tree analysis shows the connections, and, sometimes, the conflicts and contradictions among problems; helps to pinpoint what the organisation can and cannot influence; and thus helps in setting priorities. This approach works best when it brings together different perspectives. The exercise is useful mainly because it involves discussion and debate - reviewing and, if necessary, revising the causes and effects, rearranging arguments, and/or adding further sub-divisions, as the assessment becomes more sophisticated. It can also draw attention to information gaps by highlighting what is known and what is not known, including information gaps in designing solutions.
Example of analysing staff motivation and engagement using a problem tree:

Once the tree is established, the problems can be reformulated positively in an **objective tree** and the whole exercise can act as a trigger for identifying the action to be taken. This cause-effect chain is crucial for constructing a ‘**theory of change**’; the path by which we expect the desired outcomes to materialise. Member States are familiar with similar techniques used in programming, known as ‘**intervention logic**’. The pathway of change can include intermediate steps, resulting in short-term outcomes that contribute to achieving the final outcome envisaged (a cause and effect chain of outcomes).

**Goal 1**  
Leveraging tools for employee engagement

**Goal 2**  
Enhanced career planning

**Goal 3**  
More strategic approach to HR

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**Change we want to achieve/ Final outcome**  
*Increased efficiency and staff satisfaction*
The idea is to start from the end of the pathway (the final outcome envisaged) and identify the steps (goals) needed to achieve the change. The next stage is to identify a comprehensive set of actions to meet the intermediate goals and eventually achieve the change that is the ultimate objective.

A few examples of actions that can contribute to the goals in the figure above are given below. These are inspired by actions developed by the five managing authorities in the Pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period.

<table>
<thead>
<tr>
<th>Detailed actions relating to human resources management – some examples</th>
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<tbody>
<tr>
<td><strong>Goal 1: Leveraging tools for greater staff motivation</strong></td>
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<tr>
<td></td>
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<tr>
<td><strong>Goal 2: Enhance career planning</strong></td>
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<tr>
<td></td>
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<tr>
<td><strong>Goal 3: Towards a more strategic approach to human resource management</strong></td>
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</table>

Roadmaps should not be limited to HRM topics; the administrative capacity to manage funds depends on a range of factors, as outlined in Chapter 1. Below are some examples of other types of actions.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Goal</th>
<th>Proposed actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated strategic planning &amp; implementation</td>
<td>Include the managing authorities (MA) and the regional perspective more in strategy setting for EU funds and programming</td>
<td>Conduct a strategic evaluation of priority axes including typology of projects and budget allocation, to identify the synergies that could contribute to greater territorial development</td>
</tr>
<tr>
<td>Bottom-up and stakeholders approach</td>
<td>Build a bottom-up approach to project design and implementation, to provide better support for investment in local priorities</td>
<td>Develop a modular series of educational seminars or hands-on workshops for beneficiaries and other stakeholders in areas including: strategic planning and priority setting, EU funding mechanisms, investment budgeting, project design and application requirements. Develop free online video tutorials for beneficiaries on how to apply for and manage ERDF, including the issue of eligibility</td>
</tr>
</tbody>
</table>

---

9 Examples of actions developed by the five managing authorities participating in the pilot action on frontloading administrative capacity building to prepare for the post-2020 programming period.
<table>
<thead>
<tr>
<th>Update the responsibilities and roles of the MA and IBs and enhance information sharing</th>
<th>Design and launch an internal and external stakeholder consultation process (e.g. focus group, complemented by questionnaire) to identify the capacity gaps of IBs, especially in project selection and evaluation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforce the beneficiary perspective throughout the investment cycle</td>
<td>Increase engagement across stakeholder groups by introducing a regular forum for multi-stakeholder, multi-level interaction and input.</td>
</tr>
<tr>
<td><strong>Coordination</strong></td>
<td><strong>Step up vertical coordination with regional authorities and beneficiaries</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Coordination</strong></td>
</tr>
<tr>
<td><strong>Clarity and stability of regulations</strong></td>
<td><strong>Reduce uncertainty and complexity in regulations and regulated processes</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Working within the national legislative and regulatory framework</strong></td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td><strong>Improve the quality of operations and practices</strong></td>
</tr>
<tr>
<td><strong>Financial Instruments</strong></td>
<td><strong>Investigate the potential activation of financial instruments to finance transport and environmental projects</strong></td>
</tr>
</tbody>
</table>

10 Here, a ‘town hall meeting’ means a meeting with stakeholders to discuss specific topics and gather their views.
Important!

- The roadmap should be designed in cooperation with stakeholders, using a participatory approach to ensure wide ownership, including top management.
- It should be a living document, i.e. regularly monitored and updated using the same participatory process.
- The roadmap needs to be based on a sound analysis of the problems (state of play).
- The changes needed must be formulated and comprehensive sets of actions identified that contribute to achieving the envisaged changes, i.e. the ultimate objective.
4 The search for indicators

To measure progress towards goals and objectives, it is helpful for roadmaps on administrative capacity building to include indicators. These are tools that help to measure, improve and explain performance and to coordinate and steer processes.

4.1 Role of indicators

Indicators are used to collect information on performance, and for follow-up and management. They can be used to influence and shape activities (steering and control), but are also necessary to help build capacities or improve future measures or policies, i.e. to find out what works and why (learning).

Example
While output indicators measure the specific deliverables of a given activity, result indicators capture the effects that a given activity is expected to have on individuals or organisations targeted by the activity. They differ from output indicators in that they capture a change in the situation of organisations or individuals. These measurements are highly relevant to good programme management (and necessary to achieve it).

Indicators are also used to communicate, explain and justify performance, i.e. to give account, for example to demonstrate the products, services and impact achieved.

Being accountable can mean achieving a specific result that is a condition for payment. For this particular purpose, indicators that can trigger payments need to be identified, referred to in this
document as ‘financeable indicators’. Section 6.3 deals with this type of indicator in more detail, in the context of ‘financing not linked to costs for technical assistance’.

4.2 Indicators in the roadmap

The roadmap should encompass a comprehensive set of indicators that enable:

- implementation progress to be tracked,
- the main outputs of the actions to be captured, and
- the goals (i.e. the intended change) to be achieved.

Some basic steps can help to develop this set of indicators:

1. Identify what to measure and for what purpose (in relation to clear and interlinked goals and actions)
2. Use the SMART\(^{11}\) process to develop high-quality indicators
3. Establish a reference point (baseline)
4. Set targets (milestones, where appropriate)
5. Determine the source and frequency of data collection, which should be simple, straightforward and cost-effective.

Input, activity (process) and output indicators are most commonly used, since they directly reflect the actions. Nevertheless, result indicators can be also used when appropriate.

In the example below, the activity (process) and output indicators are marked in black. The result indicators are marked in white.

---

\(^{11}\) Specific: the indicator should accurately describe what is intended to be measured, i.e. target a specific area.

Measurable: the indicator can be counted, observed, analysed, tested, or challenged. If an indicator is not measurable, it is not possible to assess progress.

Achievable: the indicator is achievable if the performance target accurately specifies the amount or level of what is to be measured in order to reach the desired output or outcome. The required data and information can be collected.

Relevant: the indicators selected must capture the essence of the desired output or outcome.

Time-bound: the indicator is attached to a specific time-frame.
Important!

- The set of indicators should be well thought through and balanced. This means the indicators must enable progress with implementation to be tracked, capture the main outputs of the actions, and measure the extent to which the goals are met. The set of indicators should also be SMART, and data collection should be simple, straightforward, and cost-effective.
5 Suggested structure of a roadmap

As the roadmap is not defined in the regulations, it can take different forms and can be flexibly adapted to different circumstances. This chapter suggests how a roadmap might be structured, i.e. what components it might include.

### Example - structure of a roadmap

- **Section 1: General aim and structure of the roadmap**
  - Introduction

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

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

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

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

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

### 5.1 Structural elements of roadmaps

**Section 1: General aim and structure of the roadmap**

The introductory part describes the overall aim(s), rationale and context of the roadmap, and shows how it is linked with the programme(s) concerned, the European Semester country report, etc.
Section 2: Methodology used to design the roadmap
Elements to be described:
- **Major stages**: what steps were taken and methods used in designing the roadmap (e.g. self-assessment, staff discussions, focus groups)?
- **Stakeholder involvement**: what kind of stakeholders were involved and how? At what stage of the process?
- **Info/data sources used**: which information or data sources were used? List the main ones, making full reference in the annex to the roadmap if needed.
- **Timing**: what is the time-frame for designing and implementing the roadmap?
- **Consent and approval**: was the roadmap discussed with senior managers and do they support it? Has it been endorsed at political level (if applicable)?

Section 3: State of play (situation AS IS)
A description of the main findings from the analysis of the current situation, with a focus on any challenges identified (supported by relevant data if applicable). The analysis should cover relevant capacity building elements, such as structures/organisation, human resources management, systems and tools, strategic planning and coordination, and enabling framework conditions. *This section can stay separate or be merged with Section 4.*

Section 4: Mapping the future (situation TO BE)
A description of the possible solutions (set of actions) designed to tackle the main challenges (problems) identified and enable the desired outcomes to be achieved. The paths by which intermediate goals and final objectives are to be met need to be explained/visualised. Explanations should cover how the sets of actions are interconnected, and how their implementation triggers a process of change.

Section 5: Identifying actions
Description of actions, covering the following main elements:

<table>
<thead>
<tr>
<th>Action template - example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of the action</td>
</tr>
<tr>
<td>Goal of the action</td>
</tr>
<tr>
<td>Responsible for the action</td>
</tr>
<tr>
<td>Description of the action proposed</td>
</tr>
<tr>
<td>Condition to be fulfilled or results to be achieved(^{12})</td>
</tr>
<tr>
<td>Indicator(s) to measure output or result</td>
</tr>
</tbody>
</table>

\(^{12}\) This is relevant only to actions funded under ‘financing not linked to costs for technical assistance’.
All actions can be summarised in an overview table. Below is an example inspired by the table used in the pilot action on frontloading administrative capacity building.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Action</th>
<th>Owner (responsible for action)</th>
<th>Implementing stakeholders</th>
<th>Timeline</th>
<th>Results to be achieved or conditions to be fulfilled&lt;sup&gt;13&lt;/sup&gt;</th>
<th>Intermediate deliverables</th>
<th>Indicators</th>
<th>Funding source and budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal (i)</td>
<td>Action (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Action (ii)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal (ii)</td>
<td>Action (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Action (ii)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Challenge area 2: Strategic planning and coordination**

- **Goal (i)**
  - Action (i)
  - Action (ii)

**Challenge area 3: Framework conditions**

- **Goal (i)**
  - Action (i)
  - Action (ii)

---

### Section 6: Roadmap implementation

Elements to consider:

- **Supervision and monitoring arrangements**: description of the responsibilities (administrative and political) for the roadmap’s design and implementation. Description of the monitoring arrangements (process and indicators) to keep track of progress with implementation, output and results.
- **Risks and mitigation measures**: description of potential risks, obstacles and mitigation measures.
- **Sustainability of the results**: how to make sure that the actions are embedded in the organisation and are not one-off initiatives?
- **Communication strategy**: When, how and what will be communicated to whom during the implementation of the roadmap and actions.

<sup>13</sup> This is relevant only to actions funded under ‘financing not linked to costs for technical assistance’.
6 Financing that is not linked to costs\textsuperscript{14}

One of the instruments introduced in the new legal framework is ‘financing not linked to costs for technical assistance of Member States’. Member States may propose, in addition to ‘standard’ technical assistance, that they undertake additional actions to improve the capacity of their authorities, beneficiaries and relevant partners necessary for the effective administration and use of the funds. Support for such actions is to be based on conditions to be fulfilled or results to be achieved\textsuperscript{15}. Actions and deliverables, plus corresponding EU payments, can be agreed in a roadmap for administrative capacity building.

Some Member States might decide to opt for the financing not linked to cost option without developing a roadmap. This may be the case for Member States where administrative capacity issues have not been identified, for example in the European Semester country reports.

The Commission has proposed the new provisions on ‘financing not linked to costs’ to support a stronger performance orientation. This is also a simplification measure, as audits of the Commission or EU Member States will be designed for the sole purpose of checking that the desired results have been achieved or the conditions for reimbursement by the Commission have been fulfilled for this type of action. This means there will be no checks on individual expenditure.

6.1 Place in the roadmaps

In general, a scheme for financing not linked to cost is one of the actions of a roadmap for administrative capacity building (as illustrated in Section 2.2). A Member State that decides to make use of ‘financing not linked to costs for technical assistance’ must complete Tables A and B in appendix 2 of Annex V (CPR), using data already available in the roadmap and adding further, complementary information as necessary. The Commission will adopt these

\textsuperscript{14} Financing not linked to costs is an option not only for technical assistance but also for measures supported under any of the thematic priorities of a programme.

\textsuperscript{15} Inspiration for results setting and conditions to be met can be found in methodologies known as ‘performance-based contracting’ and ‘pay for success’: More detailed explanation and examples can be found at:

- [https://www.payforsuccess.org/learn/basics/](https://www.payforsuccess.org/learn/basics/)
tables (not the roadmap itself) as part of the programme or programme amendment concerned, and the roadmap will serve as justification for the actions proposed.

Member States that opt for technical assistance with financing that is not linked to costs, but without developing a roadmap, would also have to fill in Tables A and B, and agree with the Commission on the schemes for financing not linked to costs.

### 6.2 Developing schemes for financing that is not linked to costs

The figure below illustrates the main steps in developing and implementing schemes for financing that is not linked to costs:

During the informal dialogue preceding the formal negotiations on the programmes, the areas where the Member State would benefit from additional capacity building actions are identified and agreed. If a Member State wishes to avail itself of the ‘financing not linked to cost’ option, that Member State and the Commission negotiate and agree on the content of the scheme, i.e.:

- the conditions to be fulfilled and/or the results to be achieved,
- the timeline,
- any intermediate deliverables triggering reimbursements,
- indicators and measurement units,
- overall amount and amounts linked to deliverables,
- the reimbursement schedule,
- the arrangements for verifying the intermediate deliverables and whether conditions have been fulfilled and results achieved,
- the methods for adjusting the amounts, where applicable, and
- the arrangements to guarantee an audit trail.

Schemes for ‘financing not linked to costs’ can also be developed and agreed at a later stage and be adopted in a programme amendment.
6.3 The use of indicators

Section 4 of this toolkit explains how indicators for the roadmap are selected. Indicators are essential for actions to be supported under schemes for financing not linked to costs. They play a key role, as the Commission does not reimburse costs unless the planned results are achieved and the necessary conditions fulfilled. The indicators must therefore enable final and intermediate deliverables/results to be measured. An indicator associated to deliverables triggering reimbursement is referred to in this toolkit as a ‘financeable indicator’.

Financeable indicators should be robust, easy to measure, reliable and closely linked with the actions supported. They need to be straightforward because they are used to show whether or not Member States do what they have agreed on with the Commission. This is a matter of accountability.

For actions focusing on building administrative capacity, indicators are needed that show how systems have been improved and on what scale. Basic roadmap indicators reflecting change could therefore deal with aspects such as the numbers of:

- new systems implemented,
- services covered by the new tool/systems
- administrative bodies that have fully implemented the new system and are using it, or
- staff supported by the action, e.g. through training.

The indicators with a black background below are financeable indicators. They all measure activity and output\(^\text{16}\).

---

\(^{16}\) Please note that not all output indicators are suitable as ‘financeable’ indicators.

---
<table>
<thead>
<tr>
<th>Action</th>
<th>Proposed indicator(s)</th>
<th>Type of indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing staff competences with the help of the self-assessment framework</td>
<td>% of staff who assess themselves with the help of the framework</td>
<td>X</td>
</tr>
<tr>
<td>Developing individual development plans</td>
<td>% of staff for whom an individual development plan has been developed</td>
<td>X</td>
</tr>
<tr>
<td>Targeted training sessions</td>
<td>% of staff who have completed obligatory training</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>% of staff awarded a certificate</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>level of satisfaction of participants in training sessions</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>general staff satisfaction</td>
<td>X</td>
</tr>
<tr>
<td>Increasing professionalism</td>
<td>staff turnover / sick leave</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Staff productivity – process times</td>
<td>X</td>
</tr>
</tbody>
</table>

**Example illustrating the problem of excessively long payment delays**

The following five actions are a possible way of tackling the problem. Each one could be linked to financeable indicators.

For ‘payments based on conditions to be fulfilled’, simple indicators showing whether or not the conditions agreed on have been fulfilled or not are sufficient. A positive answer will trigger payments by the Commission. In the example above, the indicators can also indicate intermediate deliverables.

The following output indicators could serve as financeable indicators for the action’s simplified payment procedure:

- 20% reduction in the time needed to make payments
- payment time (from arrival of interim payment claim to payment to beneficiary) not to exceed 60 days in 95% of cases
- 10% reduction in average payment time
6.4 Pricing

‘Pricing’ is an important component of putting together the actions under ‘financing not linked to cost technical assistance’. Pricing means identifying an overall amount (price tag) for the results achieved or the conditions fulfilled, plus amounts corresponding to any intermediate deliverables. It involves either identifying amounts that are proxies for actual costs, or providing an incentive for performing the tasks agreed on by the Commission and the Member State concerned. In either case, justification must be provided for the pricing, and supporting documents must be supplied.

The following table summarises a number of pricing methods.

<table>
<thead>
<tr>
<th>Pricing method</th>
<th>Type</th>
<th>Justification/supporting documents</th>
<th>Cases/examples</th>
<th>Important to consider</th>
</tr>
</thead>
</table>
| Compensation for actual costs of the action         | Actual costs  | * Documents proving actual costs of action (usually service/goods/works contracts and/or staff salary cost, etc.)  
* Co-financing rate to be negotiated between the Member State concerned & the Commission:  
(1) a higher co-financing rate can be used as an incentive in some cases,  
(2) a lower co-financing rate is possible if, for instance, a residual funding gap needs to be filled. | This method might be relevant for pricing ‘intermediate deliverables’ and for actions to do with setting up IT systems, developing and launching new tools, organising events/consultations/conferences, etc. | * The result is a concrete output. However, quality parameters need to be incorporated in the description of the indicator (e.g. IT system should be operational and used by X% of target group.)  
* Supporting documents: instead of checking proof of costs (e.g. contracts), the Commission & the Member State concerned could agree to rely on national audit authority’s/audit company’s report. |
| Payment based on a proxy for the actual cost        | Flat-rate     | Amounts to be established on the basis of:  
a) a fair, equitable and verifiable calculation method based on:  
   (i) statistical data, other objective information, or an expert judgement;  
   (ii) verified historical data on individual beneficiaries;  
   (iii) the application of usual cost accounting practices by individual beneficiaries;  
b) draft budgets established on a case-by-case basis  
c) the rules for applying corresponding unit costs, lump sums and flat rates applicable | The logic of setting the pricing is the same as for simplified cost options (SCO). Cases and examples can be similar to those used for SCO ([https://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/simpl_cost_en.pdf](https://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/simpl_cost_en.pdf)) | * Quality parameters defining unit costs & lump sums not to be forgotten.  
* Flat-rate, unit costs & lump sums can be combined, although for different costs/operations  
* Methodology establishing SCO must be agreed upfront, i.e. together with adoption of Tables A and B, appendix 2 of Annex V (CPR)  
* To check proof of payment, the Commission and the Member State concerned could agree to rely on a report drawn up
to Union policies for a similar type of operation;

d) the rules on corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation;

e) flat rates and specific methods established by the CPR or the fund-specific regulations.

| Incentivising payment based on proxy for public sector savings | Usually lump sum or flat rate (% of total cost/price) | Cashable savings: the savings that accrue to governments when the result is achieved. To justify the amount a fair, equitable and verifiable calculation methodology based on statistical data, other objective information or an expert judgement needs to be provided.

* Implementing the measure will result in public sector savings, so the amount paid by the Commission should have an incentive effect (but not cover all the costs).

|  | Cashable savings: the savings that accrue to governments when the result is achieved. To justify the amount a fair, equitable and verifiable calculation methodology based on statistical data, other objective information or an expert judgement needs to be provided.

* Implementing the measure will result in public sector savings, so the amount paid by the Commission should have an incentive effect (but not cover all the costs).

|  | Small-scale relevant reforms, changes in the administrative system & procedures, anti-fraud or anti-corruption actions, improvements in public procurement system, etc. could be examples of such actions.

* Quality parameters not to be forgotten

* Methodology establishing cashable savings to be agreed upfront, i.e. together with adoption of Tables A and B of appendix 2 of Annex V (CPR)

* To check proof of payment, the Commission and the country concerned could agree to rely on a report by the national audit authority or an audit firm.

* There are a few more methodologies that take account of the wider context, which can be used in very specific cases: (1) estimating well-being benefits: the improvements that accrue to individuals and communities when the outcome is achieved and (2) estimating the public’s willingness to pay: the outcome is deemed to be worth the investment

### 6.5 Templates and examples

Annex 2 includes two examples of actions for financing not linked to cost. These use the templates provided in the common provisions regulation:

- Develop a learning and development plan for the managing authority, building on the EU competency framework for managing and implementing the ERDF/CF
- Improve the efficiency of the managing authority/intermediate bodies in the ABCD region (by improving time-to-grant and time-to-pay)
In the first example, the rationale for the pricing is the identification of amounts that are proxies for the real costs. In the second example, the amounts identified are meant to incentivise improved efficiency, i.e. times to grant and pay.

N.B. These examples should not be regarded as being prescriptive in any way.

**Important!**

‘Pricing’ is an important component of putting together technical assistance actions whose financing is not linked to cost. Pricing means identifying an amount (price tag) for the results achieved or the conditions fulfilled, plus amounts corresponding to any intermediate deliverables. It involves either identifying amounts that are proxies for actual costs or providing an incentive for performing the tasks agreed on by the Commission and the Member State concerned.
7 Summary of takeaways

While developing roadmaps for improving administrative capacity is not obligatory, it is regarded as good practice, as it supports strategic reflection on how to improve the performance of the administrations managing the funds and the wide range of stakeholders involved in implementing the funds. Designing a roadmap is a participatory process carried out in close partnership with stakeholders in such a way as to confer ownership on both stakeholders and top management.

Roadmaps are living documents, updated regularly, which should reflect a process of change. There is no prescribed format. They should be viewed as strategic tools to tackle administrative capacity issues. To identify measures that can be taken to tackle shortcomings, the existing situation needs to be analysed, drawing on input from different sources of information. Ideally, a roadmap should encompass a variety of actions contributing to more efficient administration and use of the funds. Actions can address challenges arising from such matters as structures/organisation, human resources, systems and tools, strategic planning and coordination, or issues linked to transparency and prevention of fraud and corruption. A roadmap can be comprehensive in scope, covering actions funded from different sources, such as ‘flat-rate’ or ‘real-cost’ TA, ‘financing not linked to costs TA’ and ‘capacity building directly linked to investments’. However, a simpler approach is also possible.

Roadmaps designed to build administrative capacity could usefully include indicators to measure progress toward goals and objectives. Indicators are tools that help to track implementation, measure and improve performance, and coordinate and steer processes. They are used for follow-up and management (steering and control) and are also necessary to help build capacities or improve policies in the future (learning).

Indicators can also be used to communicate, justify and explain performance (accountability). Being accountable can mean achieving a specific result that is required before a payment can be made. For this particular purpose, indicators that can trigger payments (‘financeable indicators’) must be identified.

Actions leading to payments for results or fulfilment of conditions, will require Commission approval and be adopted as part of the programme. When identifying ‘price tags’ on the actions the rationale is to identify amounts that are either proxies for actual costs or an incentive for delivering what has been agreed on by the Commission and the Member State.
8 References


Nigel Simister with Rachel Smith (2010), Monitoring and Evaluating Capacity Building: Is it really that difficult? – INTRAC International NGO training and research centre

Ecorys (2011) Assessment of administrative and institutional capacity building interventions and future needs in the context of European Social Fund (VC/2009/066 - 009) - Final Report,

European Commission Directorate-General for Employment, Social Affairs and Inclusion (2015 & 2017 update) Quality of Public Administration a Toolbox for Practitioners


Wouter Van Doreen, Geert Bouckaert and John Halligan (2010), Performance Management in the Public Sector

OECD (2020), Strengthening Governance of EU Funds under Cohesion Policy: Administrative capacity building roadmaps
ANNEXES
ANNEX 1: Detailed list of questions to guide the AS IS analysis

The analysis stage should address key questions concerning the wider environment and specific ACB components (structures, HRM, systems and tools), such as:\(^{17}\)

- Do we have well-defined institutional and regulatory frameworks?
- Do we have a clear, simple and transparent organisational structure that facilitates efficient performance of key tasks?
- Is our structure flexible enough to adapt to changing circumstances?
- How clearly are responsibilities and tasks defined in the organisation?
- Organisational structure/design: What body/unit/committee (within or outside the MA) is responsible for the MA’s operational strategy and practices? (i.e. decisions concerning its overall budget, organisation, its internal policies, etc.)?

- The general employment framework (different types of contracts, the extent to which external consultants are used, etc)
- HR management and policy (can MA take HR decisions alone, or are these taken by a central HRM unit? How is this relationship managed?)
- Strategic HR Planning: is there an HR strategy for the MA? Is there a process for forward-looking HR planning?
- How are staff recruited (efficiency, competitive examinations, attracting the right profiles, where do most employees come from before joining the MA (e.g. from the public or private sector? Straight from university?)
- Promotion: how are decisions on promoting employees taken? Who decides who gets promoted? According to what criteria?
- Pay: does the pay system in your MA differ from that of other government departments? How are pay levels set and who sets them? Are ESIF used for salary top-ups?
- Performance assessment: is formalised performance assessment used in your MA? Performance criteria used? Is performance assessment linked to career advancement, remuneration, contract renewal, etc? How is poor performance dealt with?
- Training: how is training structured and managed? Is there a minimum requirement for training? How much is spent on training in your MA?

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\(^{17}\) Based upon OECD, Questionnaire for Information Collection in the context of the pilots, 2018
Leadership: which positions make up the ‘senior management team’ (or equivalent) in the MA? What are the requirements for these key positions? How are senior managers appointed? Do they receive training?

Strategy communication: how does senior management in the MA communicate the vision and/or objectives of the strategy to MA employees? What mechanisms are used? Are there mechanisms for employees to communicate ideas to senior management (e.g. surveys, forums)?

Performance monitoring: what are the main ways in which your MA monitors and reports on its own operations and performance? Who does it report to? What key performance indicators, if any, are used? Is there a quality control framework? Has your MA ever conducted a self-assessment or external assessment on the efficiency of its spending?

Coordination across sectors: at national level, what are the ministries/agencies with which your MA works together closely to implement and manage operational programmes (OPs)? How does your MA coordinate its work with other government agencies, ministries and bodies? What are the specific governance mechanisms in place (e.g. thematic working groups, interministerial committees)?

Coordination across levels of government: how does your MA coordinate its work on implementing and managing OPs with other levels of government (regions, local authorities)? Which specific governance arrangements are used (e.g., committees, contractual arrangements)?

Coordination (partnerships) and communication with other stakeholders: how are stakeholders (unions, employers, NGOs, civil society) involved in partnership agreement and programmes (e.g. programming, implementation, monitoring and evaluation)?

Coordination across jurisdictions: to what extent do the projects managed by your MA involve multiple jurisdictions (e.g. regions/states, provinces, municipalities)? If applicable, please describe the incentives that exist to encourage coordination of the implementation and management of the OPs across jurisdictions?

Involvement of private actors: how does your MA encourage private sector participation in the OPs (e.g. public-private partnerships)? What are the main challenges? How are small and medium-size companies involved in EU-funded projects?
ANNEX 2: Examples of actions for financing not linked to costs

EXAMPLE 1 - To develop a learning and development plan for the managing authority

The example below illustrates how Tables A and B can be completed for a hypothetical action, ‘To develop a learning and development plan for the managing authority’.

Rationale for the action: the EU competency framework for managing and implementing the ERDF/CF, together with its self-assessment tool, can help Member State administrations to identify and tackle competency gaps and improve the strategic orientation of the learning and development process.

The main aim is to align learning and development initiatives with the competency framework and to integrate it as part of ongoing performance management and career development.

Template for submitting data for the consideration of the Commission
(Article 89 and Tables A and B in Appendix 2 of Annex V, CPR)

Date of submitting the proposal: 1/1/2020
Current version: 1.1

A. Summary of the main elements

<table>
<thead>
<tr>
<th>Priority</th>
<th>Fund</th>
<th>Specific objective</th>
<th>Category of region</th>
<th>Amount covered by the financing not linked to cost</th>
<th>Type(s) of operation</th>
<th>Conditions to be fulfilled/results to be achieved</th>
<th>Corresponding indicator name(s)</th>
<th>Unit of measurement for the indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>ERDF</td>
<td>Not applicable</td>
<td>Less developed</td>
<td>EUR XXX</td>
<td>Develop a learning &amp; development plan for the MA that builds on the EU competency framework for managing &amp; implementing the ERDF/CF</td>
<td>The competency framework is an integral part of performance management &amp; career development</td>
<td>Programme-specific</td>
<td>% Yes/No %</td>
</tr>
<tr>
<td>The overall amount covered</td>
<td>ERDF</td>
<td>Less developed</td>
<td>EUR XXX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>% Yes/No</td>
</tr>
</tbody>
</table>
B. Details by type of operation (to be completed for every type of operation)

Types of operation:

<table>
<thead>
<tr>
<th>1.1. Description of the operation type</th>
<th>Develop a learning and development plan for the managing authority (MA) that builds on the EU competency framework for managing &amp; implementing the ERDF/CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Priority /specific objective(s) concerned</td>
<td>Priority X</td>
</tr>
<tr>
<td>1.3 Conditions to be fulfilled or results to be achieved</td>
<td>Individual development plans have been developed for 90% of staff (based on their self-assessments). A learning and development plan for the managing authority (MA) has been developed and is being implemented</td>
</tr>
<tr>
<td>1.4 Deadline for fulfilment of conditions or results to be achieved</td>
<td>31/12/2024, broken down under point 1.7</td>
</tr>
<tr>
<td>1.5 Indicator definition for deliverables</td>
<td>% of staff completing a self-assessment based on the competency framework – percentage of staff in active employment (including part-timers) who complete a self-assessment. % of staff for whom an individual development plan has been developed and agreed – percentage of staff in active employment (including part-timers) for whom an individual development plan has been developed. Development and implementation of a learning and development plan for the managing authority – This means developing a learning and development plan with specific action points based on a mapping of the competences of staff who have used the self-assessment tool. ‘Being implemented’ means that at least X % of action points in the managing authority’s learning and development plan are completed.</td>
</tr>
<tr>
<td>1.6 Unit of measurement for indicator for deliverables</td>
<td>%, %, YES/NO, %</td>
</tr>
<tr>
<td>1.7 Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements</td>
<td></td>
</tr>
<tr>
<td>Intermediate deliverables</td>
<td>Date</td>
</tr>
<tr>
<td>90% of staff complete a self-assessment, using the self-assessment tool under the competency framework</td>
<td>31/12/2021</td>
</tr>
<tr>
<td>Individual development plans developed for 90% of staff</td>
<td>30/6/2022</td>
</tr>
<tr>
<td>The learning and development plan for the MA has been developed and is being implemented</td>
<td>30/6/2023</td>
</tr>
<tr>
<td>1.8 Total amount (including EU and national funding)</td>
<td>EUR XXX</td>
</tr>
<tr>
<td>1.9 Adjustment(s) method</td>
<td>The calculation method must make reasonable assumptions about the size of the population (i.e. the number and range of staff in the managing authority). The adjustments method could be used to make allowances for changes in the initial</td>
</tr>
<tr>
<td>1.10 Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables)</td>
<td>The deliverables are used to check whether the relevant conditions have been fulfilled and/or the relevant results achieved. The managing authority provides a report by an independent audit company to prove to the Commission that the intermediate deliverables have been achieved and the conditions fulfilled. The managing authority collects and stores aggregated data from individual self-assessments, data on the number of self-assessments, evidence that individual development plans have been developed and evidence that a learning and development plan has been developed by the managing authority and is being implemented.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>- describe what document(s) will be used to verify the achievement of the result or condition</td>
<td>The managing authority is responsible for keeping: - documents setting out the conditions of support; - documents evidencing the ex-ante agreement of the Commission on the conditions to be fulfilled or results to be achieved and corresponding amounts (programme approval or amendment); - documents evidencing the fulfilment of conditions or achievement of results at each step (if done in steps) as well as before the final expenditure is declared to the Commission.</td>
</tr>
<tr>
<td>- describe what will be checked during management verifications (including on-the-spot), and by whom.</td>
<td></td>
</tr>
<tr>
<td>- describe what are the arrangements to collect and store the data/documents</td>
<td></td>
</tr>
<tr>
<td>1.11 Arrangements to ensure the audit trail</td>
<td></td>
</tr>
<tr>
<td>Please list the body(ies) responsible for these arrangements.</td>
<td></td>
</tr>
</tbody>
</table>
The example below illustrates how Tables A and B can be completed for a hypothetical action, ‘**Improving the quality and efficiency of the managing authority/intermediate bodies in region ABCD**’.

Rationale for the action: ESIF investments are more effective if there is an improvement in the effectiveness and efficiency with which the managing authority and/or intermediate bodies in region ABCD evaluate project proposals, sign grant agreements, and process payments to beneficiaries.

Intermediate bodies will be rewarded through schemes for financing not linked to cost. This will provide **incentives** for improving time-to-grant and time-to-pay results.

To improve these results, the managing authority/intermediate bodies are likely to have to streamline internal procedures, improve use and effectiveness of tools and e-Cohesion solutions, reduce ‘gold plating’, and thus reduce the cost of controls within the management and control system as well as for beneficiaries.

**Template for submitting data for the consideration of the Commission**
* (Article 89 and Tables A and B in Appendix 2 of Annex V, CPR)

| Date of submitting the proposal | 1/1/2020 |

**A. Summary of the main elements**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Fund</th>
<th>Specific objective</th>
<th>Category of region</th>
<th>The amount covered by the financing not linked to cost</th>
<th>Type(s) of operation</th>
<th>Conditions to be fulfilled/results to be achieved</th>
<th>Corresponding indicator name(s)</th>
<th>Unit of measurement for the indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>ERDF</td>
<td>N/A</td>
<td>Less developed</td>
<td>EUR XXX</td>
<td>Improving the performance of Managing Authority/Intermediate bodies in ABCD region</td>
<td>Time to grant (reduced by 30% from the initial value) Target – 95% within 90 days Time to pay (reduced by 20% from the initial value) Target – 95% within 60 days</td>
<td>N/A or program-specific</td>
<td>Time to grant (TTG) Time to pay (TTP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average TTG in days Average TTP in days</td>
</tr>
</tbody>
</table>

**The overall amount covered**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Fund</th>
<th>Specific objective</th>
<th>Category of region</th>
<th>The amount covered by the financing not linked to cost</th>
<th>Type(s) of operation</th>
<th>Conditions to be fulfilled/results to be achieved</th>
<th>Corresponding indicator name(s)</th>
<th>Unit of measurement for the indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ERDF</td>
<td>Less developed</td>
<td>EUR XXX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average TTG in days Average TTP in days</td>
</tr>
</tbody>
</table>
B. Details by type of operation (to be completed for every type of operation)

<table>
<thead>
<tr>
<th>1.1. Description of the operation type</th>
<th>Improving the efficiency of managing authority/intermediate bodies in ABCD region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Priority /specific objective(s) concerned</td>
<td>Priority X</td>
</tr>
</tbody>
</table>
| 1.3 Conditions to be fulfilled or results to be achieved | Time to grant (reduced by 30% from the initial value) 
Target – 95% within 90 days 
Time to pay (reduced by 20% from the initial value) 
Target – 95% within 60 days 
Quality review – positive results of evaluation |
| 1.4 Deadline for fulfilment of conditions or results to be achieved | 31/12/2023 |

1.5 Indicator definition for deliverables

Average TTG – the indicator is calculated as an annual average of days from the proposal submission deadline to the signing of the grant contract (i.e. it includes the evaluation and contracting processes). The indicator is calculated separately for each institution. The baseline value is identified for each institution.

Target – it is expected that 95% of grants will be signed within 90 days. The indicator shows the number of contracts signed within 90 days as a percentage of the total number.

Average TTP – the indicator is calculated as an annual average of days from the time when the beneficiary submits the payment claim to the time when the beneficiary is told either that the payment has been processed or that it has been decided not to make the payment. The indicator is calculated separately for each institution. The baseline value is identified for each institution.

Target - it is expected that 95% of payment claims will be paid within 60 days. The indicator is the number of payment claims paid within 60 days as a percentage of the total number of payment claims.

Target quality review – an evaluator’s positive assessment that a reduction in average TTG and TTP is not attributable to a reduction in the quality of the services. The quality review must be carried out by an independent evaluator.

1.6 Unit of measurement for indicator for deliverables

<table>
<thead>
<tr>
<th>Days</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive assessment of evaluation</td>
<td></td>
</tr>
</tbody>
</table>

1.7 Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for

<table>
<thead>
<tr>
<th>Intermediate deliverables</th>
<th>Date</th>
<th>Amounts (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual disbursement based on the results of annual performance reports and pricing grid(^{18})</td>
<td>Continuous, until 31/12/2023</td>
<td>Up to XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate</th>
<th>Institutions</th>
</tr>
</thead>
</table>

\(^{18}\) The pricing grid includes all institutions, the baseline values of their indicators, milestone payments for achievements, and incentive payments for over-achieving each indicator.
<table>
<thead>
<tr>
<th>reimbursements</th>
<th>deliverables/Trigger points</th>
<th>Intermediary body (IB) A</th>
<th>IB B</th>
<th>IB C</th>
<th>Supplement for over-achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st year</strong></td>
<td>Baseline: TTG – 110</td>
<td>Baseline: TTG – 160</td>
<td>Baseline: TTG – 190</td>
<td>Baseline: TTP – 110</td>
<td>Lump sum (to be used for personal development of staff)</td>
</tr>
<tr>
<td></td>
<td>TTP – 80</td>
<td>TTP – 90</td>
<td>TTP – 90</td>
<td>TTP – 110</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time to grant (cut by 30% from the initial value) or within the target – 95% within 90 days</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>EUR XX</td>
</tr>
<tr>
<td></td>
<td>Time to pay (cut by 20% from the initial value) or within the target – 95% within 60 days</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>EUR XX</td>
</tr>
<tr>
<td></td>
<td>Quality review – positive results of evaluation</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>2nd and 3rd years</strong></td>
<td>Within the target – 95% within 90 days</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>n/a</td>
<td>Up to XXX (amount corresponding to % of the 3 IBs’ annual budget)</td>
</tr>
<tr>
<td></td>
<td>Within the target – 95% within 60 days</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>% of IB’s annual budget</td>
<td>n/a</td>
<td>Up to XXX (amount corresponding to % of the 3 IBs’ annual budget)</td>
</tr>
<tr>
<td></td>
<td>Quality review – positive results of evaluation</td>
<td>positive</td>
<td>positive</td>
<td>positive</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**1.8 Total amount (including EU and national funding)**

| EUR XXXXXX |

**1.9 Adjustment(s)**
The calculation method takes account of different sectors, the nature of calls for proposals and the
<table>
<thead>
<tr>
<th>method</th>
<th>programme life-cycle. (The method could include arrangements for how to deal with funding not used due to non-achievement of results.)</th>
</tr>
</thead>
</table>

1.10 Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables)
- describe what document(s) will be used to verify the achievement of the result or condition
- describe what will be checked during management verifications (including on-the-spot), and by whom.
- describe what are the arrangements to collect and store the data/documents

The institutions’ monitoring information systems (i.e. *time logs of call deadlines and grant signatures plus time logs of submission of payment claims and payments made*) will be used to check whether conditions are fulfilled and results achieved. Any changes will be reported and assessed in annual implementation reports.

The independent evaluator’s report will be submitted together with the annual implementation report.

*Further details to be provided, covering all bullet points to the left.*

1.11 Arrangements to ensure the audit trail
Please list the body(ies) responsible for these arrangements.

The managing authority / intermediate body is responsible for keeping:
- documents evidencing time logs of call deadlines and grant signatures, plus submission of payment claims and payments made. Annual implementation reports and reports by an independent evaluator.
- documents evidencing the ex-ante agreement of the Commission on the conditions to be fulfilled or results to be achieved and corresponding amounts (programme approval or amendment);
- documents showing that conditions have been fulfilled or results achieved at each step (if done in steps), and before the final expenditure is declared to the Commission.