

Are we afraid of EU Structural Funds?

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*This presentation represents the view of
ECORYS's EU Structural Funds
Knowledge Cluster across the EU
countries of Poland, Hungary, Belgium,
the UK, the Netherlands, Spain,
Bulgaria*

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The Double AC

Absorption capacity (AC)

+

Administrative Capacity (AC)

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High utilisation rate of Structural Funds and delivery of strategic objectives

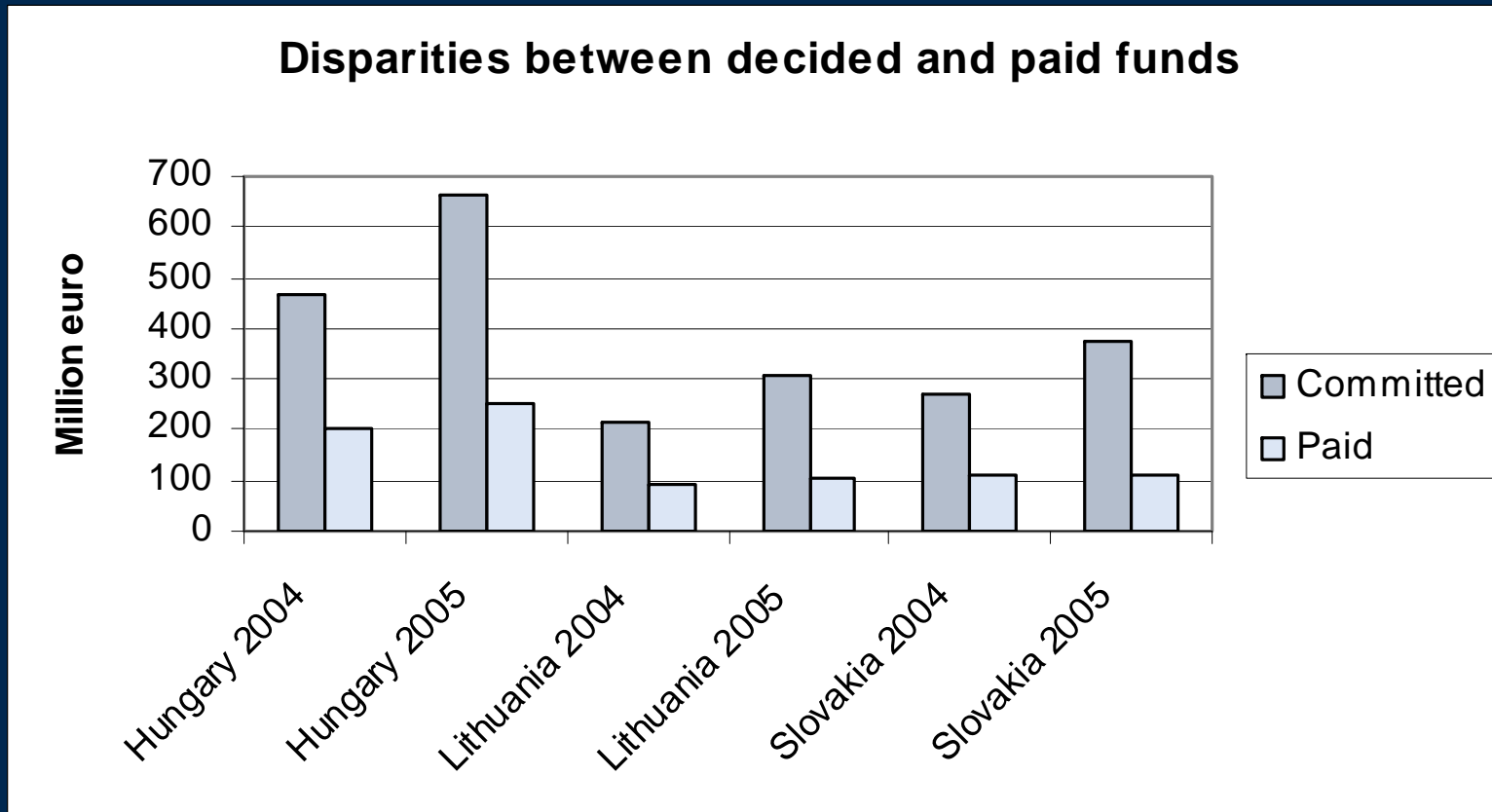


Why pay attention to Absorption?

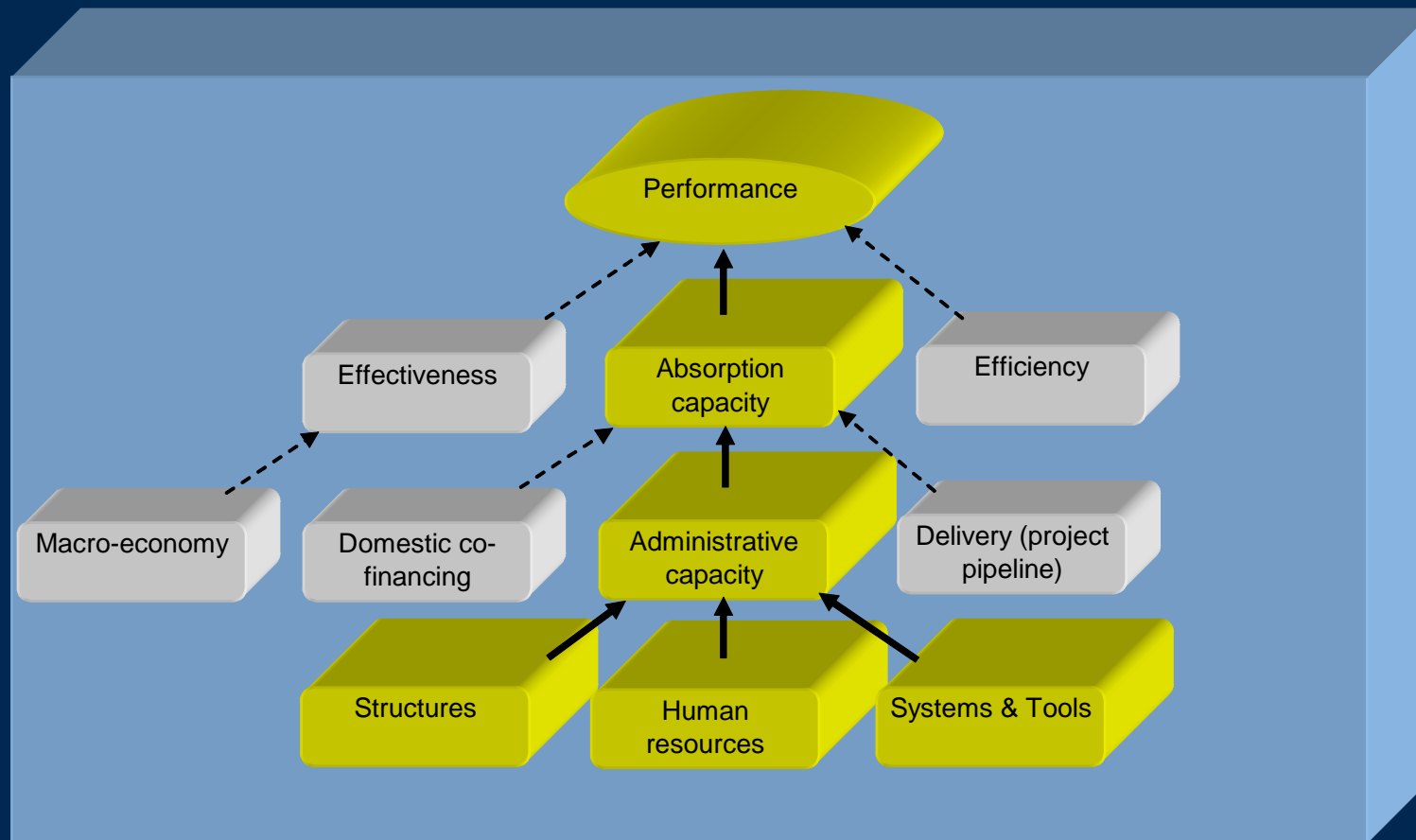
- Reaching Cohesion targets largely depends on **spending**
- **Underspending** results in the need to send money back to Brussels
- **Timely and effective spending** of the Funds is a top challenge
- Underspending will influence **future funding levels**



Difficulties in Absorption



Double AC: Main building blocks of Performance



Factors of Administrative Capacity

Structures: precise designation of responsibilities, tasks and functions: “If everybody is responsible for everything, nobody is responsible for anything”

Human Resources: Quantity and quality of staff: recruiting, training, retaining and promotion

Systems and Tools: Manuals, Checklists, QA Tools, MIS, Risk Management Tools, knowledge management

Administrative Capacity in figures *

Member state	Number of employees	Allocation for 2007 – 2013 (MEUR)	Average amount implemented by 1 employee (MEUR)
Poland	9 457	65 222	6,90
Estonia	350	3 404	9,72
Bulgaria	1 002	6 674	6,66
Lithuania	981	6 775	6,91
Malta	90	840	9,33
Latvia	937	4 530	4,84
Slovakia	1 502	11 360	7,56
Romania	1 500	19 213	12,81
Hungary	1 500	24 921	16,61
Cyprus	223	613	2,75

* Source: Conference New Member States on Cohesion Policy, 11-13 November, 2009, Bratislava

Traps to be aware of: (1)

- The trap of increased attention on financial management and audit:



- Lots and stricter rules
- Increased bureaucracy in procurement
- Cumbersome selection procedures
- More CBA's than needed, etc.

! All above **hampers effective implementation**
of the OPs

(Source: COM, 2009, 402, Brussels, 22/07/2009)

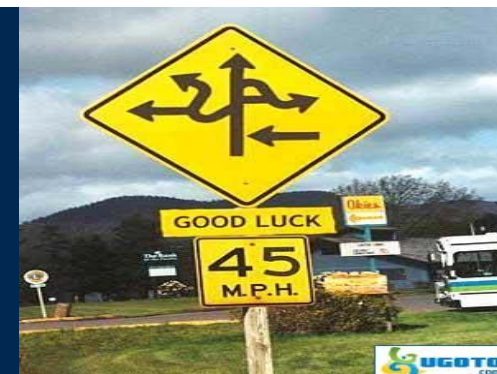
Traps to be aware of: (2)

- Cohesion policy suffers from lack of effective “policy management”:
 - Balance: compliance/performance
 - Balance: administrative procedure/focus on delivering the strategic objectives (policy outcomes)
 - Balance: administrators/policy entrepreneurs in the public administration
- ! Need of **leadership in policy** areas and **higher standards** of public administration

**Beneficiaries need you as much
as you need them!**



Conclusions on AC



- Absorption capacity determined by weakest link
- Absorption problems in EU mainly by **insufficient administrative capacity** (*number, quality, continuity*)
- **Sound administrative capacity, quality assurance and knowledge management** crucial
- **Support** to Beneficiaries with project applications essential (Project Pipeline facility)

Recommended Attention Points (1)

- Capacity of Beneficiaries
 - Spend money on awareness, training, information, helpdesks
 - Encourage outsourcing when capacity slows down the process
- Quality of projects
 - Quality requirements should be clear and known
 - Support project development
- Simplify rules
 - Emphasis on achieving strategic objectives; lots of and complicated rules – high chance of mistakes

Recommended Attention Points (2)

- Balance in the administrative capacity
 - Build up policy leadership and entrepreneurs
 - Continue strengthening the capacity of public administration
 - Create stable institutional set up for SF implementation and management

- Measure the effectiveness and efficiency
 - Pay attention to target indicators: they are too qualitative at the moment
 - Have a good MIS
 - Learn from results of monitoring and evaluation and share knowledge

- Outsource
 - Asking external experts to help you out in speeding the process is not a shame!

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"THESE ARE SOME GREAT SOLUTIONS WE'VE COME UP WITH, ED.
SEE IF WE HAVE ANY PROBLEMS THEY'LL SOLVE."

THANK YOU FOR YOUR ATTENTION!

The **80-year long** experience of **ECORYS** in economic and social policy research and advice may be of help to you

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