

Background note on “Technical Support and Technical Assistance”
for the CONT hearing on:

“Technical support provided to EU Member States”

The Committee on Budgetary Control (CONT) organised a public hearing with the aim to get a better understanding about technical support and related challenges, especially concerning the areas of better administration, digitalisation and EU funds implementation. This briefing provided background information to this debate that took place 21 April 2022. It examines technical support as well as relevant technical assistance activities and provides a short insight into links between such support and administrative capacity building. The theme of this hearing is technical support; the instruments set up for this purpose are relatively new and, as it will be explained later, the availability of coherent and all encompassing lessons drawn from their experience is still limited. There are however possible overlaps, or rather synergies and complementarities with technical assistance activities in different policy areas. The author chose cohesion policy where technical assistance activities have been pursued for decades, and co-financing of projects aiming at administrative capacity building has been prominent for several programming periods. Lessons learnt in the cohesion area can also feed the debate, as it is also obvious from the strong interservice cooperation among the different Commission services involved in technical support or assistance and administrative capacity building.

The first part of the briefing introduces the notions, instruments and available evidence about their use, the second part focuses on administrative capacity building and efforts made in this area, and the final part of the briefing addresses some challenges related to support and administrative capacity building.

1. Introduction - the concepts of technical assistance and technical support

Before describing details of EU instruments providing support to Member States authorities including in the fields of better administration (administrative capacity building), digitalisation and EU fund management, some notions need to be clarified.

Technical support (TS) as such is not defined in the Financial Regulation; a definition is included in Article 2(1) of the regulation establishing the Technical Support Instrument (TSI): “measures that help national authorities to implement institutional, administrative and structural reforms that are sustainable and resilience-enhancing, strengthen economic, social and territorial cohesion and support the public administration in the preparation of sustainable and resilience-enhancing investments”.¹

¹ It is interesting to note that the terminology used in the [regulation](#) establishing the predecessor of the TSI, the Structural Reform Support Programme (SRSP) was “support”, not TS.



The Financial Regulation in its Article 2(64) states that technical assistance (TA) “means, without prejudice to sector-specific rules, support and capacity-building activities necessary for the implementation of a programme or an action, in particular preparatory, management, monitoring, evaluation, audit and control activities”. On this basis sectoral regulations lay down specific rules about TA. Such is the case in the field of Cohesion policy (meaning European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund), where TA has existed for more than 30 years.²

This difference in terminology is addressed in the report on the mid-term evaluation of the SRSP³: TS is provided (under the SRSP) to Member States to help them implement structural reforms, whereas TA is funded from the European Structural and Investment Funds (ESI Funds) to help Member States implement programmes/projects. Overall, technical support (under the SRSP/TSI) can be provided throughout the structural reform process, and thus it is much broader and deeper in scope than TA under the ESI Funds. It has to be noted that TA exists beyond the ESI Funds, for example, in agricultural and rural development policy or in the area of customs. Technical assistance in the area of EU cohesion policy is analysed in this briefing due to the complementarities with technical support and the relevance of lessons learnt.

1.1 Support provided under TSI⁴ and its predecessor, the SRSP

The objective of the SRSP (that covered the period 2017-20) was to improve the capacity of Member States to prepare and implement growth-sustaining structural reforms, also through support for the efficient, effective and transparent use of EU funds (Article 4, SRSP Regulation). Decisions regarding the design, structure and implementation of reforms remained with the Member States. The SRSP was managed by the Structural Reform Support Service (SRSS) and then by the Directorate-General for Structural Reform (DG REFORM) that replaced the SRSS. As explained in the Annual Activity Report (AAR) 2019 of the SRSS, TS took the form of expert and fact-finding missions for assessing the situation in Member States, analyses and recommendations on how to deal with the situation, sharing of best practices (seminars, conferences & workshops) and development and implementation of tailor-made solutions to address the situation. The Technical Assistance and Information Exchange instrument (TAIEX) was also available for SRSP activities from 2017 onwards, for example in 2019 a total of 108 TAIEX activities such as expert missions and workshops were implemented.

The SRSP supported over 1000 projects in all Member States with a budget of EUR 222.8 million. In addition to the SRSP budget, the Programme could be financed through (voluntary) contributions from Member States from their technical assistance resources under ESIF (in 2018 Bulgaria and Greece used this possibility financing 31 and 4 projects respectively⁵). Overall, Member States were actively submitting requests for support: in the annual monitoring reports, the EC signalled regularly that the requests submitted amounted to much more than the budgetary allocations available. The list of approved support requests (2017 to 2020 per Member State) is available online.

The TSI was established with the objective to help national authorities improve their capacity to design, develop and implement reforms, and prepare, amend, implement and revise recovery and resilience plans. It replaces the SRSP, retaining its main features. The TSI can provide support in a very broad range of policy areas, comprising cohesion, competitiveness, education, productivity, research and innovation, smart, fair, sustainable and inclusive growth, jobs and investment, in particular the digital and green transitions. Examples of eligible support

² To learn more about the history of TA in cohesion policy, please consult this earlier in-depth analysis on [Technical Assistance at the Initiative of the Commission](#) 2016, DG IPOL, Policy Department of Structural and Cohesion Policies, European Parliament

³ [Mid-term evaluation of the Structural Reform Support Programme](#), European Commission Staff Working Document, SWD 2020(219), 1.10.2020

⁴ The parts addressing the TSI in this section is largely based on an earlier in-depth analysis: [Technical Support Instrument: main features](#), J. Angerer, C. Dias (June 2021), Economic Governance Support Unit (EGOV), DG IPOL, European Parliament

⁵ Source: Annex to the Annual Monitoring Report on the implementation of the Structural Reform Support Programme 2018, SWD (2019)442

actions include: expertise related to policy advice, policy change, formulation of strategies, reform roadmaps and reforms; provision of experts; institutional, administrative or sectoral capacity building and related actions; collection of data and statistics, development of methodologies; organisation of local operational support notably in areas such as asylum, migration and border control; IT capacity building; carrying out of studies, etc. The expertise in many cases is a combination of external support, combined with Commission's in-house expertise, tailor-made to each case. Member States remain responsible to carry out the reforms. Therefore, their successful implementation depends on the engagement and ownership of the Member State authorities.

The budget of the TSI amounts to EUR 864 millions for 2021-2027; there are no fixed national allocations, the TSI is demand-driven. It needs to be underlined that no direct funding is provided to Member States: expertise is funded that can be used by Member States to address the identified challenges (no national cofinancing is needed). Moreover, both the SRSP and the TSI are/were to follow the principle that TS is complementary and additional to other EU resources, i.e. TS can be complemented with assistance or funding available under other EU instruments, as long as there is no double financing. To sum up: while the Commission provides expertise for supporting Member States in designing and implementing reforms, the reforms themselves are not funded by the TSI, but can be funded by national means or other EU resources, such as the Recovery and Resilience Facility or the Just Transition Fund.

Information about implementation of both the SRSP and the TSI, about the list of supported projects (per year and per country), and about providers of technical support can be easily consulted through a website dedicated to "Reform Support". (For example, for 2021 the Commission approved 226 TSI projects focusing on digital and green transition.) It is also possible to find more detailed information online about finalised SRSP projects, such as a final report on a Croatian SRSP project entitled "Review of the Corporate Governance of State-Owned Enterprises", uploaded on the OECD's website (they provided the technical support). Such information however, does not seem to be systematically made public, it can thus be stated that there is little information centrally available on the outcomes of the SRSP technical support actions. The TSI Regulation (Article 17) includes the requirement of setting up a single online public repository through which the Commission may make available final studies or reports produced as part of technical support actions. The projects selected in 2021, the first year of implementation of the TSI, are ongoing at the time of writing of this briefing, thus the publication of such reports/studies is yet to be done. According to informal information received from DG REFORM, upon project closure such information will be made public on the above mentioned "Reform Support" website with access to a summary of the project as well as outcomes or studies.

Even though the Commission prepared annual monitoring reports on the implementation of the SRSP, it is also true that tracking outcomes and results of programmes takes time: conclusions about effectiveness of a programme such as the SRSP might only be available years after its closure. As explained in the 2020 AAR of DG REFORM, evaluations are performed both at project and programme level. At project level, technical support projects are analysed at project closure to assess what is the level of satisfaction of the main stakeholders involved in the design and the implementation of the project, and again months after project closure, to track whether expected outcomes have been achieved (to what extent the support is used by the Member State). According to the 2020 AAR of DG Reform, it is only in 2020 that the second step could be applied by DG REFORM to a limited number of SRSP projects. Based on informal information received from DG REFORM, the results of project evaluations are used (1) by policy officers to gather feedback and (2) to draw lessons more globally from past projects in order to improve future ones. The result of these evaluations will also be used in the ex-post evaluation of the SRSP.

At programme level, at the time of writing this briefing, **only the mid-term evaluation⁶ of the SRSP is available**, that however was conducted while many projects were still in progress. The **main initial conclusions** were that:

⁶ Mid-term evaluation of the Structural Reform Support Programme, COM (2020)603, 30 September 2020, and [Final Evaluation Report](#) prepared by Ernst & Young

1. overall, the SRSP met the needs of Member States;
2. authorities who requested support found that the projects were well designed and took their needs and specific situation into account;
3. the governance of the programme was efficient and its components coherent;
4. the programme had a clear EU added value.

The **mid-term evaluation includes specific case studies** that provide some more details about the support provided, for example a support project in Romania, entitled “A strategy for internal auditing and training internal auditors at local government level in Romania”. As a result of this technical support project, once this strategy was adopted, 524 city halls, prefectures and county councils underwent internal audit.

These initial conclusions **will be nuanced by the ex-post evaluation that will have a focus on the longer-term impacts of the SRSP**. The ex-post evaluation is expected to be published by the end of 2022, or during the first quarter of 2023, at the latest.⁷ As regards the TSI, **the practice of annual reporting continues (Article 15, TSI Regulation), and the deadlines for mid-term and ex-post evaluations are set at 20 February 2025 and 31 December 2030, respectively (Article 16)**. At the time of writing of this briefing, the 2021 annual report of the TSI is not yet available.

1.2 Technical assistance in cohesion policy⁸

The concept of TA was introduced into the Structural Funds regulations **already in 1988**, and it has evolved substantially ever since, but implied from the beginning **activities at the initiative of either the Commission or the Member States**. The 2014-2020 legislative framework established **common provisions on TA** to support the implementation of programmes and projects under Articles 58, 59 (and 25) of the [Common Provisions Regulation](#) (CPR). The **TA measures at the initiative of the Commission** included assistance for project preparation and appraisal, studies, evaluations, expert reports, actions to disseminate information and networking. The 2014-2020 provisions introduced some innovations: support for **institutional strengthening and administrative capacity-building; and measures to identify, prioritise and implement structural and administrative reforms** in response to economic and social challenges. **TA at the initiative of the Member States** supports actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, **and control and audit**. Moreover, it may be used by the Member State to support actions for the reduction of the administrative burden on beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use those Funds. The resources allocated to TA at the initiative of the Commission in the 2014-20 programming period amounted to 0.35 % of the Funds⁹ annual allocation (after deduction for the Connecting Europe Facility (CEF) and aid for the most deprived). The amount of the Funds allocated to TA in a Member State is limited to 4 % of the total amount of the Funds allocated to operational programmes¹⁰.

According to a 2020 [study](#) commissioned by DG Regio¹¹, **TA funding remained below the 4 % ceiling, it accounted for 3.1 % of the cohesion policy funds’ budget (ERDF, ESF and CF) in the EU 28**, with almost half of the TA allocation coming from the ERDF. The average national allocation to TA is around EUR 500 million, with Italy and Poland standing out (EUR 1 billion and over EUR 2.6 billion respectively). Table 1 shows the total budget 2014-20 planned for TA (under all five ESI Funds):

Table 1. Total budget (EU and national contribution) 2014-20 planned for TA at the initiative of Member States, under ESI Funds, EUR, current prices

⁷ Informal information received from DG REFORM.

⁸ This section is partially based on an earlier in-depth analysis: [Technical Assistance at the Initiative of the Commission](#) 2016, DG IPOL, Policy Department of Structural and Cohesion Policies, European Parliament

⁹ The term “Funds” means the ERDF, ESF and the Cohesion Fund in the context of the CPR 2014-2020, as laid down in its Article 1.

¹⁰ Resources allocated to technical assistance under the ERDF, ESF and the Cohesion Fund are set out in Articles 118 and 119 of the CPR.

¹¹ The Use of Technical Assistance for Administrative Capacity Building in the 2014-2020 Period, European Policies Research Centre, University of Strathclyde and University of Delft, May 2020

| | ERDF | ESF | Cohesion Fund | EARDF | EMMF | Total |
|----------------------|---------------|---------------|---------------|---------------|-------------|----------------|
| Total budget planned | 8 343 234 925 | 5 670 209 002 | 2 510 617 126 | 4 609 031 290 | 383 408 129 | 21 516 500 472 |

Source: <https://cohesiondata.ec.europa.eu/> (consulted on 8 March 2022)

The study categorised TA spending across three categories of interventions (categories of investments cofinanced), and found that: in 2014-20 TA funding was mainly allocated to “management interventions” (81.5 %), “evaluation and studies” represented 8.5 % and “information and communication interventions” accounted for 10.1%. Table 2 shows the total planned EU contribution to the three categories.

Table 2. EU contribution 2014-20 planned for Cohesion policy TA per fund and per category, EUR, current prices

| Categories of intervention | ERDF | ESF | Cohesion Fund | Total |
|--|---------------|---------------|---------------|----------------|
| Preparation, implementation, monitoring and inspection | 4 176 347 290 | 3 003 683 910 | 2 041 142 070 | 9 221 173 270 |
| Evaluation and studies | 605 398 449 | 317 699 023 | 84 097 869 | 1 007 195 341 |
| Information and communication | 621 744 641 | 392 661 298 | 125 624 683 | 1 140 030 622 |
| Total | 5 403 490 380 | 3 714 044 231 | 2 250 864 622 | 11 368 399 233 |

Source: <https://cohesiondata.ec.europa.eu/> (consulted on 15 March 2022)

1.2.1 The 2021-2027 Programming period

The [Common Provisions Regulation for the 2021-27 period](#) (CPR21-27) entered into force in July 2021. The regulatory framework remains similar to the previous period: it differentiates the same two types of TAs (articles 35-37 of CPR21-27) and lays down similar rules as regards the types of actions financed. An important novelty is the more strategic use of TA and capacity building aiming at rebalancing TA expenditure between operational and management expenditure, as well as a stronger focus on more strategic investments bringing long term improvement to the capacities of public authorities. The ceilings to TA allocations are more clearly set out for each of the Funds under CPR21-27, varying between 2.5 % and 6 %. In its 2020 special report on “[Implementing Cohesion policy: comparatively low costs, but insufficient information to assess simplification savings](#)”, the ECA (on the basis of the Commission proposals for CPR21-27) welcomed the envisaged modulation of the ceiling and

considered that this should lead to a significant reduction in EU budget spent on TA to Member States. Another change, also welcomed by the Court, is the option to move away from the cost-based (mainly staff-related costs) co-financing mechanism of TA. The Court stated in this special report that it “should significantly reduce the financial and compliance risk linked to technical assistance”. The final regulation leaves it to Member States to decide whether to continue with the cost-based approach or opt for the mechanism based on a flat rate of operational expenditure. At the time of writing, **negotiations on Partnership Agreements and operational programmes are ongoing and little is known about planned TA by Member States**, or about the total amount of TA at the initiative of the Commission (that is planned on the basis of annual budgets).

In the case of cohesion policy TA spending, there is no simple overview provided online in the form of a list of projects or outcomes, for neither type of TA. However, it is possible to track TA activities by consulting [financing decisions](#), the [cohesion data portal](#), studies, thematic brochures, annual activity reports. As for 2021 and 2022, the years for which financing decisions are available for TA at the initiative of the Commission (under ERDF, Cohesion Fund and REACT-EU), the maximum ceilings set for the Union contribution are EUR 208 814 493 and EUR 142 870 938, respectively. The planned activities of DG REGIO throughout the programming period revolve around operational programme preparation, “implementation” that includes administrative capacity building, closure and horizontal themes that include evaluations, audits, expert advice and Helpdesk on audits linked to the DG’s Audit Strategy.¹² [The 2022 Work programme](#) and the [2021 work programme](#) (Annexes to the financing decisions) include the list of projects to be financed. Examples include:

- A grant to finance the 30th Annual Meeting of the European financial controllers and auditors, the so called "Homologues Group", where Member State representatives and the Commission meet annually to discuss controls of the management issues linked to the ERDF and Cohesion Fund;
- Introduction and strengthening of Integrity Pacts for Integrated Territorial Investments (ITIs) in Romania - to be granted to Transparency International, with the aim to monitor the implementation of Integrated Territorial Investments (ITIs), such as the Danube Delta ITI, supervise procurement and project selection processes, and as a result, lowering risks of irregularities and corruption;
- Regional Justice analysis - to assess the regional variation in quality of the judicial system, to present an analysis of the status of rule of law in NUTS 1 and NUTS 2 regions in the EU.

1.3 Role of the European Parliament

In a nutshell, Parliament is co-legislator of the regulations governing TS and TA in different policy areas, and thus can, during the legislative procedure, shape such measures, and then scrutinise implementation, both through policy debates in specialised committees and through budgetary control. The TSI regulation obliges the Commission to transmit cooperation and support plans to Parliament (Article 10), to inform Parliament about its adopted work programme (Article 12), to provide an annual report to Parliament (Article 15 - Parliament may invite the EC for an exchange of views with the competent committee on the annual report and the implementation of the TSI), to transmit to Parliament mid-term and ex-post evaluations (Article 16) and to involve Parliament’s information offices in communication activities (Articles 10 and 18). The TSI falls under the shared competence of the committees on Budgets and on Economic and Monetary Affairs. The Commissioner in charge was invited to a joint meeting in 2021 to discuss implementation after adoption of the TSI work programme, and she is to be invited once more after the adoption of the Annual report. (In the case of cohesion policy, there are several similar obligations of reporting to the Parliament, but none of them is TA-specific.)

¹² Information received informally from DG REGIO.

2. Technical support and technical assistance in the context of building capacity for better administration, digitalisation and implementation of ESI Funds

As it is also highlighted in the [Eighth Report on Economic, Social and Territorial Cohesion](#), administrative capacity is a fundamental factor of good governance. It is defined in the report as “the ability of authorities to efficiently implement the policies they are responsible for.” In other words, **administrative capacity**, strengthening of competences and acquiring new ones, **is a prerequisite for public authorities to carry out their functions properly**. Moreover, the cohesion report underlines that “high level of administrative capacity at all governance levels is important for managing and spending public funds effectively”.

Several instruments at EU level have been developed over the years with the aim to help Member States and their public administration address the challenges they face, ranging from the European Semester that helps detect elements to be improved in each country’s administrative system, to score boards scaling the performance of those systems, and different sources of support to plan and implement reforms. As explained in Section 1, capacity to implement cohesion policy programmes is financed by TA at the initiative of Member States, whereas broader administrative reforms (that can also include capacity building in areas related to EU funds) can be financed by the TSI and the Recovery and Resilience Facility.

2.1 SRSP and TSI supporting administrative capacity building

Both in the case of the SRSP and the TSI, capacity building related reforms can translate into for example digitalising internal processes in public administration and the delivery of their services, improving the internal organisation of public administrations, ensuring coordination between authorities, etc. The [2019 AAR of the SRSS](#) describes in detail actions to **support broader reforms** related to “efficient, modern, service-oriented public administrations and public procurement practices”: support in the fields of human resources management, regulatory governance, internal audit and e-government. An example given is the project mentioned earlier through which the Romanian Ministry of Finance received support to improve the coordination of internal audit, to better use available resources and to prevent fraud and corruption. This project triggered further governance and transparency related reforms, both at central and local levels. Reform of internal audit processes were also supported in Bulgaria.

As a reaction to ICT technology being used in all aspects of public administration, Member States sought support from SRSP in the field of digital public administration and e-government. A project example on implementation of a digital strategy in Italy is included in the [2019 Annual monitoring report of the SRSP](#), where SRSP supported the Italian Ministry of Economy and Finance. The project resulted in centralising human resources service provision, a large scale digital transformation of the HR system for public sector staff. In Latvia, the SRSP was also used to support projects fostering public sector innovation and digitalisation of public administration.

The SRSS also helped Member States in building better capacity to implement ESI Funds, focusing on improved programme and project design and better programme management capacities. The example given in the [2019 AAR](#) is assistance provided to Greece to develop projects (in information and communication technologies) and designing their post-2020 regional policy. Another example from the [2019 Annual monitoring report](#) of the SRSP is a project aiming at improving the implementation of the European Maritime and Fisheries Fund in Spain: this project aimed at tackling the delays in implementation as well as the difficulties with applying appropriate rules to regional specificities. Recommendations and an action plan were provided on how to increase administrative capacity of the bodies involved in the fund management.

The SRSS also assisted Member States in reforms aimed at ensuring the effective rule of law, fight corruption and increase the efficiency of judicial systems. For example in Greece, national authorities were assisted in the implementation of the National Action Plan and a new Anti-Corruption training programme. In Italy, the National Anti-Corruption Agency received expertise to better manage complaints and whistle-blowers.

2.2 Cohesion policy supporting administrative capacity building

It has to be noted that in the area of cohesion policy, **administrative capacity building is a theme that goes beyond TA actions**. Already in the **2007-13 programming period**, institutional capacity building was an important priority for the ESF, going beyond TA actions that supported better management of EU funds, and thus providing assistance to ongoing administrative reforms. In the **2014-20 programming period** “enhancing institutional capacity of public authorities and stakeholders and efficient public administration” was one of the thematic objectives pursued by the ESI Funds (primarily co-financed by the ESF), translating into investments in human capital and into systems and tools in the public sector. Resources planned for this objective varied across Member States, ranging from over EUR 1.2 billion in Italy to smaller allocations planned in France, Latvia, Cyprus and Malta.¹³ According to the [Annual Summary Report 2021 on the implementation of the ESI Funds](#), by the end of 2020, approximately EUR 6 billion had been allocated under this thematic objective, meaning 97% of the planned EUR 6.2 billion, with spending (EUR 2.6 billion) accounting for around 41 %. The report includes that 2 673 projects targeting national, regional or local public administrations were implemented, with 722 020 participants, co-financed by the ESF. An example of such projects mentioned in the report is the Development of the horizontal and central e-Government systems in Bulgaria that resulted in the introduction of more than 320 online services, with hundreds of thousands users during the COVID-19 crisis. The main goal of the State e-Government Agency is that within 5 years, communication between citizens and public administration become entirely electronic. It has to be noted that the **2021-27 regulatory framework** includes even more emphasis on capacity building with linking capacity building to investments under each ERDF/Cohesion Fund specific objective, thus giving it a true horizontal nature¹⁴.

The investments co-financed by (mainly) ESF or the ERDF to enhance administrative capacity and more efficient administration do not occur in a policy vacuum: on the contrary, there is coordination with the SRSP and the TSI, and with other instruments supporting better public administration in Member States. According to an EC communication material¹⁵ on this topic, **in the 2014-2020 programming period 14 instruments provided around EUR 9 billion to support public administration**¹⁶. The ESF cofinanced implementation of cross-cutting administrative reforms, whereas the ERDF and other sectoral instruments (such as FISCALIS 2020, Customs 2020, the LIFE programme) covered targeted capacity building, legislative compliance and enforcement and knowledge development. Thus **EU financial resources did play an important role in reforming public administration in Member States**.

TA financed in the framework of cohesion policy has contributed to administrative capacity building as well, including in the area of better funds’ management. The remaining part of this section examines evidence about how both types of TA contribute to administrative capacity building.

2.2.1 TA at the initiative of Member States

It is **difficult to have a comprehensive overview about the results of TA budget spent in Member States**. It is also technically difficult to break down TA spending into thematic areas that were not pre-defined clearly among the areas of interventions, or are cross-cutting in nature (such as digitalisation or more effective fund management). There are however some sources that provide evidence on the relation of TA at the initiative of Member States and administrative capacity building:

The earlier mentioned 2020 DG Regio [study](#) analysed 25 operational programmes to gain more detailed insight into TA and its contribution to administrative capacity building. **The research revealed that most of the TA funding in the sample covered Human Resources expenditures, notably operational staff salaries,**

¹³ For more details and data on such allocations, please consult [Cohesion policy and good governance](#)

¹⁴ Article 3.4 of Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund

¹⁵ Source: Supporting Public Administrations in EU Member States to Deliver Reforms and Prepare for the Future, communication material is based on the Commission Staff Working Document SWD(2021)101

¹⁶ It is not clear from the document whether this amount includes the ERDF and ESF TA budget.

particularly in Intermediate Bodies, Managing Authorities and Audit Authorities. Although only 7 % of TA funding was allocated to Staff Professional Development, the study underlines that compared to the private sector, the proportion seems significant. Nevertheless, **the study concludes that TA financing salaries is most likely to have a limited longer-term impact on administrative capacity building.**

The **European Court of Auditors** has only analysed on a few occasions performance of TA spending in cohesion policy or other shared management funds¹⁷. Even though this special report from 2015 did not focus on cohesion policy, but on the European Agricultural Fund for Rural Development, the findings show similarities with trends in TA spending in cohesion policy. The European Court of Auditors in its 2015 Special Report on [“Technical assistance: what contribution has it made to agriculture and rural development?”](#) (auditing the use of TA funding in the 2007-13 period), found that there was **a move towards financing regular administrative costs** (similar to the DG Regio study findings about cohesion policy), which, according to the Court, raises questions about how TA contributes to reaching overall programme goals.

Also similar to the study, the Court found that **there should be clearer differentiation between capacity-building expenditure and administrative costs**. The Court points out that using TA resources largely to cover staff costs or administrative costs in general represent **an opportunity cost, i.e. these sums could have been spent on core rural development measures, benefitting rural communities**. Overall, the Court finds that TA should be duly accounted for. Without clear objective setting, monitoring and performance framework for TA spending, it is difficult to demonstrate that TA makes a valuable contribution to programme implementation. Given the similarities between cohesion policy and rural development policy instruments, these findings could offer advice to cohesion policy programmes as well, although it has to be noted that in its answers to the Court, the Commission disagreed with the Court about TA diverting substantial resources from policy objectives. The Commission pointed out that TA expenditure helps smooth implementation of programmes, so it does benefit beneficiaries (rural communities). The Commission agreed with the need to increase transparency of administrative costs, but underlined that **well-equipped administrations are a prerequisite of sound programme management (poorer Member States often need support to finance administrative costs)**. The Commission also added that as regards monitoring and evaluation of TA, it being a cross-cutting supporting activity, it is embedded in the monitoring and evaluation of programmes themselves.

2.2.2 TA at the initiative of the Commission

There are no studies available at the time of writing that would broadly evaluate TA at the initiative of the Commission, or analyse in particular its overall contribution to administrative capacity building in Member States. What is known is that the EC has launched several initiatives contributing to capacity building. Examples are included in Table 3, with actions linked to audit, control and the fight against fraud, highlighted separately¹⁸:

¹⁷ The work programme of ECA does not include a TA-related audit activity in the near future, however, administrative capacity remains of interest to the Court: the work programme 2022+ includes a special report entitled “E-Cohesion and strategic administrative capacity building” that aims at assessing “whether the Commission and the Member States are fully exploiting the potential of e-Cohesion in order to apply a strategic approach towards administrative capacity building in the area of cohesion”, Source: [ECA 2022+ Work Programme](#)

¹⁸ Source: Cohesion data story [“Cohesion policy and good governance”](#) (accessed on 16 March 2022), [Improving how funds are invested and managed](#) (accessed 29 March 2022), [Annual Activity Report 2020 of DG Regio](#) and informal exchanges with the Commission. The 2020 AAR of DG Regio and of [DG EMPL](#) include information about their “support activities” to improve programme authorities’ administrative capacity and the effectiveness of programme management and control systems. These activities, such as sharing of detailed audit checklists with audit authorities are not TA actions per se, but can prove important in the overall effort of building capacity in audit authorities.

Table 3 Commission initiatives contributing to capacity building in the area of cohesion policy

| Initiatives to promote capacity building | Initiatives to promote capacity building, special focus on audit, control and fight against fraud |
|---|--|
| <ul style="list-style-type: none"> • REGIO Peer2Peer+ scheme that aims to increase administrative and technical capacity of the programme authorities and consists of TAIEX REGIO PEER 2 PEER exchange system (short-term exchanges between the national and regional bodies that manage and administer ERDF and Cohesion Fund programmes) and REGIO Peer2Peer Communities (networks of civil servants from regional and national administrations); • training for experts from Member States about ESI Funds rules and regulations; • EU Competency Framework for assessing and tackling skill gaps in the administration (together with a self-assessment tool); • pilot actions - roadmaps for good governance and administrative capacity in the 2021-2027 period, and its continuation the Roadmaps for Administrative Capacity Building, that is a practical toolkit to prepare such roadmaps | <ul style="list-style-type: none"> • seminars on anti fraud and anti- corruption measures linked to the use of ESI Funds; • Integrity Pacts - a tool for civic monitoring of EU-funded projects ("a contract between a contracting authority and economic operators bidding for public contracts that they will abstain from corrupt practices and will conduct a transparent procurement process"¹⁹); • EU Funds Anti-fraud Knowledge and Resource Centre - includes tools/materials that are to help Member States to prevent, detect, report and prosecute fraud and corruption; • Compendium of anti-fraud practices for preventing and detecting fraud and corruption in ESI Funds (part of the Commission Anti Fraud Strategy). - it included an e-learning training module, guidance, online toolbox with practical examples and case studies. (in relation to it, training courses were organised on identifying and preventing fraud and corruption); • Transnational Network of ERDF/CF Simplified Cost Option Practitioners - operations using simplified cost options are less error prone, this network is to help increase the uptake of this method, and also to learn from each other in other topics linked to simplification • Guidance for practitioners on the avoidance of the most common errors in public procurement of projects funded by the European Structural and Investment Funds - to improve the performance of both public authorities and beneficiaries when carrying out public procurement • State Aid in the management of ESIF - support to national and regional authorities in strengthen their State aid competencies • Citizens participation in cohesion policy - initiatives to promote involvement of civil society and the public and increase trust • Regio Peer2Peer+ exchanges also contribute to capacity building in audit activities |

3. Challenges and recommendations to technical support/assistance

It goes beyond the scope of this briefing to provide an in-depth analysis of the complex issue of how efforts on administrative capacity building can lead to better administration and what are the related challenges. Some

¹⁹ Source: [Integrity pacts](#) website (accessed 17 March 2022)

elements can however be included here for further reflection. This section is mainly based on findings of the 2020 study, commissioned by DG Regio, looking at cohesion policy technical assistance in relation to better administration. This study includes four recommendations on how to strengthen administrative capacity and how to improve the use of technical assistance in cohesion policy in the 2021–2027 programming period (the compact formulation of the recommendations is quoted from the 8th cohesion report, where this study is mentioned):

1. “developing capacity-building roadmaps encompassing a broad range of activities, including support for human resources and organisational advice on systems and tools”;
2. “supporting the entire ecosystem for managing and spending the funds, including implementing bodies, delivery agents and beneficiaries”;
3. “developing flexible learning strategies for capacity-building to respond quickly to changing circumstances”;
4. “ensuring coherent management of capacity-building at EU level”.

The study finds that with regard to administrative costs such as staff salaries, there should be a reorientation of TA to broaden the range of capacity-building activities. However, to preserve already existing capacities of institutions, **TA should continue to finance remuneration of staff**, especially as (according to Member States) it protects the fund management system from economic crises or from rationalisation of administrative structures. It can also help keep qualified staff. Thus, even though the study findings echo the earlier mentioned concerns of the ECA about TA covering staff costs, it also supports the EC’s arguments about the need to do so. However, it is underlined that **support to staff salaries should be part of a comprehensive capacity-building framework, with a longer-term strategy in place that includes learning and developmental opportunities**.

Good governance of TA for administrative capacity building requires **(political and administrative) leadership and stakeholder involvement; it needs to be coordinated with wider administrative reforms** in Member States as well as with other capacity-building efforts and funding sources, such as the TSI. The study underlines that **supporting better administration requires a coherent and forward-looking long-term strategy based on prior identification of priorities and needs** (echoing the Court’s findings in its earlier mentioned special report). The policy framework must be flexible enough to tailor TA to specific circumstances, and allow for a mix of different capacity building measures. TA at the initiative of the Commission should be complementary with TA financed by Member States. These findings can also be relevant for the design of TSI projects that aim at better administration

The study also echoes the Court’s opinion about TA, by pointing out that it is necessary to better understand TA actions and their effectiveness. Thus **there is a need for reliable performance measurements, with more specific and disaggregated indicators than those in use in the 2014-20 period which did not show how TA is used for capacity building** (the study gives the example of Full Time Equivalent supported). A good step in this direction is the broadening of the intervention codes of TA activities, by adding “Reinforcement of the capacity of Member State authorities, beneficiaries and relevant partners” to the earlier mentioned three intervention categories. This will allow for a better understanding of TA resources spent on such actions²⁰.

Even though the primary responsibility and the knowledge lies with Member States when it comes to assessing capacity building needs and planning/implementing actions to meet those needs, **in many cases, national or regional authorities do not have the competences and resources** to tackle this challenge. It is there where the EU level can step in, concretely through DG Regio, EMPL, REFORM and possibly other DGs of the Commission that can work together in supporting domestic authorities to design their capacity building actions (strategies, roadmaps) . **Coordination among the different policy areas is important, to improve synergies and complementarities** and to avoid overlaps. It has to be noted that **such coordination is in place**: for example, according to the [2020 AAR of DG Regio](#), the DG reviewed 545 Member State requests for TSI support (from the 2021 work programme), to avoid overlaps or duplication and to ensure synergies with regional policy investments. [DG Employment and Social Affairs and Inclusion, in its 2020 AAR](#), highlights that the DG helped

²⁰ Annex I, CPR21-27

Member States' requests for support under the TSI. There is however **room for improving coordination, as also pointed out in internal audit findings**, included in the same DG EMPL AAR (the 2020 DG REFORM AAR also includes recommendation made by their internal auditors in this regard). An interesting new policy "tool" introduced in the 2021-2027 period for enhancing synergies among the different TA and TS activities are the earlier mentioned [administrative capacity building roadmaps](#) that can combine elements financed in different ways, such as technical assistance resources, capacity building linked to ERDF/Cohesion Fund, TSI or national funding.

On a final note: **simplification** (a challenge broader than those discussed in this briefing) remains an important goal for capacity building for programme authorities that look for structures, tools, procedures to ease the burden on staff and on beneficiaries, especially in the areas of better project design and selection and improved financial control and audit.

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