

## European Commission and OECD

### Forum for Managing Authorities Building Administrative Capacity 2021-2027

#### Closing Plenary - Plenary Keynote Address<sup>1</sup>

**Laura Polverari<sup>2</sup>**

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Thank you, Daniel, and many thanks to all the organisers for inviting me to this event. I am truly delighted to be in this common virtual space, in this community, and I have found today's discussions most interesting. The topics which were touched upon earlier today are very close to my research agenda and I have gained a lot of new insights by listening to those who preceded me. So, really, thank you.

Now, with the time at my disposal, I would like to focus on some of the main issues that, based on my past and current research, are in my view paramount to frame the interventions for administrative capacity building within cohesion policy in a way that they *DO* deliver the intended outcomes. And I shall also highlight why the roadmaps, such as those which have been piloted by the OECD, are, also in my view, useful and needed tools.

Later, during the panel discussion and if time allows, I'd be glad to provide some reflections on one or two points that I will take home with me from today's discussions.

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<sup>1</sup> The information sheet and full programme of the Forum can be found on the European Commission's website at this link: [https://ec.europa.eu/regional\\_policy/en/newsroom/news/2022/01/18-01-2022-good-governance-for-eu-regional-policy](https://ec.europa.eu/regional_policy/en/newsroom/news/2022/01/18-01-2022-good-governance-for-eu-regional-policy). The OECD studies discussed during the Forum can be found on the OECD's website at this link: <https://www.oecd.org/publications/strengthening-governance-of-eu-funds-under-cohesion-policy-9b71c8d8-en.htm>

<sup>2</sup> Prof. Laura Polverari, PhD, is Associate Professor of Political Science and Co-Director of the Institutional and Administrative Capacities Observatory #CAPIS at the Università degli Studi di Padova (Italy).

To start with, it is evident - and recent analyses, including those reported in the Eight cohesion report, have confirmed this - that administrative capacity, or rather the overall quality of government, remains a problem for some European regions. For *many* European regions one might say. And this is so particularly in the southern and eastern parts of the EU, which are also the least developed. A lot of research has shown that this has an impact on the growth potential of regions and therefore also on the lagging regions' ability to catch-up with the rest.

It is equally evident that the capacity building investments realised so far under cohesion policy have been able to respond to the needs of these EU regions and managing authorities only in part. This is confirmed, for example, by the picture mapped by the fourth and latest iteration of the EQI index, which was published last year and also picked up in the Eight cohesion report.

So, one might ask what has been missing? What went wrong?

I want to focus on four key points here.

- First, the **relevance** of the capacity building activities funded by cohesion policy;
- Second, their **synergy** with other funding sources;
- Third, the issues of **agency** and of **advocacy**;
- And, lastly, the need for improved **cooperation between policy and academia**.

Starting with the issue of **RELEVANCE**, then: the capacity building investments funded by cohesion policy, under Technical Assistance and, in the past programming period, also under the now suppressed Thematic Objective 11, *have been relevant only in part*.

Technical Assistance has funded investments that have largely been able to support the day-to-day management and delivery of programmes, but it has not been able to build a lasting legacy within public administrations, and simply filled existing gaps.

As a way of example, according to the recent study for DG Regio on the use of Technical Assistance for ACB which was mentioned also this morning by my former colleague Prof. John Bachtler, the vast majority of Technical Assistance spending in 2014-2020 appears to have been indeed devoted to human resources, but not for training and upskilling, rather to fund staff salary costs, with staff professional development representing only less than 5 percent of overall TA funding on average.<sup>3</sup>

When we look at the expenditure under Thematic Objective 11, on the other hand, there is evidence that not all investments have been made based on a properly thought-out strategic design, based on an analysis of *where* and *on which issues and tasks* Managing Authorities and Public Administrations needed to be strengthened. Instead, funding was sometimes allocated in *ad hoc* fashions, without sufficient multi-level coordination, cross-departmental coordination, and even intra-institutional coordination.

This is, in my view, where the roadmaps and self-assessment approach discussed today can be particularly useful. They can help public authorities to anchor their capacity building investments onto a proper strategic assessment of the specific needs of each institution, providing clarity on the target actors, on the specific functions that need to be supported, on the type of support needed, and on how to prioritise support. And, looking to the future, the improved emphasis on new themes

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<sup>3</sup> Polverari L, Bachtler J, Ferry M, Mendez C and Ogilvie J (2020) *The Use of Technical Assistance for Administrative Capacity Building During the 2014-2020 Period, Final Report to the European Commission (DG Regio)*, European Policies Research Centre, University of Strathclyde, Glasgow, available from [https://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/ta\\_admin\\_cap\\_build\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/ta_admin_cap_build_en.pdf).

such as a green, digital and just transition, compounded by the continued constraints on public finances, make this kind of thoughtful, strategic process a must: within cohesion policy and beyond.

And here we come to the second theme that I would like to highlight, which is that of **SYNERGY** – By synergy I mean the interaction between the investments funded for administrative capacity building under cohesion policy and other investments related to the strengthening and reform of public administrations. Despite the recommendations that several Member States have received for a number of years from the Council and the Commission, public administration reforms have been lagging in some countries. But, as several studies have shown, cohesion policy *does* require wider framework conditions and broader public administration reforms. This is because cohesion policy investments for ACB can only go so far. For example, they cannot overcome the negative effects that protracted austerity-driven cuts have had on the human resources available to local governments, as was also mentioned earlier today.

What I would like to stress is that *paradoxically*, today for some countries, the challenge of administrative strengthening might be made even greater by the existence of the National Recovery and Resilience Plans. In fact, while these plans are designed to deliver structural reforms, they present a strong risk of displacing cohesion policy investments, also with regards to administrative capacity building. In countries where Recovery and Resilience resources are particularly prominent, like Italy, there seem to be a strong focus on the short-term implementation of the NRRPs. And here the risk is twofold:

- First, the short-term necessity to spend the resources from the NRRPs might take precedence over the delivery of more structural measures for PA strengthening, and,

- second, the National Recovery and Resilience Plans appear to be superseding, for the moment at least, cohesion policy programmes, which have a longer timeframe than the NRRPs and more challenging procedures.

Therefore, while the ACB roadmaps for cohesion policy are indeed important, it will be essential for MAs in designing them to embrace a vision that goes beyond cohesion policy. A vision that takes in all PA reforms and administrative strengthening support measures, from whichever funding sources they come from, including from the NRRPs where applicable.

**Related to this issue are the themes of AGENCY and ADVOCACY** - To be successful, capacity building investments need not only to be relevant, targeted and synergistic, *but they also need to count on the willingness of those who are supposed to implement them to do so.* And this is something that emerged strongly in this morning's first session too. Again, this goes beyond the implementation of cohesion policy to embrace the status, the career opportunities and, crucially, the motivation of public sector workers. In other words, *for capacity building investments within cohesion policy to succeed, they need to be framed in a political vision.* These investments need to be supported by political and administrative leaderships.

What do I mean by this? I mean that - especially if the desire is to invest in lasting support to human resources, organisational structures, and systems and tools, rather than to support daily implementation - *those working on cohesion policy programmes need to know that they can count on lasting political support to carry through the capacity building measures which they have designed as part of their programme management systems.* Without this support, Capacity Building initiatives, even if they are embedded within formalised roadmaps, risk to stall, to be altered (and not necessarily based on solid reasoning), or to be reversed altogether, just like we have seen in

some cases with regards to the governance arrangements associated with the implementation of Smart Specialisation Strategies.

And, to keep political support alive, or to generate it where it is lacking, **advocacy** can be fundamental. And I'd like to underline something that hasn't been mentioned yet today, that is that events like today's are important also in this light and should be encouraged also moving forward to continue to advocate for sustained and continued support for the strengthening of MAs and of public administrations at large.

**COOPERATION BETWEEN POLICY AND ACADEMIA** - My last point relates to the need for better integration and mutual-understanding between the world of policymaking and the world that I inhabit, academia. Self-assessments, like the ones discussed today, are important but they can be biased: whether willingly or not; whether knowingly or not.

To design relevant and, hopefully, effective capacity building investments, it can be useful to consider also external perspectives, in order to derive a fuller picture about what works and what doesn't to improve administrative capacity, and what can be done to enhance it.

Having said this, I have sometimes witnessed a reluctance by policymakers to engage with scholarly research, be it for lack of time or because this type of research is not perceived to be immediately usable.

And to be honest, I can see a several weaknesses in the current scholarly debate about administrative capacity which do limit its relevance for policy. For example, while a variety of indices and indicators have been produced to measure different aspects of institutional performance – like the EQI which I already mentioned or the World Bank's Worldwide Governance Indicators which was also picked-up in the latest Cohesion report - these and many other studies focus predominantly on concepts that are only in part related to administrative capacity, and *therefore do not provide*

*precision about which aspects of the issues examined can be directly linked to the functioning of public administrations. Further, analyses of administrative capacity in relation to the management and implementation of cohesion policy have tended to focus on the measurement of administrative capacity, often through proxies, and on the elaboration of rankings, but rankings can tell us where there is a problem, not how to solve it (and can also be discouraging in my view, if one is at the bottom of the league...).*

With all this I mean to say that there is a two-way communication failure between the practitioners' world and the academic world, but there would be much to gain from more systematic interaction between these two communities. More regular dialogue would possibly help overcome potential biases but, more importantly, examining administrative capacity through the lenses and the methods of public policy analysis might contribute to framing administrative capacity building as a public policy as such, and not just as something that is instrumental to other policies, like cohesion policy. This would make capacity building efforts, in my view, more likely to succeed.

So, I finish here, just recalling the keywords I mentioned which are: **relevance, synergy, agency, advocacy and policy-academia cooperation**. I hope it made sense and thank you very much for your kind attention!