EXECUTIVE SUMMARY

Abstract

The aim of this study is to assess the administrative capacity of Member States for implementing Cohesion policy in 2014-2020, and the preparations undertaken at administrative level for a successful start of the programming period. Fourteen case studies support the finding that simplification measures are being prepared at EU and Member State levels based on the lessons learned from previous periods, but that the efficient and effective Funds management in 2014-2020 will still be coupled with administrative challenges for national and regional authorities.
EXECUTIVE SUMMARY

At the start of the 2014-2020 Cohesion policy programming period, Member States were in the final stages of preparing Partnership Agreements and Operational Programmes. New features of the 2014-2020 period include closer cooperation between different partners in Member States and better coordination between EU, national and regional interventions. The requirement to elaborate Partnership Agreements and Operational Programmes simultaneously puts significant strain on administrative capacities. Low absorption rates and the results of the mid-term evaluations of the 2007-2013 programming period had already indicated that major improvements were necessary in administrative capacities in many Member States. Administrative capacity relates to a wide range of different governance levels and features, involving human resources management as well as the national and regional legal frameworks and processes.

The purpose of the study is to show how Member States have learned from the past and how the improvement of administrative capacities facilitates better preparation for the 2014-2020 programming period. The 14 case studies describe the state of play in the preparation of administrative systems in Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Finland, Germany, Greece, Hungary, Italy, Luxembourg, Poland, Sweden and the UK. Some of the case studies focus on specific Operational Programmes, whereas others provide an overview of the whole Member State. It should be noted that the cases studies are based on the information and documents available at the time of writing as well as interviews with relevant authorities. Different levels of information within a single Member State could be observed in the preparation phase of the 2014-2020 period. Wherever the opinions of different stakeholders are expressed, there is room for disagreement, even within one single Member State. Also, the sense of discretion of the authorities interviewed can lead to a holding back of opinions. The case studies analyse three major aspects: the state of play in programming, the state of play in preparing administrative capacity, and the impact of different parameters (e.g. changes in the number of Operational Programmes and actors involved in the management and implementation; changes in the thematic concentration) on administrative capacity.

State of play of programming
In general, the partnership process has been long-lasting and complex, with a balance between bottom-up and top-down approaches. In some countries, the partnership process led to institutional reforms and changing mind-sets regarding the structure of Operational Programmes. Whereas new multi-funded Operational Programmes have been introduced, the overall number of Operational Programmes has been reduced. Although Member States, in principle, appreciated the strengthening of the partnership process, criticisms were formulated about the different interests of stakeholders and the complexity of decision-making.

Due to the lengthy inter-institutional negotiations, the regulatory framework only entered into force in December 2013, causing delays in finalisation of the programming documents. While some authorities valued the role of the European Commission in offering constructive support throughout the preparation process, others criticised the inconsistent feedback between informal and formal meetings and between different officials and services.

Administrative capacity
In general, Member States will build upon the programme management experience gained in the previous programming period(s). The possibility to reduce the number of Operational
Programmes will lead to more complex rather than simplified structures in many countries. Interviews revealed that in 2007-2013, administrative issues were related to human resources namely staff fluctuation, a lack of knowledge and experience, or even the absence of an adequate administrative framework. Fluctuation of staff is expected to remain a problem. In response to the financial and economic crisis, some Member States carried out changes in the administrative structure to increase efficiency and save public financial resources. In other Member States, the 2014-2020 programming process led to increased staff involvement with Technical Assistance budgets having been increased to finance human resources.

**Impact of different parameters on administrative capacity**

Member States are positive in the self-assessments of the effectiveness of their capacities. However, national self-assessments do not always correspond to the assessments made by the European Commission. The latter is expressed in the Position Papers, based on the lessons learned from the 2007-2013 programming period, according to which there were three generic constraints on administrative capacity in 2007-2013: institutional instability associated with legislative, organisational or procedural changes; high staff turnover in Managing Authorities and Intermediate Bodies; and deficits in training and professional development. At the level of specific tasks in the programme management cycle, the administrative capacity for Cohesion policy varies greatly across countries and programmes.

The efficient and effective management of the ESI Funds in 2014-2020 is expected to be a major administrative challenge, with increased demands on administrative capacity compared to 2007-2013. The latter include increased reporting requirements, the novelty of the performance framework and the initial difficulties related to introducing and learning about new e-cohesion data exchange systems. This is coupled with the on-going reform of administrative structures impacting on institutions, procedures and human resources. Another difficulty consists in limited staff resources and tighter Technical Assistance budgets, particularly where public finances are constrained in the context of the economic crisis. Member States have the possibility to introduce simplification measures for the 2014-2020 period and the research indicates a commitment among Managing Authorities to improve administrative capacity, the most common features being: steps to reduce the administrative burden for beneficiaries by harmonising rules across priorities or themes; streamlining processes and procedures, reducing reporting requirements, and improving data management (including through e-Cohesion).

**Recommendations**

The study provides a series of recommendations to improve the capacity for programming and implementing the ESI Funds in the future, distinguishing between different levels of governance. From the European Parliament’s perspective, a key issue is the need for more scrutiny of the European Commission, Commissioners, and national ministers in front of Parliamentary committees on the topic of administrative capacity. This could translate into regular reporting back by the European Commission to the European Parliament on the role of the new administrative capacity units in the European Commission and on the most problematic areas for (some) Member States, notably the fulfilment of ex-ante conditionalities, the implementation of capacity action plans, and the performance framework and reserve. Finally, the ability of the European Parliament to hold other institutions accountable requires better insight into the determinants of administrative capacity across different Member States. The European Parliament could contribute to this knowledge base through debates, public hearings, reports and studies on capacity issues during the implementation of the 2014-2020 programmes.