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WORKING DOCUMENT

on ECA Special Report 1/2018 (Discharge 2017): Joint Assistance to Support
Projects in European Regions (JASPERS) - time for better targeting

Committee on Budgetary Control

Rapporteur: Derek Vaughan

Introduction

In 2005, the European Commission decided to engage in a new initiative, together with the European Investment Bank (EIB), known as ‘Joint Assistance to Support Projects in European Regions’ (JASPERS), to provide the Member States that joined the EU in 2004 or later with independent free-of-charge advice to help them to prepare high-quality proposals for large investment projects for funding through the EU’s Cohesion and European Regional Development Funds. The Court audited in four Member States: Croatia, Malta, Poland and Romania. The audit covered the period from when JASPERS began operations in 2006 until the end of 2016.

Number of JASPER assignments during the financial period 2007-2013:

Assignment type	Accepted	ongoing	Completed	suspended	cancelled	rejected	Sub-total
Major projects	3	33	652	25	172	31	916
Non-major projects	0	5	168	7	47	4	231
Horizontal support	5	17	143	1	54	1	221
Capacity building	2	1	9	0	2	0	14
Post-submission appraisal (PSA)	0	0	0	0	0	0	0
Independent quality review (IQR)	0	0	0	0	0	0	0
TOTAL	10	56	972	33	275	36	1382

Number of JASPER assignments during the financial period 2014-2020:

Assignment type	Accepted	ongoing	Completed	suspended	cancelled	rejected	Sub-total
Major projects	23	252	55	12	25	0	367
Non-major projects	4	29	27	7	4	0	71
Horizontal support	9	46	50	10	28	1	144
Capacity building	8	24	12	0	1	0	45
Post-submission appraisal (PSA)	0	0	28	0	0	0	28

Independent quality review (IQR)	0	1	3	0	0	0	4
TOTAL	44	352	175	29	58	1	659

The actual cost of JASPERS, between its commencing operations in 2006 and the end of 2016, was EUR 284,2 million. Around 79 % of the total cost of JASPERS (around EUR 223,5 million euro) was funded from the EU budget.

Year	JASPERS actual cost (EUR million)	Commission contribution (EUR million)	Commission financing rate	Full-time equivalent
2006	0	3,9	-	15
2007	17,8	13,2	74%	56
2008	21,2	16,0	75%	61
2009	23,5	17,1	72%	77
2010	30,2	23,4	77%	88
2011	32,0	26,5	83%	89
2012	30,4	24,2	80%	91
2013	31,6	23,1	73%	87
2014	28,9	21,8	75%	96
2015	32,4	25,7	79%	116
2016	36,0	28,8	80%	124
Total	284,2	223,5	79%	-

The Courts conclusions and recommendations

Overall, the Court concluded that there were shortcomings in the definition of JASPERS's main objectives and roles and responsibilities. As a result, JASPERS's assistance was not targeted sufficiently at those activities, which added the most value. Furthermore, we concluded on significant weaknesses in the setting-up of the new JASPERS IQR function for the 2014-2020 programme period, which resulted in a high risk of a lack of impartiality in relation to JASPERS's advisory function. We found that JASPERS had had an impact on the quality of major projects. The impact of JASPERS on administrative capacity of Member States did not yet result in higher independence from JASPERS assistance. This, in combination with shortcomings in the monitoring and evaluation of JASPERS activities, puts at risk the successful operation of the initiative, particularly in terms of JASPERS's efficiency and effectiveness.

In light of these findings, the Court recommended that

- 1) The Commission should take more control over the strategic planning of JASPERS, including all types of JASPERS activities, keeping in mind that JASPERS was originally conceived as a temporary initiative. In particular, it should take the following steps:
 - a) adjust its overall strategic planning of JASPERS operations based on the

particular needs of Member States and in line with EU cohesion policy. JASPERS operations should focus on those activities, which add the most value;

- b) define clear milestones and criteria that will allow the JASPERS initiative to be phased out when its main objectives have been met;
 - c) incorporate its overall strategy into the annual planning of JASPERS activities in the Member States. This planning should set specific priorities for each Member State and sector in accordance with EU legislation and policies;
 - d) further clarify the roles and responsibilities of the main stakeholders to strengthen transparency and accountability;
 - e) ensure that JASPERS establishes comprehensive, practical and clear working arrangements for all of its services with all relevant Commission DGs, the EIB, and Member States;
- 2) With the view to remedy shortcomings in its operations stemming from weaknesses in the definition of JASPER's main objectives, the Commission should
- a) take immediate action to mitigate the high risk of a lack of impartiality when JASPERS carries out independent quality reviews (IQR) to appraise projects which have received JASPERS advisory support; for the post-2020 period, the Commission should stop using IQRs provided by JASPERS for major projects which have previously been advised by JASPERS;
 - b) obtain full access to the relevant documentation to verify the quality of JASPERS's IQR procedures;
- 3) As JASPERS had an impact on the project quality but not on the absorption of funds the Commission should
- a) target JASPERS assistance according to a project's stage of development; in particular, JASPERS should concentrate on the substance of projects rather than on project documentation. JASPERS should no longer begin to provide advice to projects which have already been approved by national authorities;
 - b) maintain its focus on providing JASPERS advisory services to major projects; JASPERS assistance should be available, in exceptional cases, for non-major projects and project-related horizontal assignments of a strategic nature; in these cases, it should be provided in consultation with the Commission;
- 4) As administrative capacity building had not yet resulted in greater independence of Member States from JASPERS assistance, the Commission should
- a) integrate JASPERS activities into its own technical assistance strategy, with the aim of improving coordination with JASPERS on carrying out ongoing (as opposed to ad hoc) activities for developing Member States' administrative capacity; JASPERS's activities in this respect should complement those of the Commission, focusing on sectors, areas and Member States where administrative

- capacity is insufficient;
- b) adjust the role, nature and intensity of JASPERS's capacity-building activities in Member States over time, to provide incentives for them to reach a sufficient and sustainable level of administrative capacity;
- 5) to improve shortcomings in the planning, monitoring and evaluation of JASPER activities, the Commission should
- a) introduce a comprehensive system for monitoring the extent to which JASPERS's long- and short-term objectives have been met, for all the services JASPERS provides;
 - b) ensure that future evaluations of JASPERS are sufficiently comprehensive, and draw conclusions as to whether JASPERS has achieved its main objectives;
 - c) take action to optimise JASPERS's efficiency and effectiveness, in particular by ensuring that the actual cost of JASPERS assistance for each assignment is monitored reliably and compared against JASPERS's outputs and results;
 - d) ensure that JASPERS's costs are reasonable, and that they reflect actual costs incurred;

The rapporteur's recommendations:

The European Parliament,

1. Welcomes the Court's special report, its findings and the Commission's readiness to implement the recommendations;
2. Welcomes that in some cases, JASPERS' efforts have led to progress in Member States' ability to handle project preparation and the projects have been of good quality as confirmed by their fast approval by the Commission;
3. Asks the Commission and the EIB to ensure that the programme is implemented in such a way that it brings better results with regards to administrative capacity of the Member States;
4. Observes that between 2006 and 2016 the actual costs for JASPERS and the Commission's financial contribution initially increased and subsequently remained stable at about EUR 30 million per annum, with a Commission contribution fluctuating between 70 and 80%;
5. Believes that beneficiaries should participate in the costs for the JASPERS at an appropriate level;
6. Is of the opinion that JASPERS task "(...) to provide the Member States that joined the EU in 2004 or later with independent free-of-charge advice to help them to prepare high-quality proposals for large investment projects for funding through the EU's Cohesion and European Regional Development Funds. (...)" should logically have become lighter as newer Member States adjust to EU systems and procedures;

7. Is very much concerned about the Court's observation: "VIII. The EIB [European Investment Bank] was unwilling to provide information on JASPERS's real costs, and the Commission was only partially able to demonstrate the plausibility of the standard costs of JASPERS used up to 2014 for staff members provided by the EIB.";
8. Insists that the EIB makes available, to the European Court of Auditors, all relevant information for its audit work; asks the Commission to the undertake any necessary measures to ensure EIB cooperates in this respect.