

# **Administrative capacity of local and regional authorities:**

**Opportunities and challenges for structural reforms  
and a more effective European economic governance**

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# Challenges & opportunities

- ▶ **Opportunities and challenges for LRAs** in admin capacity, focused structural reforms & investment
- ▶ **EU-funded capacity-building instruments** under the current & next MFF
- ▶ They cluster around **two central themes**:
  - **Capacity-building needs of LRAs**:
    - **Structures and processes**, incl. organisational change
    - **Human resources**, incl. specialist expertise
    - **Systems and tools**, incl. manuals, templates, IT
  - **Modalities and coordination** of EU-funded instruments and programmes

# Funding for capacity-building 2014-2020

- ▶ **ESIF Thematic Objective 11:** enhancing institutional capacity of public authorities and stakeholders and efficient public administration
- ▶ **ESIF Technical Assistance:**
  - at the initiative of Members States
  - at the initiative of the Commission
- ▶ **Structural Reform Support Programme:** for institutional, administrative and growth-sustaining reforms, since 2017
- ▶ **Other EU instruments & programmes** supporting *inter alia* capacity-building, e.g. CEF, Horizon2020
- ▶ *Lack of clarity as to the **relevance of support** (to CB & LRAs), **evaluations & learning***

# Funding for capacity-building 2021-2027

	Cohesion Policy					Reform Support Programme		Other instruments & programmes
	TO11	MS TA	Additional MS TA	Capacity Building	COM TA	Reform Delivery Tool	Technical Support	
	Old CPR Art 9	CPR Art 30-31	CPR Art 32	ERDF/CF Art 2	CPR Art 29			
<b>Management mode</b>	Shared	Shared	Shared	Shared	Central	Central	Central	Central
<b>General Scope</b>	General public administration (Managt/impl of Funds)	Managt and implem. of the Funds	Managt and implem. of the Funds	Managt and implem. of the Funds	Managt and implem. of the Funds	General public administration	General public administration	Specific public administration
<b>Support to reform</b>	YES (High)	NO	NO (YES indirectly?)	YES (incentivise reforms in supported sectors)	NO (YES indirectly - Low)	YES (High)	YES (High)	NO (YES specific aspects)
<b>Support to programme(s)</b>	YES (Low)	YES (High)	YES	YES	YES (High)	NO	NO	NO
<b>Capacity building</b>	YES (High)	YES (Low)	YES (Unknown)	YES (Unknown)	YES (Medium)	YES (Unknown)	YES (High)	YES (Low-Medium)
<b>Programming</b>	Driven by strategies/programs	Driven by strategies/programmes	Driven by strategies/programmes	Driven by strategies/programmes	Driven by strategies/projects	Driven by MS project requests	Driven by MS project requests	Driven by MS project requests
<b>Funding envelope</b>	€ 4.2 bn	2.5% ERDF/CF, 4% ESF+ [€ 10 bn*]	Part of OP budget, not defined	Part of OP budget, not defined	0.35% [€ 0.8 bn*]	[**]	€ 0.8 bn	Various amounts
<b>Form of financing</b>	Based on real costs	Flat rate	Based on results	Based on real costs or results	Based on real costs	Based on results	Based on real costs	Based on real costs
<b>Targeted level</b>	MS auths, beneficiaries, relevant partners	Progr. auths, implem. bodies, beneficiaries	MS auths, beneficiaries, relevant partners	Progr. auths, implem. Bodies	COM services, progr. auths, implem. bodies	Main focus on national level	Main focus on national level	Various
<b>LRAs: Beneficiaries</b>	YES (Low-Medium)	YES (Low-Medium)	YES (Low?)	YES (Low?)	NO	NO	NO	YES (Low)
<b>LRAs: Stakeholders (potential indirect beneficiaries)</b>	YES (Medium)	YES (Low-Medium)	YES (Low-Medium?)	YES (Low-Medium?)	YES (Low-Medium)	YES (Low?)	YES (Low-Medium)	YES (Low-Medium)
	<b>Discontinued!</b>		<b>NEW!</b>	<b>NEW!</b>		<b>NEW!</b>		

\* Provisional estimate \*\* The financial envelope of EUR 22 bn is unrelated to capacity-building

# LRA assessment of future CB support

- ▶ **Modalities**, from LRA perspective:
  - Under TO11: direct ‘beneficiaries’; under SRSP/RSP-TSI: ‘stakeholders’ / indirect beneficiaries; post-2020 no direct access to reform focused CB support; other instruments not focused on capacity-building
- ▶ **Financial resources** for public administration – gradually less money for LRAs as beneficiaries:
  - 28% in 2007-13, ESF; 13% in 2014-20, TO11; 0% in 2021-27
- ▶ **Coordination and complementarity**:
  - Centralisation with simplification
  - “Two different logics” & practicalities
- ▶ **Sustainability of improved capacity**:
  - Results driven but ad hoc, short-term alleviation

# Recommendation 1

- ▶ To facilitate **greater coherence and effective coordination** between EU funding tools and processes (and safeguard LRAs' role in the European Semester).
- ▶ Focus on **making the NRPs into a strategic coordination tool** - the missing link between Semester/CSR, ESIF and RSP; backed up by c-b needs assessments including LRAs ('road maps'):
  - **Revise SEC-GEN's guidance on NRPs.**
  - **Revise wording of RSP regulation** (cf Art. 11(2) and 14), **strengthen references to role of NRPs.**
  - **A single set of guidelines by COM** for all strands of EU-funded capacity-building measures.

## Recommendation 2

- ▶ To ensure there are **suitable EU-funding tools with an explicit remit of supporting capacity-building** (directly accessed by LRAs, as beneficiaries).
- ▶ **Amendments to the published regulations, e.g.:**
  - Amend RSP / Technical Support Instrument provisions (cf Art. 19) to create a window for LRAs to be able to submit requests in line with NRPs.
  - Amend CPR Art 32 or reword ERDF/CF Art 2, to envisage TO11 type actions in all OPs which address CSRs / reforms; ringfence the necessary funding.

**Thank you for your attention!**