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ADMINISTRATIVE CAPACITY- BUILDING AND EU COHESION POLICY

Outline of methodology



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1. INTRODUCTION

This paper provides a summary of the rationale, key objectives and methodology adopted for the EIBURS study on administrative capacity-building and EU Cohesion policy. The three-year study (2014-17) is being undertaken by the European Policies Research Centre (EPRC) at the University of Strathclyde (Glasgow), and EUROREG, University of Warsaw and is funded by an EIB University Research Scholarship.

The main research questions of the study are: **what constitutes administrative capacity for implementing Cohesion policy across the EU?** and **how can effective administrative capacity for Cohesion policy be built and sustained over time?**

It should be noted that this paper only offers a brief description of the research subject: a full version of the methodology containing further details can be facilitated upon request. In circulating this version, the research team hopes to receive feedback from both practitioners in the field and colleagues from within the academia. It further welcomes comments from, and potential future cooperation with, desk-officers within DG Regio. Their experience and first-hand knowledge of the topic is essential, particularly in the data gathering process.

2. RATIONALE FOR THE STUDY

The use of European Union funds in Cohesion policy (CP) varies substantially across countries and regions in terms of strategic choices for resource allocation, efficiency of implementation and effectiveness of interventions. The lagging regions are the largest recipients of EU investment, but many also exhibit sub-optimal performance in terms of growth and development, compared to their EU better-off counterparts.

The past decade has seen growing research and evaluation evidence that institutional factors, particularly the quality and capacity of public administration, are important explanatory variables in accounting for asymmetries in the performance of CP. Consequently, the European Commission and Member State authorities have given increased attention to the reform of public administration and administrative capacity-building to assist national and sub-national bodies improve their management of European Structural and Investment Funds.

Despite the growing attention devoted to the issue of 'administrative capacity', numerous gaps in knowledge continue to persist. First, there is a lack of systematic evidence on which capacity factors are central for the management and implementation of Cohesion Policy and how these vary in different contexts. Second, it is not clear what explains variation in capacity across the EU, notably whether difficulties experienced by the administration at different stages of policy delivery are mainly endogenous to the public administration, exogenous, or both¹. Third, and partly as a result of the

¹ The concern with administrative capacity in Cohesion policy is part of a wider debate on good governance. Over the past decade, an expanding body of research has devoted attention to the quality of institutions and their importance for a range of social and economic outcomes. While these studies provide empirical evidence to show that institutions play a key role in shaping economic performance and the returns of investments across the EU, they leave several questions unanswered. Overall, they do not reveal much about potential bottlenecks in the implementation phase of the policy cycle or whether specific determinants of the quality of government are more relevant than others for the successful administration of Cohesion policy.

above factors, at present it is not possible to establish with a sufficient degree of confidence which strategies for capacity-building are likely to be successful or unsuccessful in different contexts and why.

By bringing together different streams of research and by using a mixed-methods approach, involving both quantitative data analysis and qualitative research, this study aims to fill in this research gap by offering:

- a clear map of capacity factors which appear to be critical in different stages of policy delivery in different contexts and their evolution over time;
- identification of external and internal drivers and inhibitors of change;
- overview of the effectiveness and sustainability of existing administrative capacity-building interventions;
- recommendations on administrative capacity-building initiatives tailored to the need and specific context of different territorial realities.

3. RESEARCH GOAL AND KNOWLEDGE GAINS

The context for this study, set out in the original proposal, is the long-standing academic and policy debates on the impact and added value of Structural and Cohesion Funds. Research and policy evaluation over the past decade has concluded that the variable performance of Cohesion policy is partly associated with deficiencies in administrative capacity and, specifically, problems faced by institutions in the Member States in managing and implementing the funds in line with the regulatory requirements².

The issue of administrative capacity has become more prominent as a result of EU enlargement and concerns about the implementation of Cohesion Policy in the EU12. Studies have demonstrated that poor levels of administrative capacity translate into the inability of countries and regions to benefit fully from Cohesion Policy, with serious implications for the social and economic development of a given territory. Moreover, deficient administrative capacity is also factor in explaining the poor economic development performance of parts of the EU15, such as southern Italy.

Towards this objective, the study maps out the factors which make a difference in the management and implementation of CP in different contexts. It furthers investigates the elements, both endogenous and exogenous to the public administration, which appear to be responsible for existing bottlenecks in the implementation processes. The identification of the inhibitors and drivers of change and their nature (e.g. systemic vs punctual), in particular, is central to understand the margins of success or failure that future capacity-building activities can have.

As a result, the research will provide both practitioners and academics with an innovative analytical framework for the study and evaluation of administrative performance over time and across programmes. Empirical results providing evidence of what has previously worked and not worked in terms of capacity-building interventions, and a discussion of the reasons behind this, will further prove

² Strategic planning, multiannual budgeting, project selection and resource allocation, financial management and control, monitoring, reporting and evaluation – and achieving the expected regional development outcomes.

to be a powerful instrument from which practitioners can draw upon in the process of designing capacity-building interventions.

4. RESEARCH APPROACH

As noted above, the key research questions addressed in this study are: **What constitutes administrative capacity for Cohesion policy?** and **How can effective administrative capacity be built and sustained over time?**

To tackle the central research questions, the research team is adopting a 'realist inductive' approach and uses a mixed-method, sequential research design³. The main unit of analysis is the regional/national Operational Programme (OP)⁴. The time frame of interest is the 2007-2013 programming period. However, with a view to gauging change over time, comparisons are being drawn with 2000-06 (2004-06 for the EU10) and 2014-20 programme period.

Having been piloted in two EU regions selected on the grounds of their different performance levels (Sicily in Italy and Pomorskie in Poland), the research is currently being extended to other regions in Italy (Puglia) and Poland (Malopolska) and then to the Czech Republic, Greece and Slovakia, and either Bulgaria or Romania

The main steps of the research project are as follows:

- Literature and policy review of existing academic and evaluation knowledge on administrative capacity and administrative capacity-building;
- Mapping of data at the regional level for data sets (e.g. absorption, irregularities) to provide an EU-wide picture of patterns of implementation.
- Development of soft proxies for 'performance' in the Cohesion policy domain, with a view to identifying relatively good/poor performers at the regional level and selection of case studies accordingly;
- Fieldwork research in case study countries/regions to assess strengths and weaknesses in administrative capacity for the management and implementation of CP and its evolution over time. Through interview grids and in-depth interviews with administrative personnel and key stakeholders at the regional level, the role played by factors which are external/internal to the PA and the effectiveness and sustainability of capacity-building interventions will be assessed;
- Development of a large on-line survey with a view to gain an overview of where the main problems in implementation are in a comparative way, what has been done to address

³ Realism begins from the position that knowledge is advanced through the process of theory-building in which discoveries add to what is already known. Through an inductive approach, first plans are made for data collection, after which the data are analysed to see if any patterns emerge that suggest relationships between variables. Through induction, this investigation moves towards discovering capacity factors that matter in a Cohesion Policy domain, the importance of exogenous/endogenous variables and implications for capacity-building interventions.

⁴ This varies depending on the MS being studied.

them and what worked and did not work and why in different scenarios as well as what strategies worked in different contexts;

- Development of a ‘heat map’ which will be able to indicate visually at what level of implementation a certain region experiences difficulties, the share of aid channelled to address bottlenecks and the extent of its effectiveness and sustainability;
- Advance capacity-building recommendations which escape the logic of the one-size-fits-all approach, building upon knowledge of what has worked and what has not worked before in different contexts and why;
- Production of an assessment tool to assess and track capacity levels for implementing CP at programme level over time.

5. DATA COLLECTION

The first step of the research consists of an assessment of where regions stand in terms of CP performance, according to a set of dimensions and indicators developed. Case studies have been selected according to performance and in representation of EU15/EU13 Member States and geography. A set of structured questions has been piloted and refined in a grid for administration to respondents⁵. The grid encompasses both capacity factors, such as organisational, HR, systems and tools, which are derived from the literature and are known to make a difference when it comes to implementing a policy on the ground. It also encompasses an assessment of how smooth or problematic was their experience at different stages of their activities on a given rating scale. The grid is structured in a way to capture their evolution over time.

These grids are being used as the basis for conducting in-depth interviews (IDIs) to establish more insights into the implementation of different programme tasks and – importantly – the factors influencing (both external and internal) and the extent, effectiveness and sustainability of relevant capacity-building actions.

As a result, the research team will obtain: an initial map of strengths and weaknesses in capacity factors and implementation processes; an understanding of factors which caused problems and/or made a difference over time; and ‘what works’ with respect to capacity-building.

A further, complementary research tool is a quantitative survey of all staff involved in implementation. This will enable the research team to expand the sample and verify the extent to which factors underlined in the interviews are shared more widely in relevant implementation bodies.

The result of this will be a heat map of processes. The ‘heat intensity’ will correspond to the extent of difficulties encountered in implementing aspects of CP. The survey will also have gathered info on capacity-building activities carried out so it becomes possible assess the relationship between the investment carried out in a certain process and the difficulties encountered. Through the qualitative interviews we will have gained a deeper insight of the characteristics of that relationship correlation.

⁵ Administrative personnel within the MA tasked with different responsibilities, from programming to evaluation.

Overall, the research team will gain an overview of where the main problems are in a comparative way, what has been done to address them and which strategies worked in different contexts.

6. CONCLUSION

The study will contribute to the existing academic literature in the field of administrative capacity in the CP domain through theory-generation. While previous studies have mainly focused on processes and operations, this study examines the contextual and institutional determinants of capacity and of policy effectiveness. The study further aims to support practitioners in their understanding and knowledge of factors which influence the smooth management and implementation of regional policy in different contexts. The empirical results gathered will offer a systematic overview of change or stasis in regional capacity, the variables that account for this and the extent to which capacity-building interventions have been useful in addressing existing issues. As a result, it will become possible to advance policy recommendations and suggest what can realistically be done to address existing problems through the deployment of effective and sustainable capacity-building interventions.

If you have any questions, or would like further information, please contact us at: john.bachtler@strath.ac.uk or alba.smeriglio@strath.ac.uk. Thank you very much in advance.

