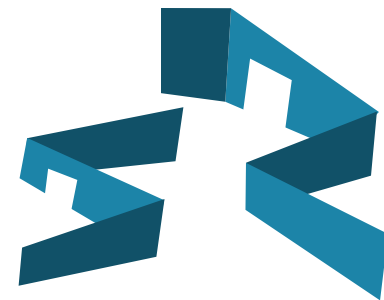


# JASPERS 2018

# STAKEHOLDERS' MEETING

Sofia

14 – 15 June 2018



JASPERS Stakeholders' Meeting  
14-15 June 2018, Sofia

# JASPERS **Activities** and **Outlook**

Antonio Almagro  
Director, JASPERS  
European Investment Bank



# Overview



# Institutional aspects

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## **Scope of activities:**

- Independent advice to Managing Authorities on strategic planning, project identification and screening, and specific sector issues (e.g. State aid, climate change)
- Support to promoters for the preparation of EU-funded projects so they meet all necessary standards
- Capacity building in relation to the points above
- Appraisal of projects prior (or post) submission to facilitate the approval process by the European Commission

## **Mandates:**

- With DG-REGIO (35 mEUR / year) -> support to ESIF projects – Dec 2020
- With DG-MOVE (3.3 mEUR) -> support to CEF projects – Dec 2020
- With DG-NEAR (5 mEUR) -> support to IPA projects – Dec 2020
- With EC Delegation-Serbia (1.5 mEUR) -> support to IPA in Serbia – Dec 2019

# How we work

## Sectors:



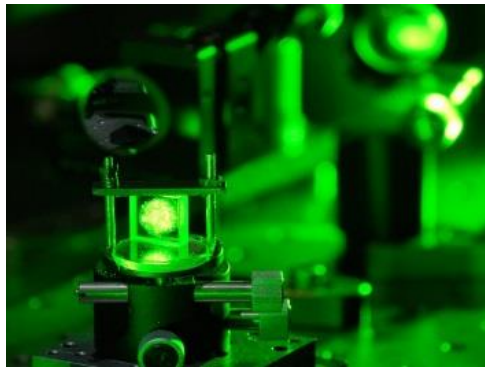
**1.**Energy and Solid Waste



**2.**Rail, Air and Maritime



**3.**Roads



**4.**Smart Development

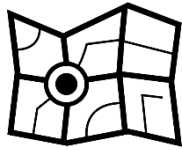


**5.**Water and Wastewater

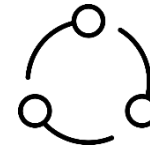
# How we work

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## Principles:



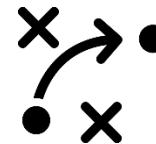
Proximity to beneficiaries with over **100** staff in four regional offices



Comprehensive approach covering the **whole** project cycle



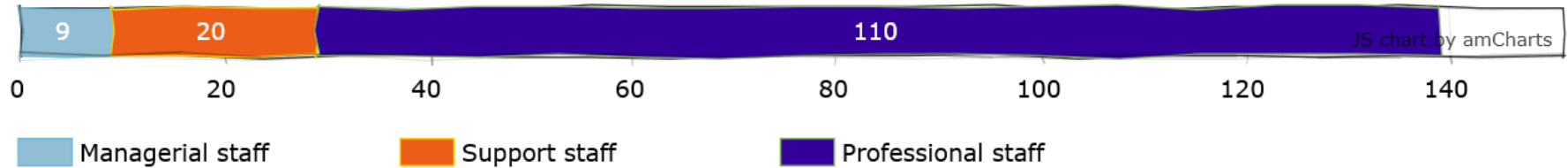
**Hands-on** approach with **in-house** expertise (very limited use of consultants).



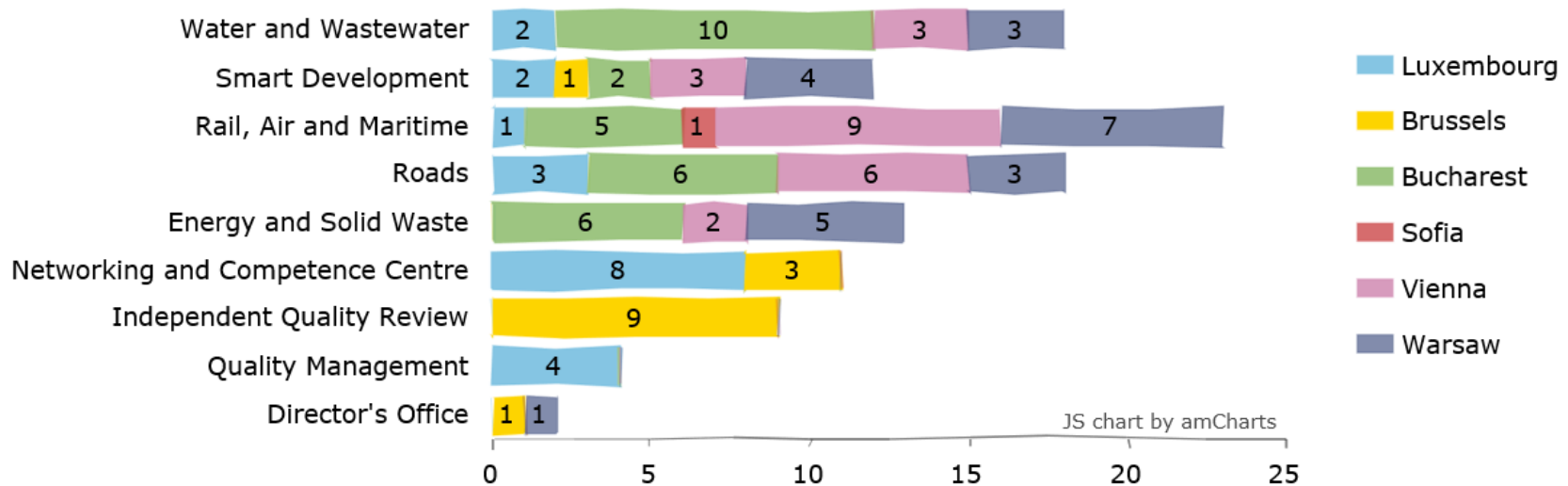
The **earlier** the involvement, the **higher** the value added.

# Structure and resources

## Staff by Category:



## Professional Staff:



# Impact





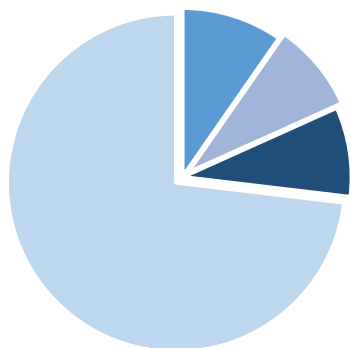
# Impact : 2017

**93** JASPERS-supported projects approved in 2017

For a total project cost of  
 EUR **17.7** bn

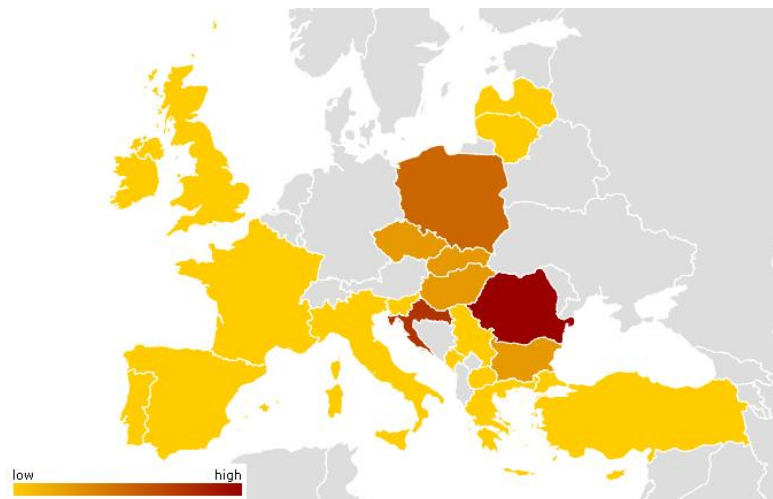
and EU grant volume  
 EUR **8.8** bn

**188** assignments completed in 2017



- 18 Strategic Support    ■ 16 Capacity Building
- 16 Non-Major Projects    ■ 136 Major Projects

**478** active Assignments as of 31 December 2017



# Impact : since 2007

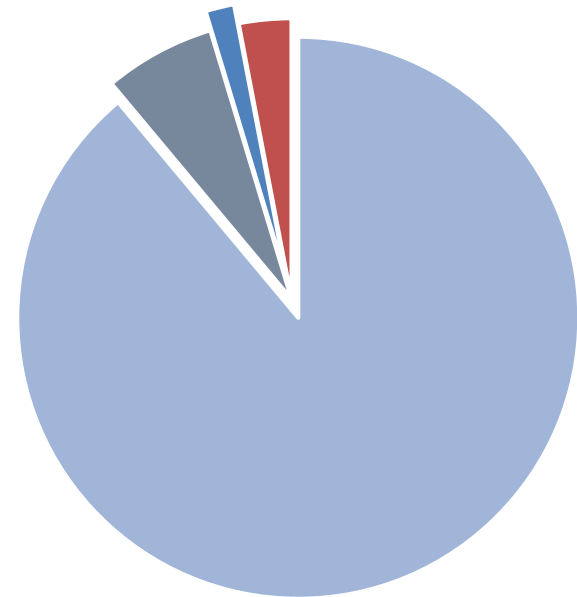
Nearly **630**  
JASPERS-supported  
projects approved  
since 2007

For a total project cost  
of over  
EUR **100** bn

and EU grant  
volume of over  
EUR **58** bn

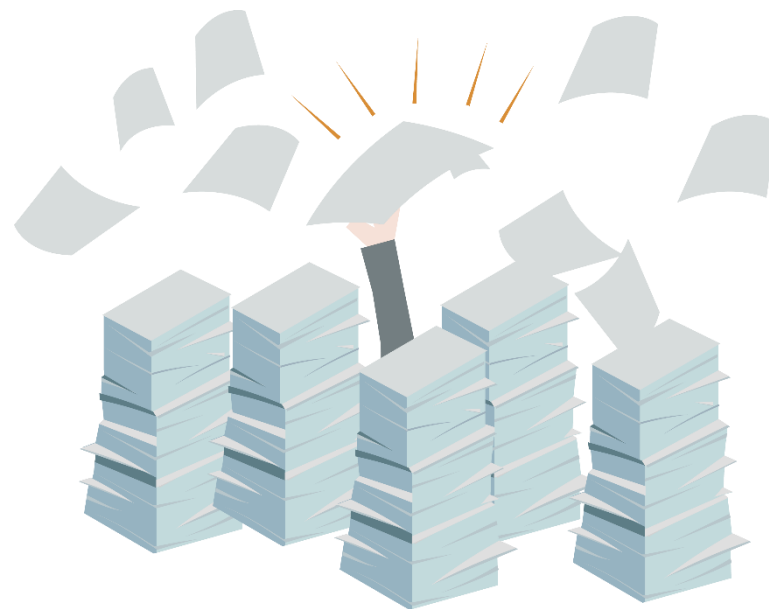
Over **1300** Assignments completed

- of which 66% linked to Major Projects
- in 21 countries



■ ESIF ■ ESIF, of which IQR/PSA ■ CEF ■ IPA

# Of particular Interest...



# Integration with counterparts

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- Support to project preparation eventually led to requests to support in **sector planning** and **project screening**.
- This is a natural consequence of our **business model**: independent advice with local presence and hands-on approach.
- Not consultants, but **partners**.

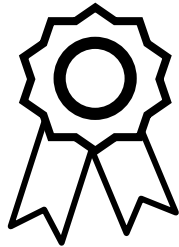
# An approach **beyond projects**

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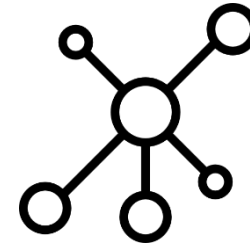
- Experts are encouraged to look at needs and problems, with the projects being the solution – in many cases this results in a **cross-border** and/or **cross-sector** projects.
- Example: development of the **Functional Regions** concept – independent of administrative borders, with mobility seen as the result of social activities.
- Example: support to investments in **sustainable urban development** – multi-disciplinary teams to facilitate the discussions of needs and solutions with counterparts.

# Continuous **improvement** process

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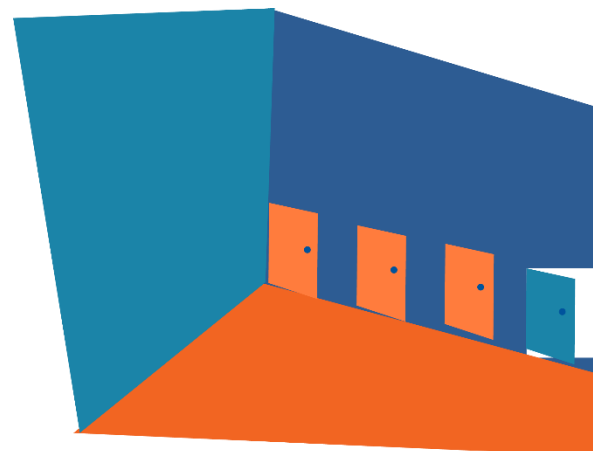


Significant effort to deploy a comprehensive **quality management approach** – received EFQM's 'Committed to Excellence' certification in 2017 and will apply for next level ('Recognized for Excellence') in 2019



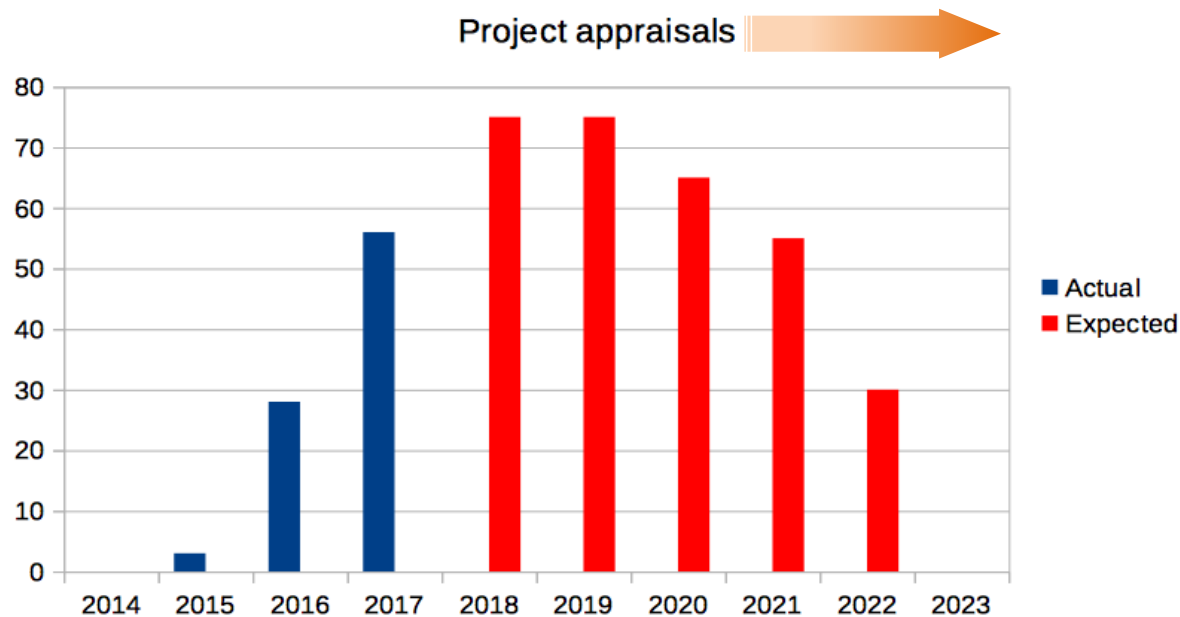
Not just an internal exercise, as same framework can be used to further strengthen our **capacity building** activities and to eventually help counterparts to improve **institutional capacity**

# Potential role post-2020...



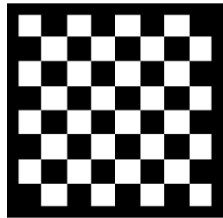
# Business as usual, for a while...

- Closure of current period to **overlap** with the new period.
- Also, possible support during **phasing**.

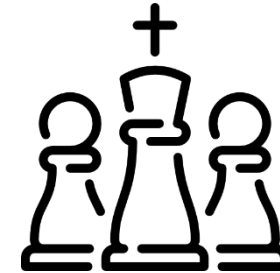




# Still room for project advisory



New regulations do not contemplate Major Projects, but introduce the concept of Territorial Development Strategies and Strategic Projects

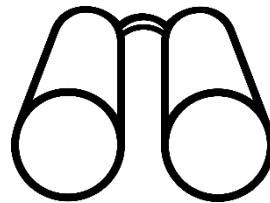


Member States will still have to define and prepare projects in 2021-2027

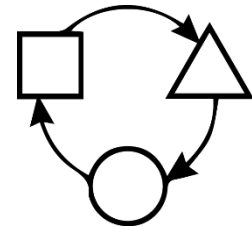
# From feasibility to bankability



Main goal for JASPERS involvement in a project shifting from approval to **financial close**



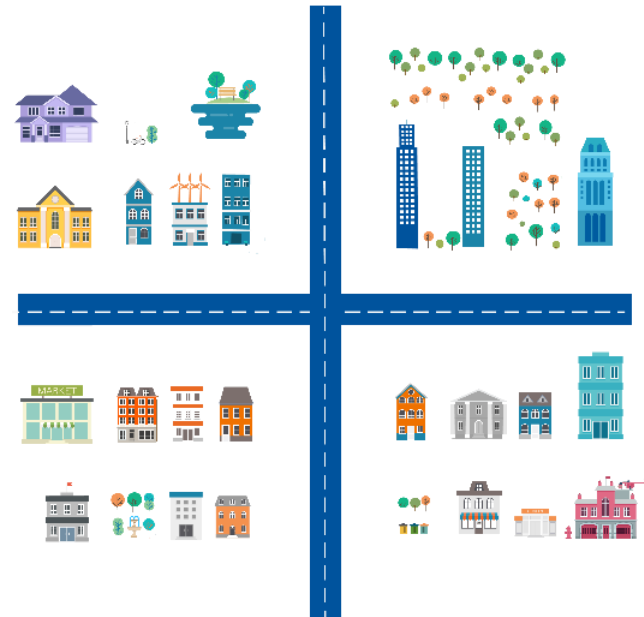
In this context, project soundness and quality remain a priority, but financial analysis and facilitation of **co-financing** by lenders as new activity



Current involvement in **CEF Blending** as a good example of this transition

# Contribution to Urban Agenda

Well positioned to support the strengthening of the urban dimension of Cohesion Policy, including the new **European Urban Initiative**.



# New approach to capacity building

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- Capacity building to remain a priority but with delivery mode likely to be adjusted to **new activities**.
- Possible increase of **support to Managing Authorities** in their new role in the project approval process – in this sense, contribution to **institutional quality** building on own experience in deploying a quality management approach in-house.
- Stronger coordination with relevant competence centres in DG-REGIO to ensure the necessary **complementarity and synergies** in capacity building activities.

Looking forward to your input  
during the next sessions.....

**T**HANK YOU !



# JASPERS

Joint Assistance to Support Projects in European Regions

<http://jaspers.eib.org>



# EU Budget for the future

## MFF

## CPR ERDF/CF

## ETC & ECBC

Erich Unterwurzacher,  
Director F, DG Regional and Urban  
Policy

15 June – Sofia

JASPERS Stakeholders Meeting



*#CohesionPolicy*  
*#EUinmyRegion*



# KEY FEATURES

## Multiannual Financial Framework 2021-2027

‘A modern budget for a Union that protects, empowers and defends’



More funding for  
priority areas



A new mechanism  
to protect the  
EU budget from  
financial risks  
linked to the rule  
of law



A strong focus on  
European added  
value and on  
performance



Less red tape for  
beneficiaries



A more flexible and  
agile budget with a  
clearer and leaner  
architecture



European  
Commission

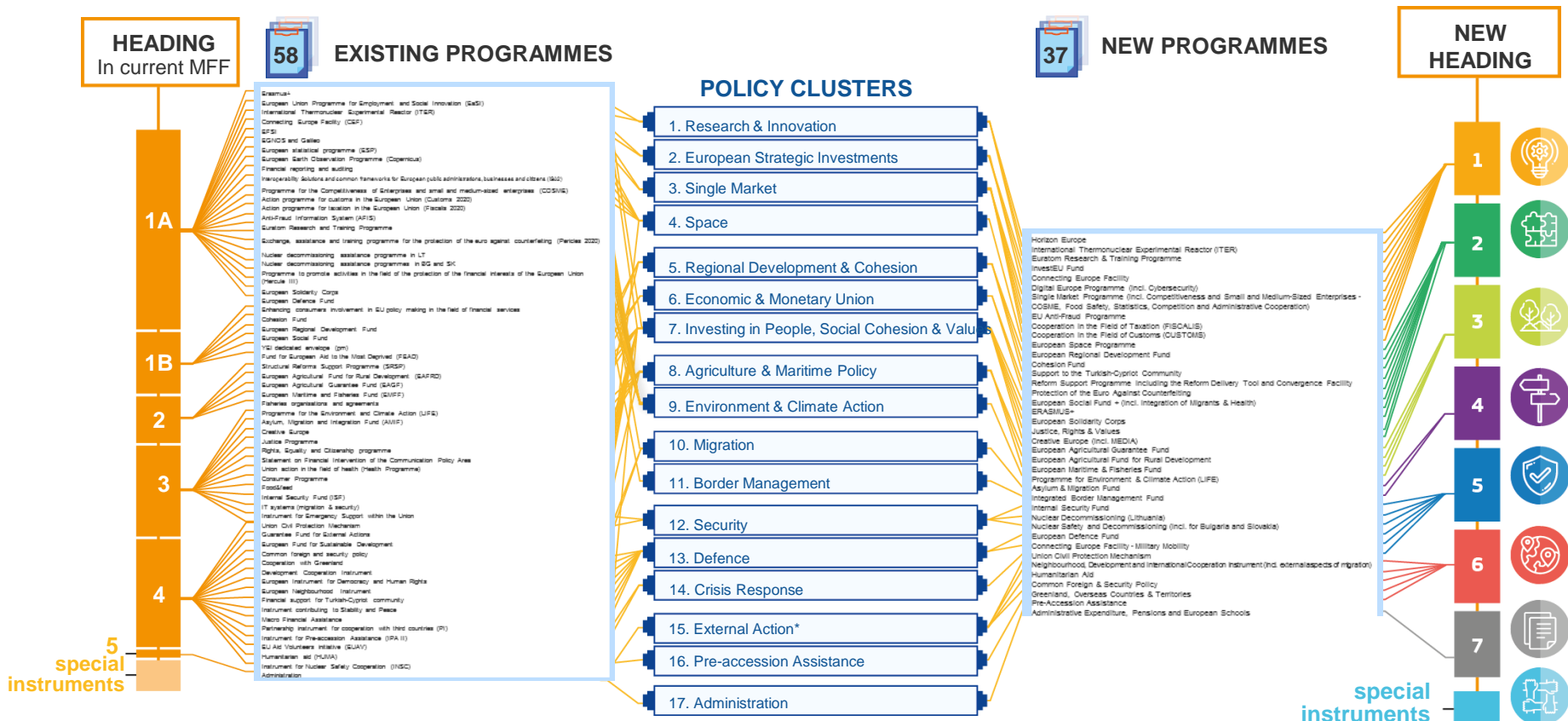




# ALIGNED TO POLITICAL PRIORITIES (1)

## Simplification, transparency and flexibility

Fewer programmes grouped in policy clusters.





# ALIGNED TO POLITICAL PRIORITIES (2)

## Simplification, transparency and flexibility

In billion euro, current prices



### I. SINGLE MARKET, INNOVATION AND DIGITAL

€187.4

- 1 Research and Innovation
- 2 European Strategic Investments
- 3 Single Market
- 4 Space



### II. COHESION AND VALUES

€442.4

- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values



### III. NATURAL RESOURCES AND ENVIRONMENT

€378.9

- 8 Agriculture and Maritime Policy
- 9 Environment and Climate Action



### IV. MIGRATION AND BORDER MANAGEMENT

€34.9

- 10 Migration
- 11 Border Management



### V. SECURITY AND DEFENCE

€27.5

- 12 Security
- 13 Defence
- 14 Crisis Response



### VI. NEIGHBOURHOOD AND THE WORLD

€123

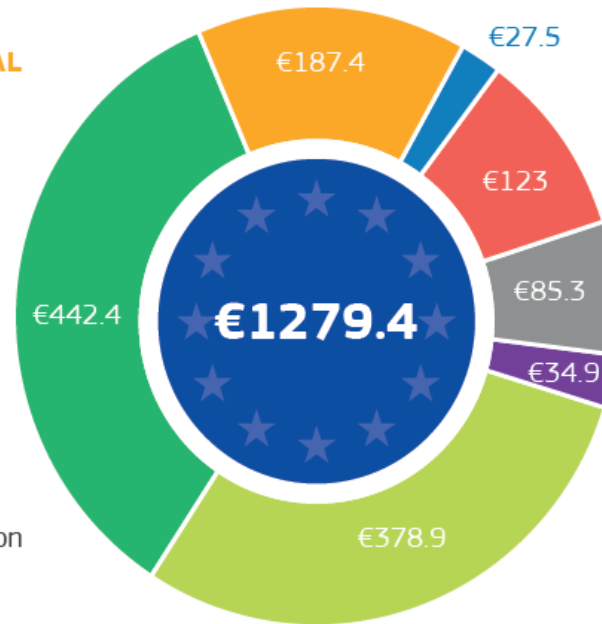
- 15 External Action
- 16 Pre-Accession Assistance



### VII. EUROPEAN PUBLIC ADMINISTRATION

€85.3

- 17 European Public Administration





# REGIONAL DEVELOPMENT AND COHESION

- ❑ A strengthened link with the European Semester
- ❑ A simplified framework and less red tape for the beneficiaries of the funds
- ❑ A more tailored approach to regional development
- ❑ Relative per capita income as the predominant criterion for allocating funds

## EUROPEAN REGIONAL DEVELOPMENT AND COHESION FUND

**Budget of €273 billion**



investing in research and innovation



support small businesses



help with the transition towards a low-carbon economy



support digital, energy and transport networks



fund better health, education and social infrastructure and sustainable urban development

## EUROPEAN SOCIAL FUND+

**Budget of €101 billion**



investing in people



ensuring fairer opportunities for all



funding skills, youth employment and social inclusion



# Key themes for Cohesion Policy 2021-2027

## Modern

- Focus on smart, low carbon
- Enabling conditions, link to the European Semester

## Simple & flexible

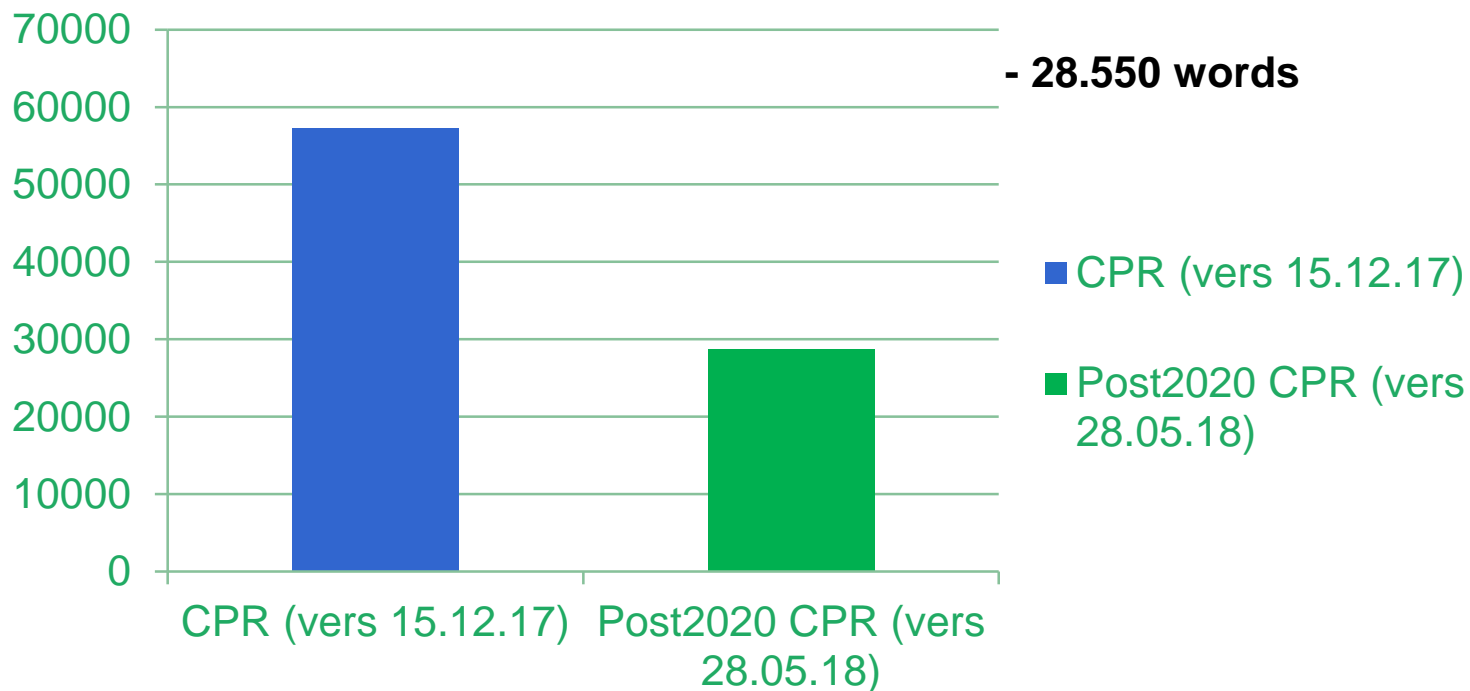
- 50% shorter regulations
- 50 key simplifications
- Adapts to emerging needs (migration, economy)

## For all regions

- Objective method
- 75% for poorest regions
- Present for emerging needs elsewhere

# More funds, half the words

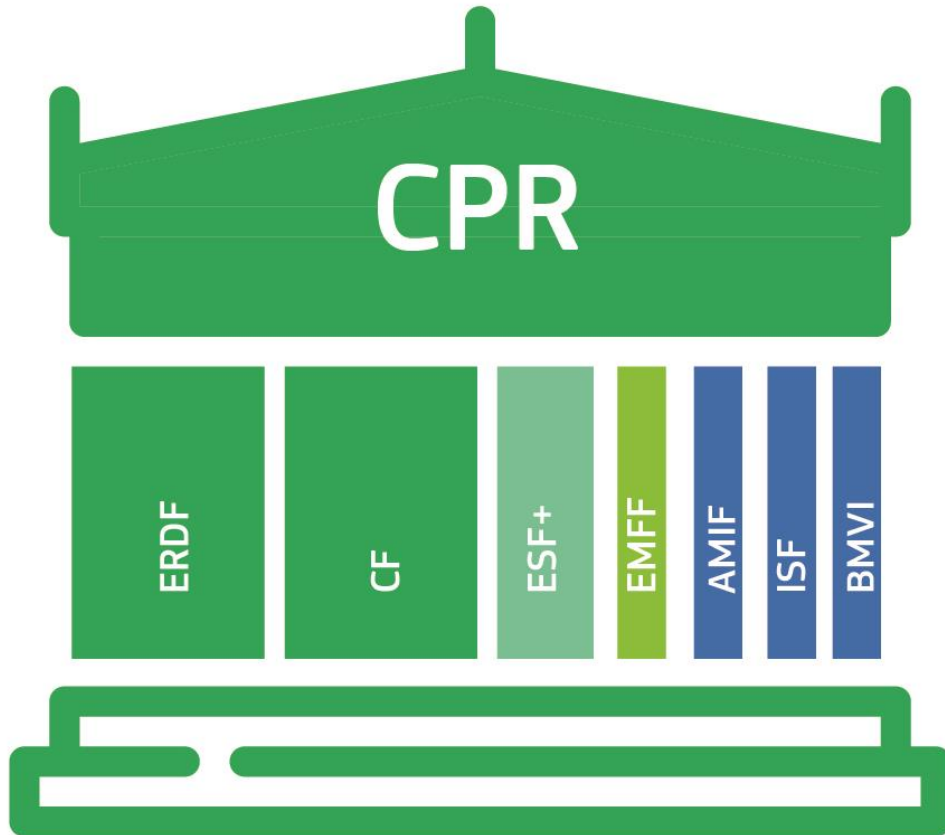
## Number of words





# Legal architecture

# 7 funds, 1 regulation



CPR covers delivery.  
1 set of rules is:

- More coherent
- Simpler to learn
- Simpler to combine



# For us, 4 key legal instruments

## Common Provisions Regulation (CPR)

- Covers 7 funds, i.e. ERDF, CF, ESF+, EMFF, AMIF, ISF and BMVI
- Delivery elements are here

## ERDF/CF regulation

- Our policy priorities are here (e.g. specific objectives and thematic concentration requirements)

## ETC regulation

- Territorial co-operation including on external borders

**ECBC\*:** off-the-shelf legal instrument to simplify delivery of cross-border projects





# Coherence with other EU instruments

- Horizon Europe ("European excellence")  
ERDF ("regional relevance", e.g. smart specialisation – innovation diffusion) & reinforced seal of excellence mechanism
- CEF/CF: Transfer of EUR 10 billion from the CF to the CEF; trans-European transport networks projects to be financed both through shared and direct management
- Migration: all Cohesion Policy Funds will address long-term needs linked to integration, while AMIF will focus on short term needs.

# Modernising the policy



# Policy objectives

11 objectives are simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

Horizontal objectives in all five: Administrative capacity building, cooperation across borders and between regions.

# ERDF THEMATIC CONCENTRATION

- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
<b>GNI below 75%</b>	35%	30%
<b>GNI 75-100%</b>	45%	30%
<b>GNI above 100%</b>	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships

# Sustainable urban development

- New dedicated specific objective for integrated development of urban areas
- 6% of ERDF to go to urban development, delivered through local development partnerships with different tools
- Requirement for local development strategies – local ownership
- European Urban Initiative: a coherent approach to capacity building, innovative actions, knowledge and policy development and communication



# Creating the conditions for success

## Enabling conditions (used to be "ex ante")

- Fewer, clearer, tighter link to policy
- Followed up, not just set at the beginning

## EU Governance

- European Semester
- Macroeconomic conditionality
- Reform Support Instrument
- Rule of law





# Creating the conditions for success - example for PO3 A more connected Europe

**Multimodal mapping of existing and planned infrastructures until 2030** is in place which:

- 1. Includes economic justification of the planned investments, underpinned by robust demand analysis and traffic modelling, which should take into account the anticipated impact of rail liberalisation**
2. Reflects air quality plans, taking into account in particular national decarbonisation plans
3. Includes investments in core TEN-T network corridors, as defined by regulation (EU) 1316/2013, in line with the respective TEN-T work plans
4. For investments outside the core TEN-T, ensures complementarity by providing sufficient connectivity of the regions and local communities to the core TEN-T and its nodes
5. Ensures interoperability of the rail network, through the deployment of baseline-3 compliant ERTMS covering at least the European Deployment Plan
6. Promotes multimodality, identifying needs for multimodal or transshipment freight and passengers terminals and active modes
7. Includes measures aiming at promoting alternative fuels, in line with the relevant national policy frameworks
8. Includes assessment of road safety risks in line with existing national road safety strategies, together with a mapping of the affected roads and sections and providing with a prioritisation of the corresponding investments
9. Provides information on budgetary and financing resources corresponding to the planned investments and required to cover operation and maintenance costs of the existing and planned infrastructures

# Simplification and flexibility





# Simpler

- The architecture itself – 7 Funds, 1 rulebook.
- Rulebook half as long
- Handbook of 50 key administrative simplifications (examples on next slides)

# Programming

## What's new?

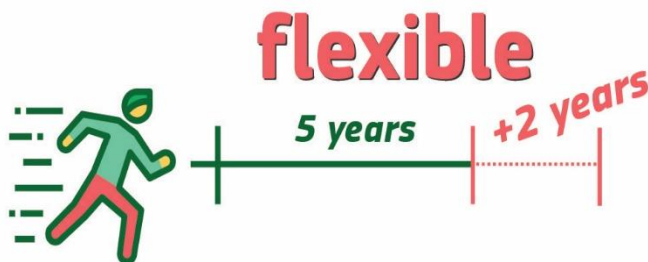
- Simplified, more focused and strategic programming in structured form
- Performance-oriented: Mid-term review in 2025
- Synergies: Closer link with the European Semester
- Clarity: PA and programme models as part of CPR
- Annexes: to replace some 40 empowerments from 2014-2020

## What we will not do anymore?

- No more changes of the PA during period
- Eliminated overlaps between PA and programmes
- Fewer procedures: combining technical adjustment with performance review

# More flexible

- New transfer possibility: Member State may request the transfer of up to 5 % of programme resources to any other Fund under shared management or to any instrument under direct or indirect management.
- Simpler reprogramming: up to 5% of a priority (3% of programme) without Commission decision.
- "5+2" Programming:
  - 5 years programmed initially
  - 2026-27 programmed after mid-term review in 2024-25 (basis: emerging needs, performance)
  - Technical adjustment to feed in (modifying allocations starting from 2025)



# Simpler reimbursement by COM

## What's new?

- Reimbursement based on unit costs, flat rates, lump sums.
- TA proportional to implementation (not eligible costs)/roadmap in form of financing not linked to costs
- "Financing not linked to costs" (= based on conditions or milestones)

## What we will do less?

Less reimbursement of eligible costs = less paperwork, receipts, invoices

# Simpler reimbursement of beneficiaries (by MAs)

## What's new?

- Extension of the obligatory use of the simplified cost options for operations up to 200 000 EUR of total cost
- An off-the-shelf flat rate of up to 7% of eligible direct costs to cover indirect costs
- Additional off-the-shelf method to calculate direct staff costs

## What we will NOT do anymore?

- Less limitations linked to public procurement when applying SCOs
- MS-specific flat rate calculation methods for indirect costs (although 2014-2020 methods can be re-used )
- Keeping invoices or accounting records for the SCOs

# Eligibility

## What's new?

- Flexibility when responding to natural disasters
- Separate and clearer rules on durability and relocation
- For operations below 5 MLN EUR of total costs, VAT eligible. In all other cases VAT is ineligible.

## What we will NOT do anymore?

- Applying specific rules on revenue generating operations
- Appraising and adopting major projects; but "operations of strategic importance" followed by MC
- Detailed specific provisions for the PPP

# Operations of strategic importance (OSI)

- **Definition:** 'operation of strategic importance' means an operation which provides a key contribution to the achievement of the objectives of a programme and which are subject to particular monitoring and communication measures;
- **OSI-s should be mentioned in the priorities of the programme:** for each specific objective: (i) the related types of actions, including a list of planned operations of strategic importance, and their expected contribution to those specific objectives
- **National approval of OSIs, but:** Art. 67.7 when the managing authority selects an operation of strategic importance, it shall inform the Commission immediately and shall provide all relevant information to the Commission about that operation.
- **Monitoring Committee** examines the progress in implementing OSI-s
- **Visibility:** the MA needs to ensure the visibility of support in all activities ... with particular attention to OSIs; and organise a communication event involving the COM

# Simpler management, control and audit

- No designation procedure: roll-over of existing systems
- Fewer layers of control: Certifying Authorities replaced by an accounting function which will not duplicate controls
- Fewer management verifications: Currently 100% of payment claims covered by administrative verifications, in future risk-based sample
- Enhanced proportionate system: For programmes with good track record on error rates, proper functioning of system => Reliance on national systems, max 30 operations in the sample
- Simpler process for acceptance of accounts
- Clarity on document retention period for beneficiaries



# Increased use of financial instruments

- Encouraging financial instruments (FIs) by simplification:
  - **Lighter ex-ante assessments**
  - **Integrated rules for grants and FIs => easier to master rules, easier to combine instruments**
  - **Simpler rules on eligibility, payments and management fees**
  - **No separate reporting**
- Voluntary contribution, as a general rule, up to 5% of each Fund to new "InvestEU" instrument.
- Rules of InvestEU apply, but cohesion objectives pursued

# Performance, monitoring and evaluation

## What's new?

- Performance framework will cover all output and result indicators
- Open data to follow progress every 2 months
- Structured and dynamic policy dialogue between COM and MS in the annual review meeting

## What's gone?

- Performance reserve (replaced by the 5+2)
- Annual implementation and progress reports for cohesion policy
- Ex ante evaluation

# Seamless transfer between two periods for larger projects – provisions on phasing of larger projects

## Article 111 Conditions for operations subject to phased implementation

- No need to define physical phases, only financial split but with proper audit trail
- The total cost of the operation exceeds EUR 10 million;
- No double financing from two periods of the same expenditure;
- The second phase of the operation complies with applicable law and is eligible for support
- The Member State commits to complete and render operational the second and final phase in the final implementation report from 2014-2020.

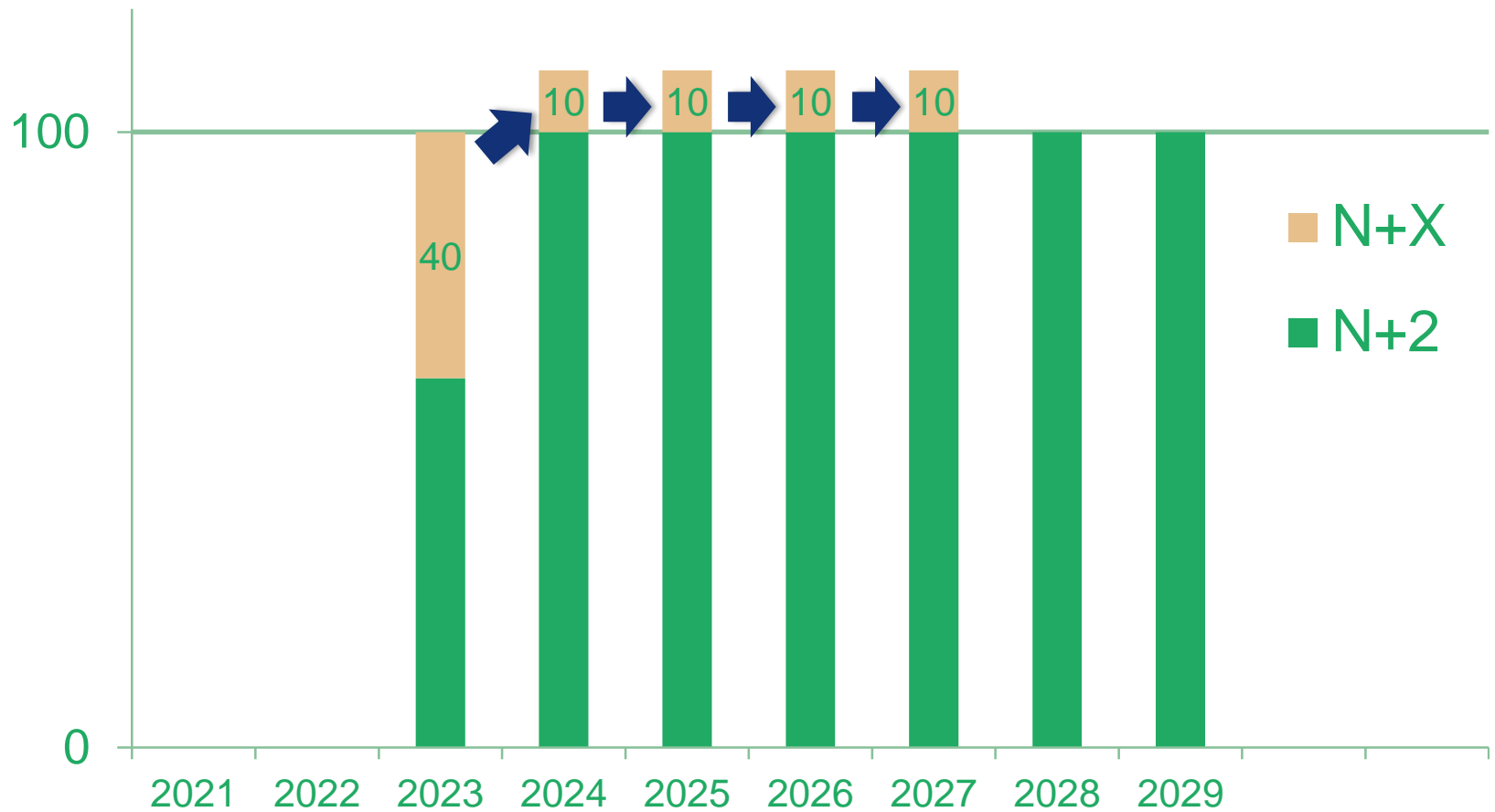
# Solidarity and responsibility

# Lower co-financing ceilings

Ceiling	Applies to
70%	Less developed regions Outermost regions Cohesion Fund Interreg
55%	Transition regions
40%	More developed regions

"Quid pro quo": Lighter VAT eligibility rules  
No specific rules for revenue generating projects

## From N+3 to N+2 over the period

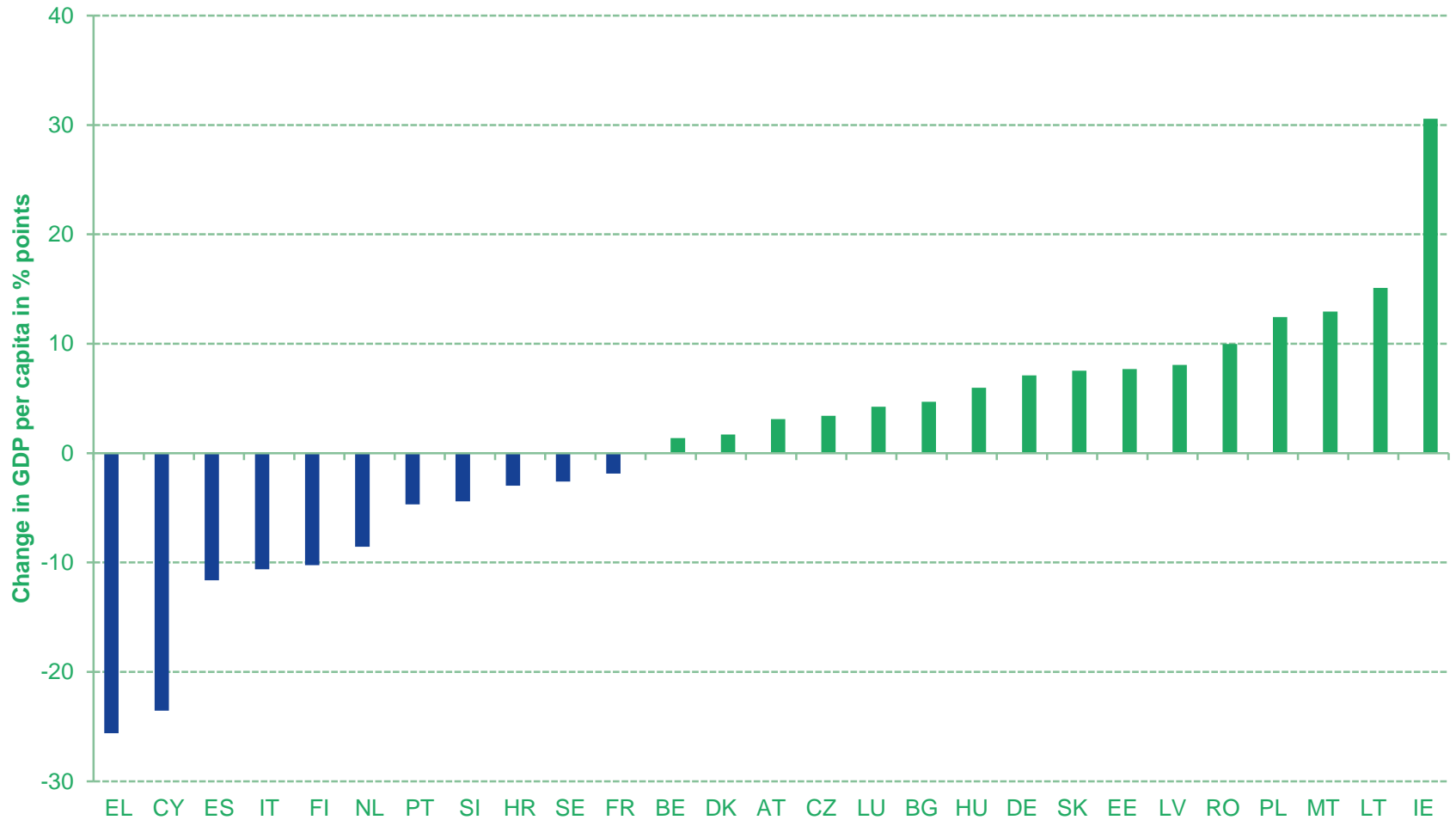




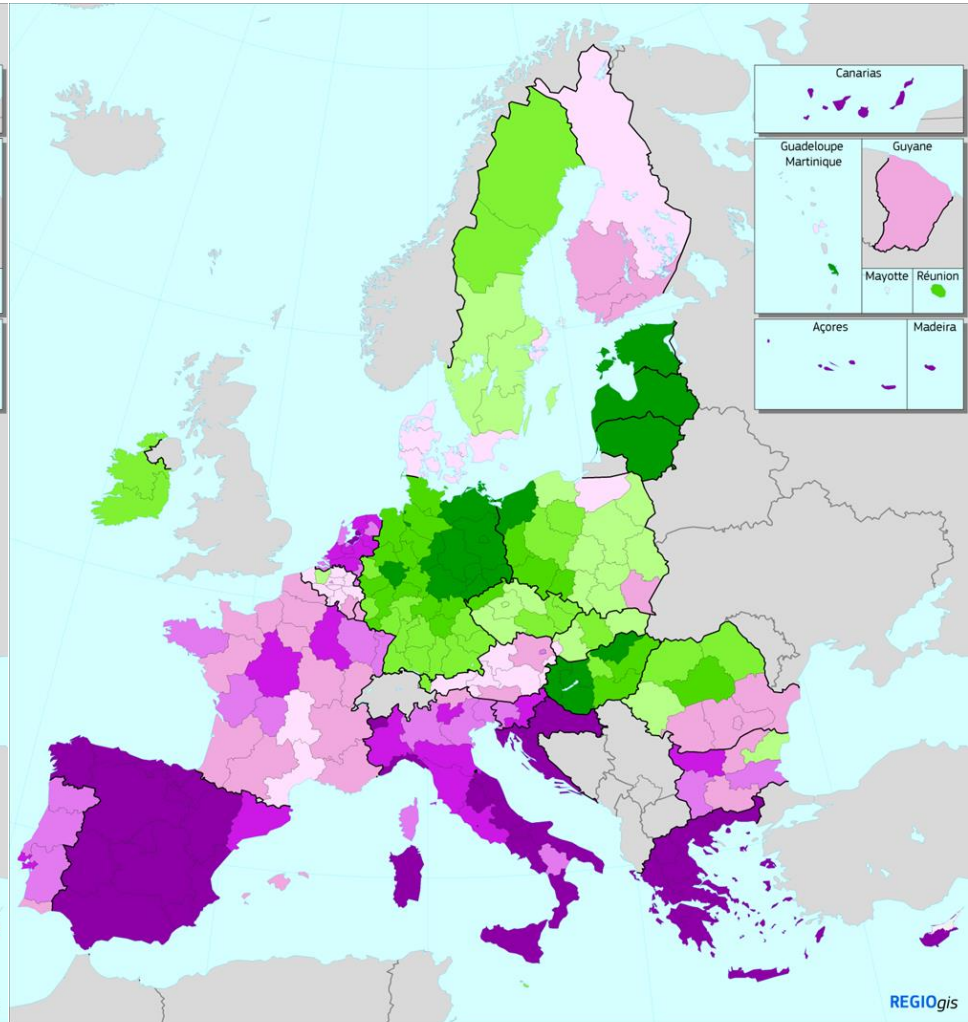
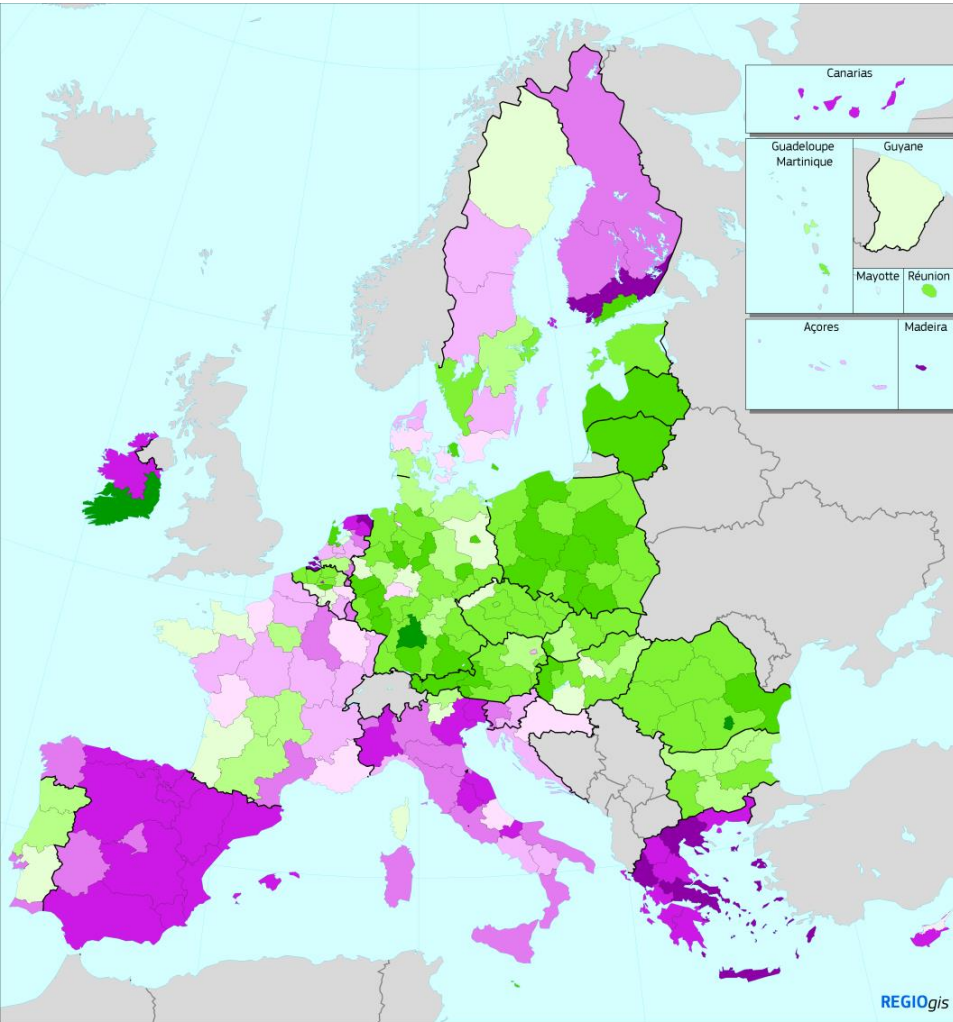
# Challenges

# Change in GDP per capita

2007-2009 vs 2014-2016



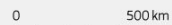




**Changes in regional GDP per capita, 2007/09 - 2014/16**

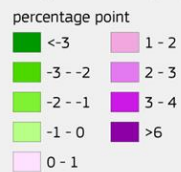


Source: DG REGIO

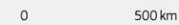


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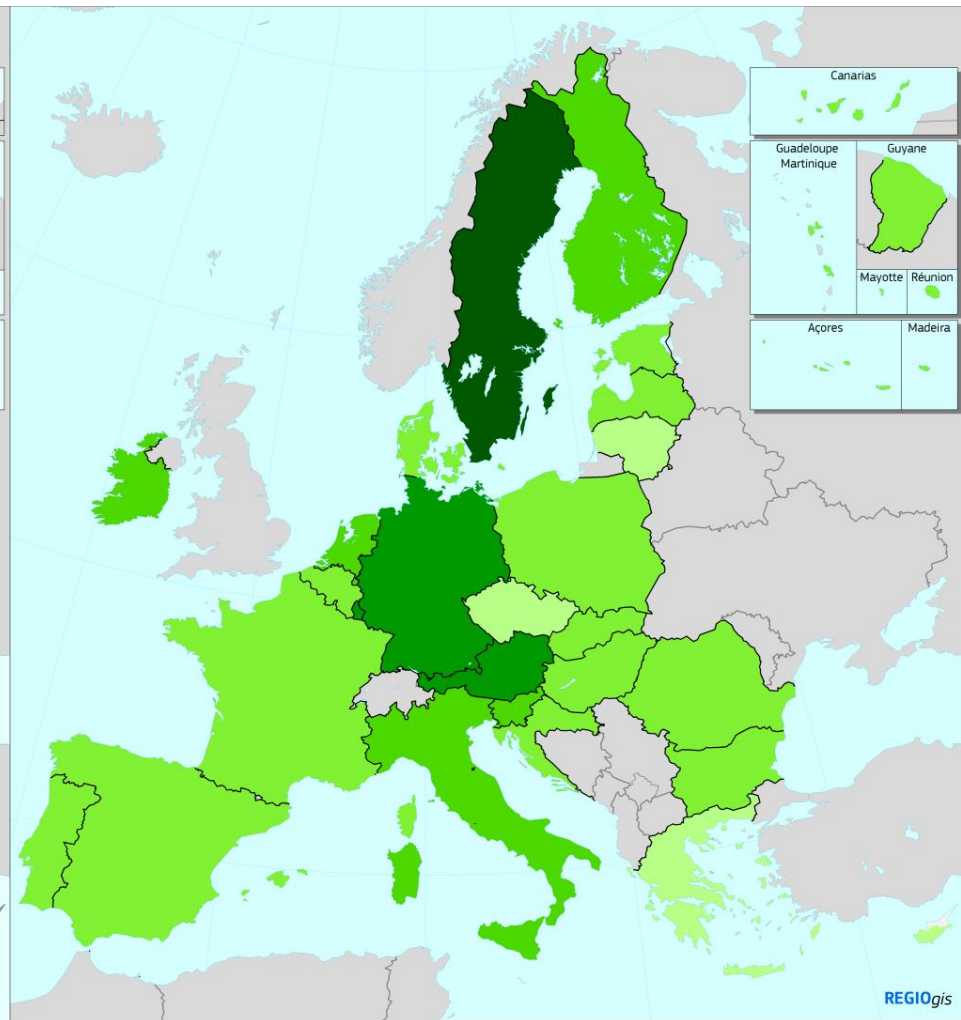
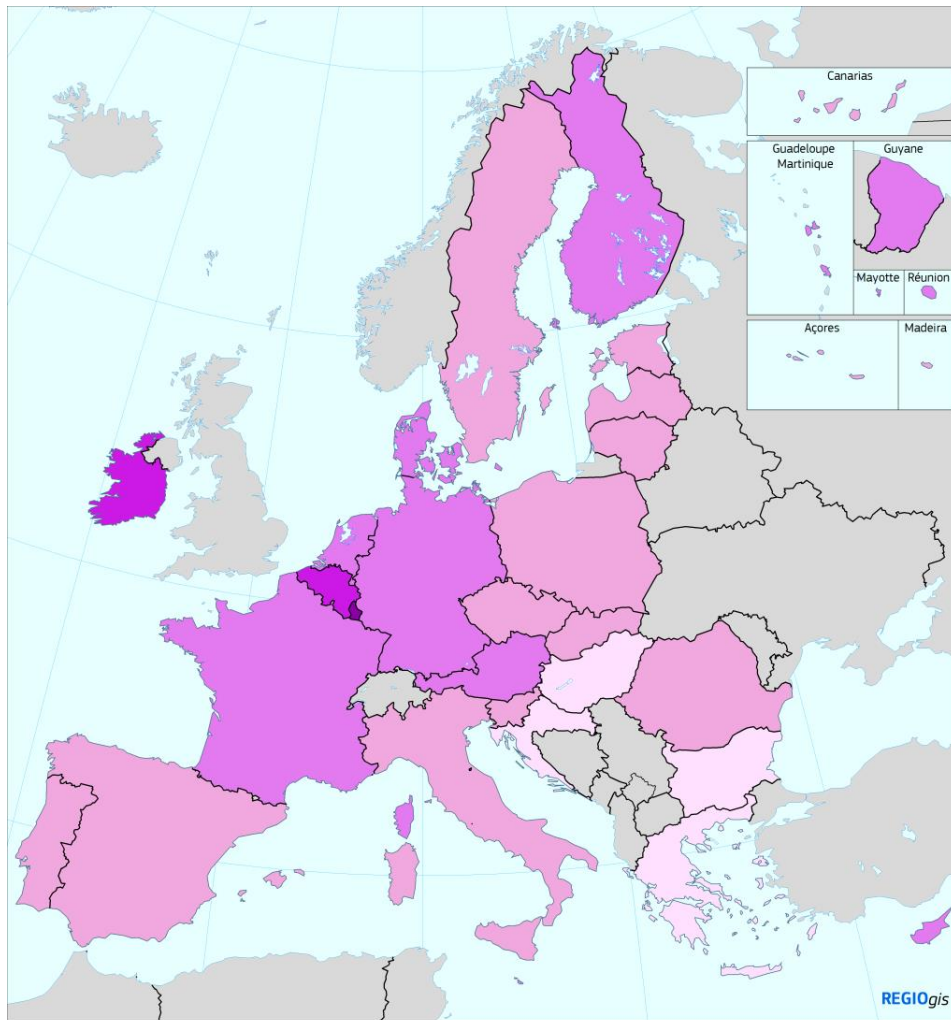
**Change in unemployment rate, 2008/09/10 - 2014/15/16**



Source: DG REGIO



© EuroGeographics Association for the administrative boundaries



**Greenhouse gas emissions in non ETS sectors, distance to the 2030 target, 2016**

- In tonnes CO2 equivalent per inhabitant
- <= 0
  - 0 - 1
  - 1 - 2
  - 2 - 3
  - > 3



© EuroGeographics Association for the administrative boundaries

**Net migration of non-EU citizens, average 2014-17**

- Share of total MS population (%)
- <= 0
  - 0,01 - 0,20
  - 0,21 - 0,40
  - 0,41 - 0,60
  - 0,61 - 0,80

Source: Eurostat



© EuroGeographics Association for the administrative boundaries



# Allocations

# Indicators in the "Berlin method" (% indicates financial weight)

	2014-2020	2021-2027
GDP (incl. GNI for Cohesion Fund)	86%	81%
Labour market, education, demographics	14%	15%
Climate	-	1%
Migration	-	3%
Total	100%	100%

Labour market: unemployment rate, youth unemployment rate, employment rate

Education: early school leavers, tertiary level of education, low level of education

Demographics: population of regions, low density of population

Climate: Green House gas emissions in the non ESD sectors

Migration: Net migration of non EU citizens

# Allocations by Member State

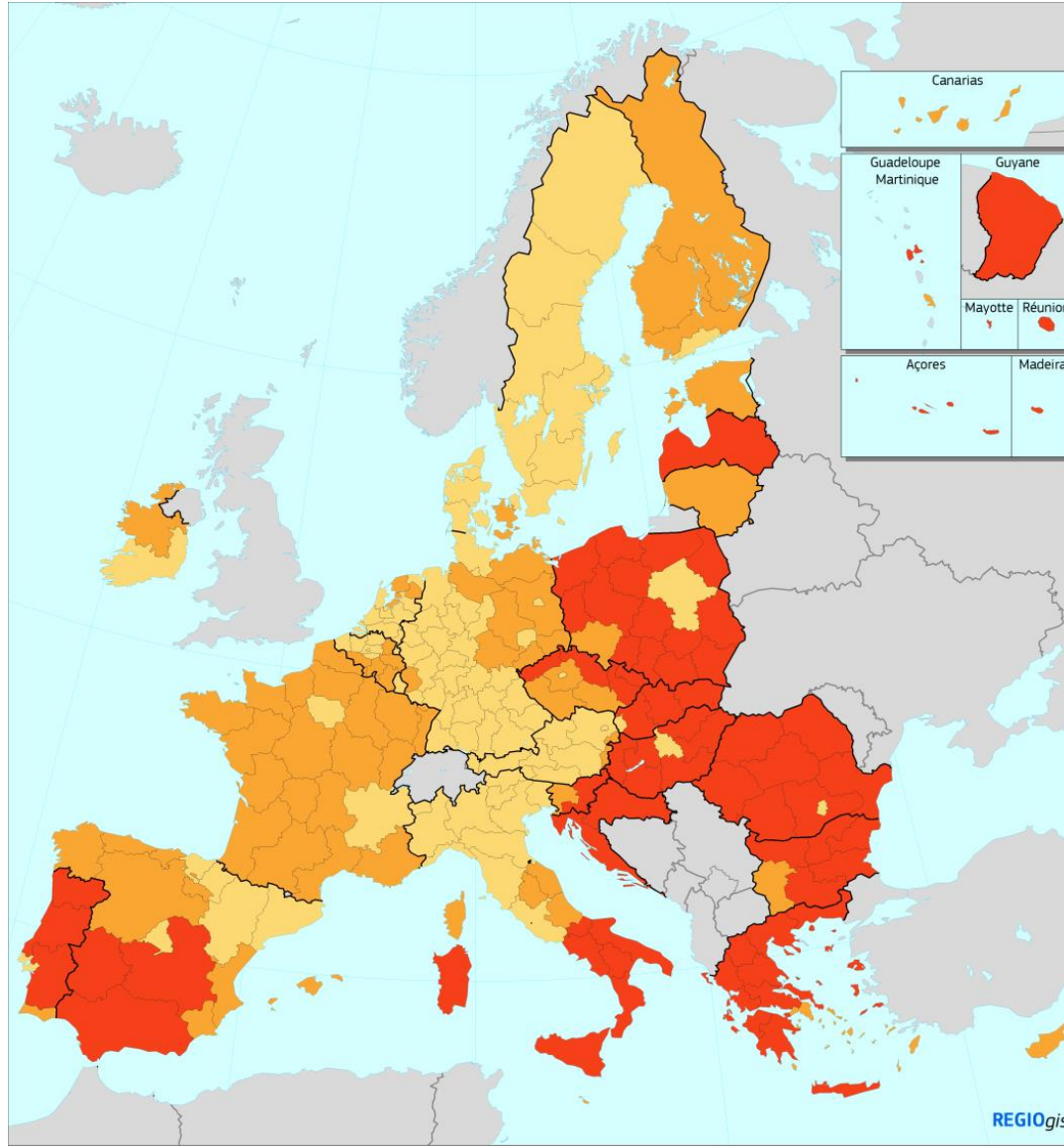
Member State	2021-27 allocation (billions, 2018 prices)	Change from 2014-2020 period (%)	Aid intensity (EUR/head)	Change from 2014- 2020 period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
MT	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14
<b>EU27</b>	<b>331</b>	<b>-9.9</b>	<b>106</b>	<b>-11</b>

# Continued concentration on the poorest regions

	2021-2027	2014-2020
Cohesion Fund	13%	22%
Less developed regions	62%	53%
Transition	14%	10%
More developed	11%	15%
Total	100%	100%
Share CF + less developed	75%	74%



# New regional eligibility map 2021-2027



GDP/head (PPS) by NUTS2 region, average 2014-2015-2016

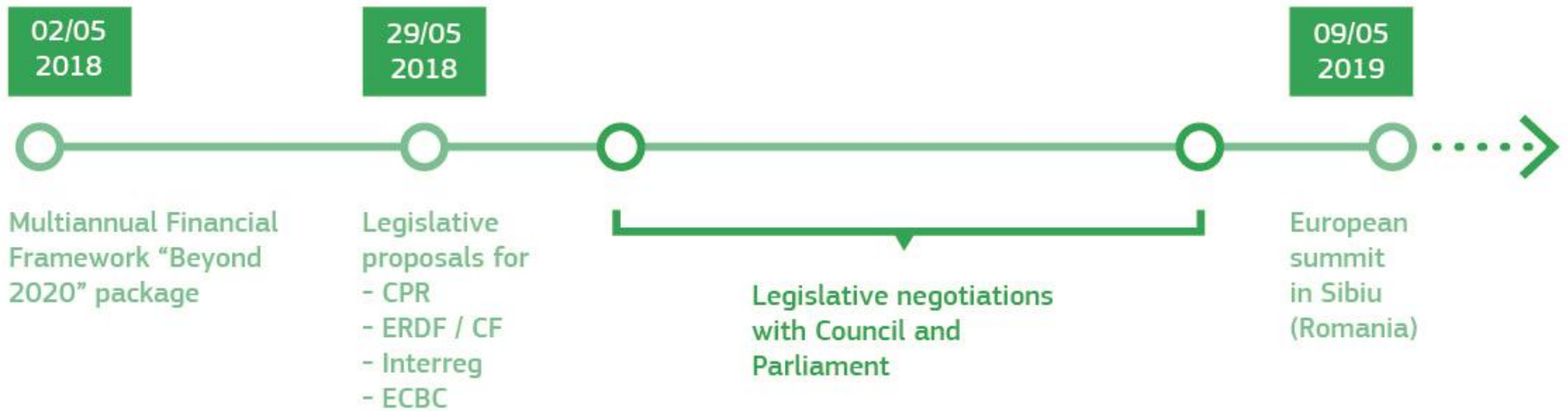
Index, EU-27 = 100

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)

# Next steps



# Timeline



**Thank you!**

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# Supporting successful delivery of the 2014-2020 programming period

## Lessons learnt from major projects

J. Denness, Head of Unit, DG REGIO,  
L. Hebrero, Head of JASPERS IQR Division

JASPERS Stakeholders Meeting

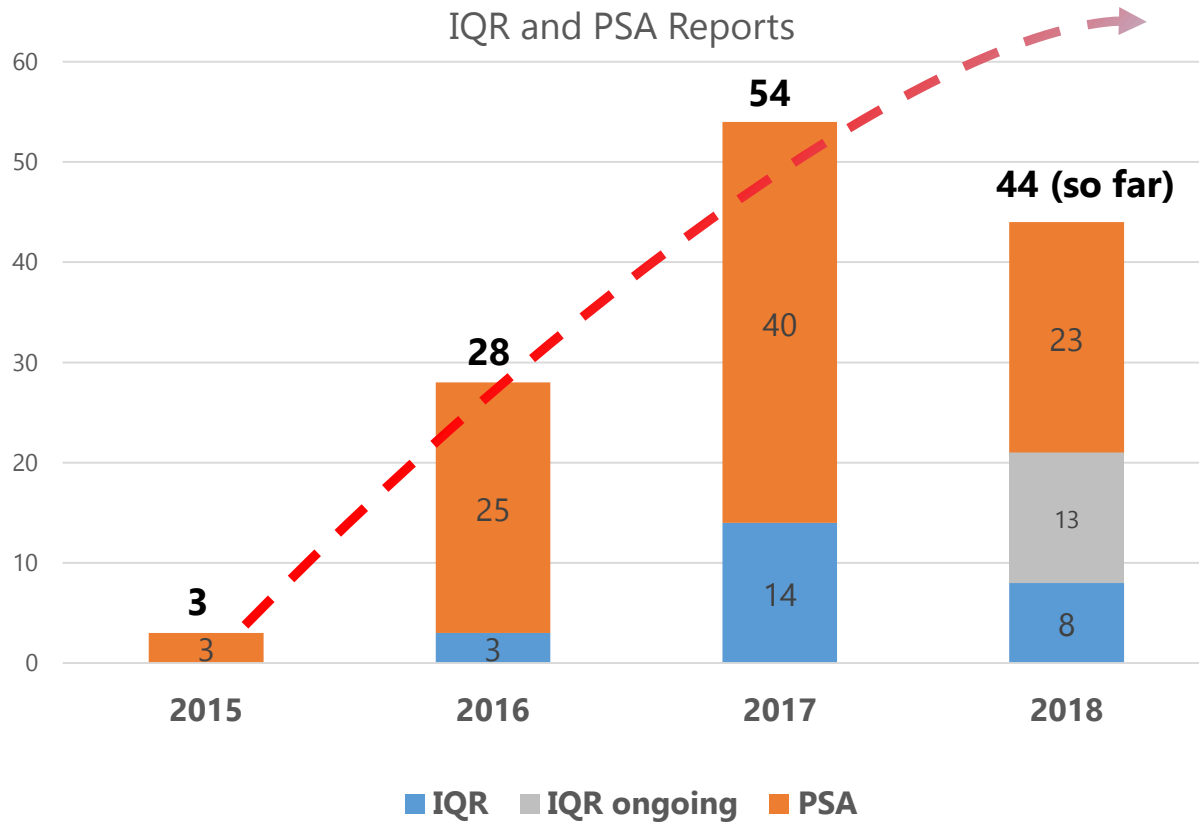
Sofia, 14-15 June 2018

# JASPERS appraisal activities (I)

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- Major Project appraisals in the 2014-2020 MFF: new role for JASPERS since 2014
  - A. 102.1 CPR: Independent Quality Review by JASPERS
  - A.102.2 CPR: Direct submission to the EC – Post submission Appraisal (PSA) by JASPERS, joint screening meetings and EC decision.
- **116 appraisals (25 IQR + 91 PSA) for major projects under this MFF** issued until today (plus 13 ongoing).
- In addition, 22 - 2<sup>nd</sup> PSA reports (after interruption) issued.
- **60 %** of projects appraised had previous JASPERS Advisory support.

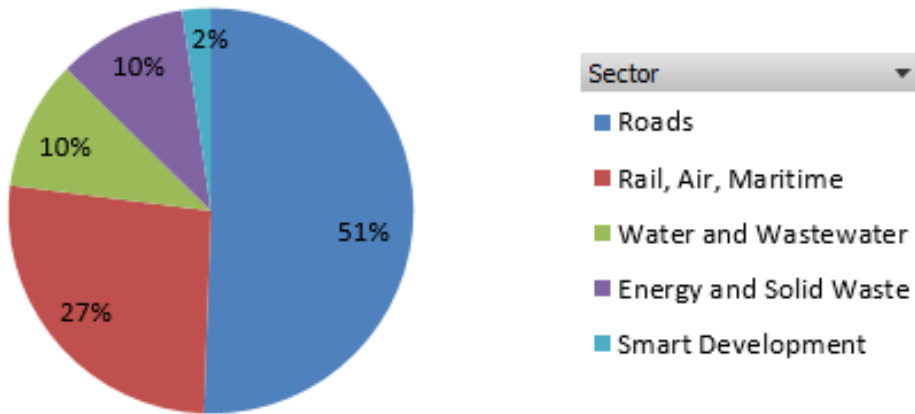
# JASPERS appraisal activities (II)



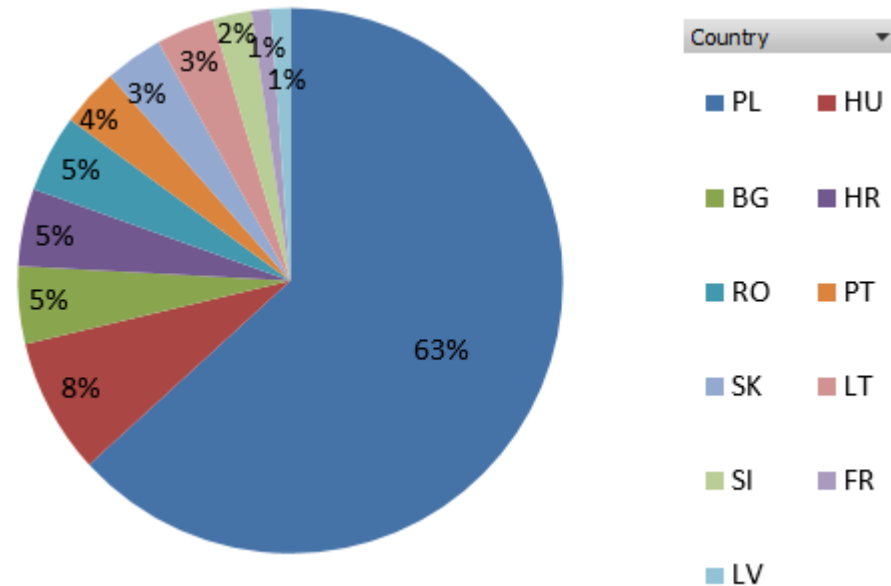
- Major increase in MP submission every year, **peak expected in 2018 - 2020.**
- Past years show that half of MPs are submitted in Q4 – avoid seasonal pattern of **end-of-the-year submissions** leading to bottlenecks.

# JASPERS appraisal activities (II)

## MPs per sector

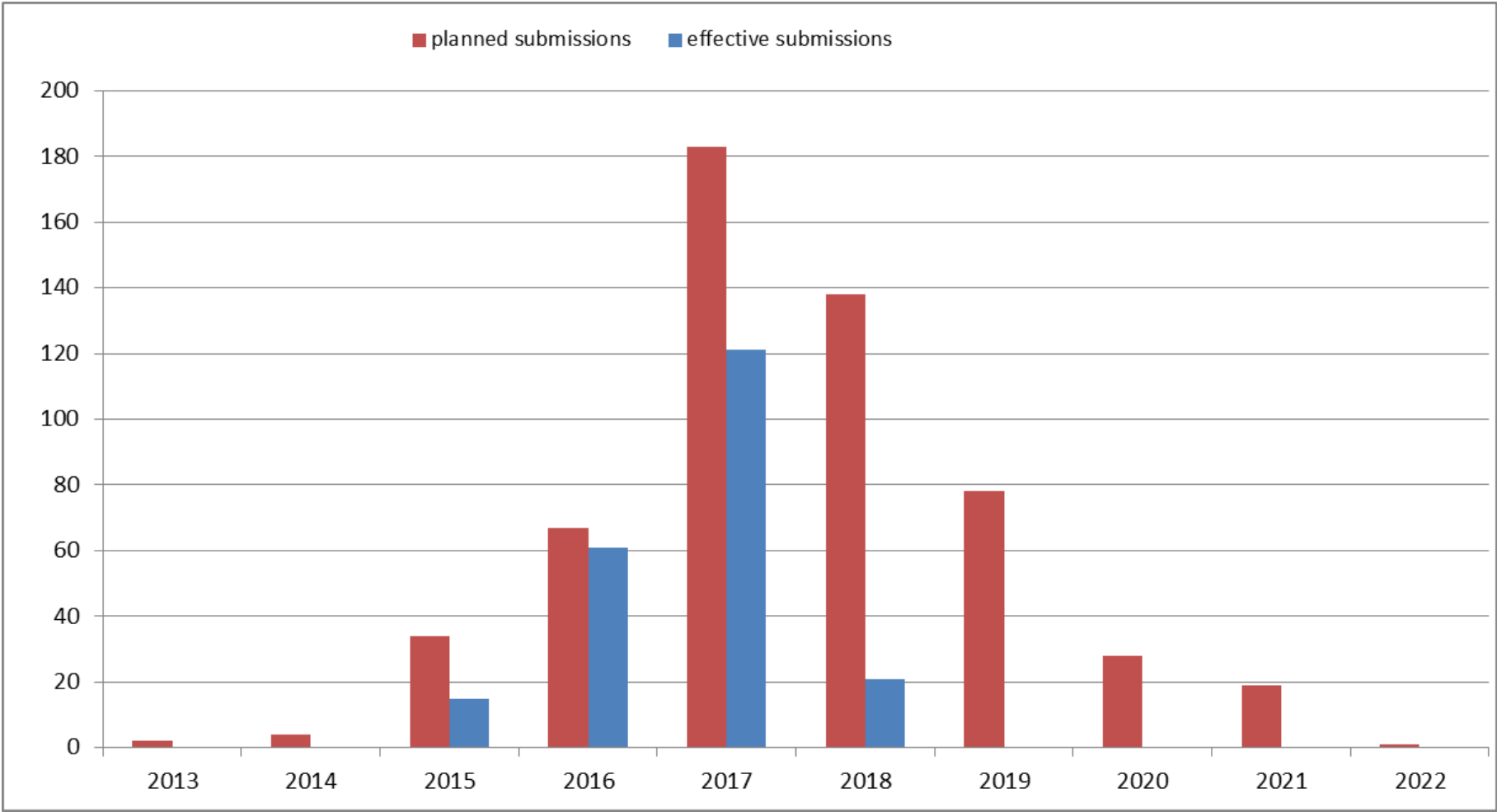


## MPs per Country



- Sector and country **concentration**
- MP submission from **some EU MS expected to increase** in the near future.

# Progress in submission of major projects against forecasts





# 2014-2020: Achievements to date (I)

	2007-2013	2014-2020
MPs (%) adopted <b>within the 3 month</b> approval period	11%	89%
Average MP <b>approval time</b>	198 - 255 days *	Between 88 and 101 days
Average number of <b>interruptions</b> during approval of a MP	1.9	0.29 (maximum 1/MP)
<b>MPs (%) interrupted</b> during approval period	82%	31%

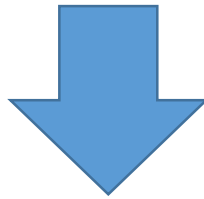
Note: All IQR reports issued were approved under the tacit procedure (no interruptions) within 3 months of submission – no case of rejection for ‘significant weakness’.

\* With vs without JASPERS



# 2014-2020: Achievements to date (II)

- **Methodological requirements** set in the EU Regulations provide a clear basis for project preparation and appraisal.
- **Harmonized approach** to appraisals across sectors/countries
- **Close collaboration** between EC – JASPERS and MA on MPs during project preparation, capacity building activities, tri-partite meetings ending in an efficient approval process for MPs.



**87 major projects approved** for a total of EUR **14 billion EU grant** and total **investment cost of EUR 24 billion**

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# Observations from JASPERS appraisals

# General observations from appraisals (I)

Based on an analysis performed with JASPERS NCC over the first 107 IQRs and PSAs delivered:

- Projects received for appraisal in this programming period are **generally of good quality** with 69% of all projects submitted approved without any interruption.
- **New regulatory requirements** were introduced in 2014-2020 (e.g. climate change, mandatory set of risks, beneficiary's capacity, CBA methodology in the regulation). This led to a **learning curve** supported by intense JASPERS guidance during assignments, trainings and specific publications. New requirements are now in general properly addressed.
- JASPERS advisory input makes a clear difference - **100%** of all projects submitted **without JASPERS advisory** support of any kind (currently or in the past) had critical issues and were **interrupted**.
- 40% of all projects appraised did not have JASPERS advisory assistance, and these account for the **majority (3/4) of all the critical issues** identified.

# Most frequent issues identified during projects appraisals (I)

## **Project Cost** (12% of projects)

- Lack of justification for high unit costs. Eligibility of some project costs (VAT) – EGESIF note.

## **Options analysis** (15 % of the projects)

- No strategic or technological analysis. Selected option is not fully justified.

## **Demand analysis** (12% of projects)

- Over-optimistic or unjustified assumptions used for the demand analysis.
- Contributions from related projects not properly included in demand forecasts
- Demand does not justify capacity of project facilities.

## **Economic analysis** (16% of projects)

- Benefit over-estimation due to the inclusion of benefits not related to the project or related to investments whose costs are not included.
- High volatility of the results due to weak/unreliable demand analysis.
- Methodological deficiencies in benefits evaluation such as inclusion of revenues, indirect employment, reduction in social security included as benefits...)

# Most frequent issues identified projects appraisals (II)

## **Financial analysis** (10% of projects)

- Incorrect application of Art. 61 of CPR for total eligible cost calculation.
- Insufficient evidence for financial sustainability of the project
- Unclear justification of alternative discount rates (changes after Omnibus)

## **Risk analysis** (16% of projects)

- Sensitivity analysis incorrectly carried out.
- Mandatory risks in Implementing Regulation 207/2015 are not included. Some relevant project-specific risks not analyzed. Residual risks not assessed.
- Unrealistic assumptions in assessing the risk levels (either before or after the mitigation measures).
- Mitigation measures not defined.

## **State Aid** (2% of projects)

- Few issues raised, as most issues cleared with DG COMP during project preparation support. Issues raised on duration of PSC, dedicated infrastructure.
- Omnibus will eliminate issues between Individual verification of Financial needs and state aid assessment approved by DG COMP.

# Most frequent issues identified projects appraisals (III)

## **Environment:** (13% of projects)

- In projects received until now, the majority of the issues were related to information gaps.
- When compared with the previous programming period, the cases of interruptions of MPs including environmental issues has been significantly reduced (for the same statistical base, the % of projects with environmental issues reached 90%).
- In the past programming period environmental issues were in general more severe, sometimes leading to long interruptions.

## **Climate change** (7% of projects)

- New topic. Compliance in this area has been gradually improving, particularly when beneficiaries submit more than one project and after targeted capacity building (in cooperation with DG CLIMA & REGIO)
- Main critical issues: project's contribution to national climate targets not explained, no calculation of GHG emissions, adaptation to climate change not taken into account in the project preparation process, lack of measures to ensure project resilience.

# Follow up actions by JASPERS

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- Continue JASPERS **advisory and capacity building** support of MPs to ensure **quality doesn't decline** in those areas where there are already good project preparation practices.
- JASPERS involvement in MP appraisal **allows for feeding back** any issues raised into advisory support / capacity building during MP preparation.
- Provide JASPERS advisory support & capacity building **in projects not benefiting from it** (currently or in the past), to further improve project preparation and reduce potential for interruption.
- Support MS in incorporating good project preparation practices in their **national methodologies**, for the **benefit of future projects** to be financed under national budgets or cohesion policy.

# Conclusions

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- Data from appraisals demonstrate that **effective JASPERS support has led to much better prepared projects**, as compared with non JASPERS supported projects and with the past programming period.
- But there is work to be done to reach compliance of MPs as **still 1/3 of MPs get interrupted**, particularly in non JASPERS assisted projects in some EU MS.
- At least **2/3 of all MPs of this MFF are still expected** to be submitted. Lessons learnt to be taken into consideration in project preparation for these projects.
- Continue **good collaboration** between EC and JASPERS on quality and harmonized appraisals, leading to timely decisions on major projects during this programming period.



# The future.....

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- Omnibus amendment will come into force shortly with the following **incentives**:
  - Expenditure can be certified when a complete application form and attachments is sent to JASPERS IQR.
  - This will provide an incentive to use the IQR process as when you send the application (to JASPERS IQR or to the Commission) you can certify expenditure.
- But also **obligations**:
  - In order to certify expenditure, the Commission should be informed by the Managing authority that the complete major project application was sent to JASPERS IQR.
  - If the underlying documentation is not of sufficient quality and JASPERS cannot produce a positive IQR report within six months the expenditure has to be decertified.
  - JASPERS advisory work should be properly closed with the Action Completion Note before sending the project to JASPERS IQR

# Lessons learned for the future of support to EU Policy delivered through investment projects

**Witold Willak**

Deputy Head of Unit F.1 Closure and major projects  
DG Regional and Urban policy

**Dr Norbert Hahn**

Head of Networking and Competence Centre, JASPERS

**Sofia, 14 June 2018**

# Administrative capacity building

# More emphasis on administrative capacity building 2014-2020



## Actions

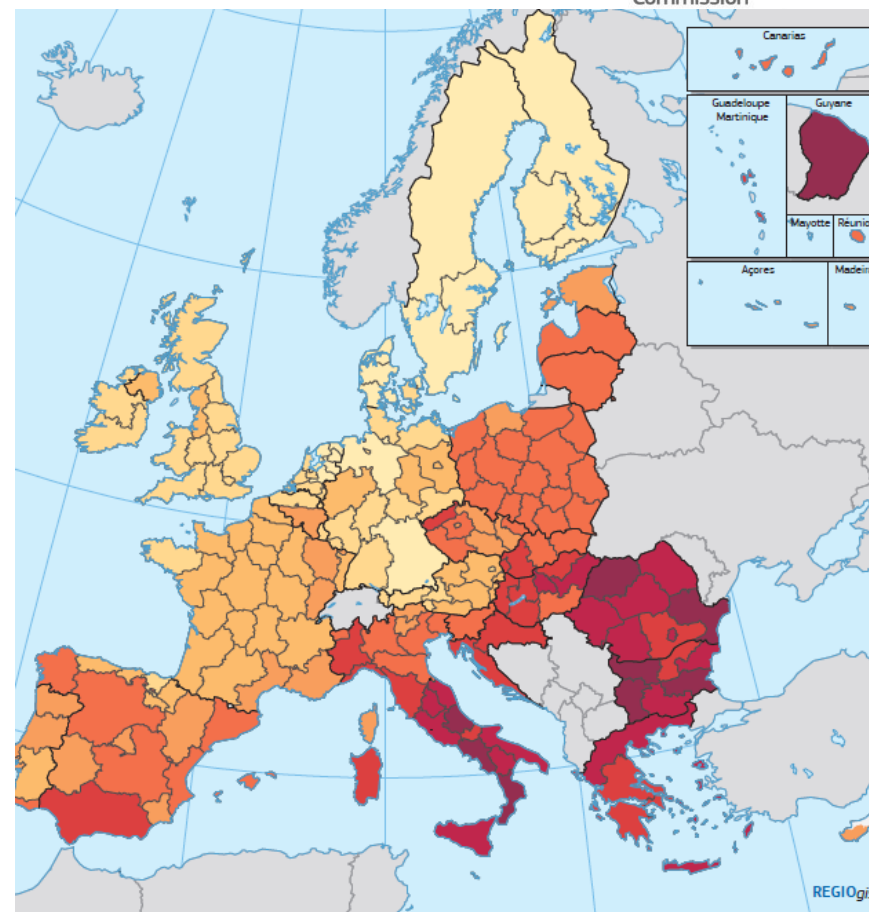
- Thematic Objective 11 Enhancing institutional capacity of public administration and stakeholders
- Higher technical assistance in the OP (4%)
- Ex ante conditionalities linked to system issues (Public procurement, State aid, EIA, etc.)
- Establishment of DG REGIO E.1 – competence centre specialised in administrative capacity building
- Extension of JASPERS mandate to create Networking and Competence Centre



European  
Commission

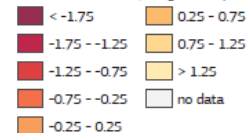
## Governance

Poor governance slows down  
Cohesion Policy implementation,  
reduces its impact and hinders  
economic  
growth and entrepreneurship



European quality of government, 2017

Standard deviation, range from poor quality (negative) to high quality (positive)



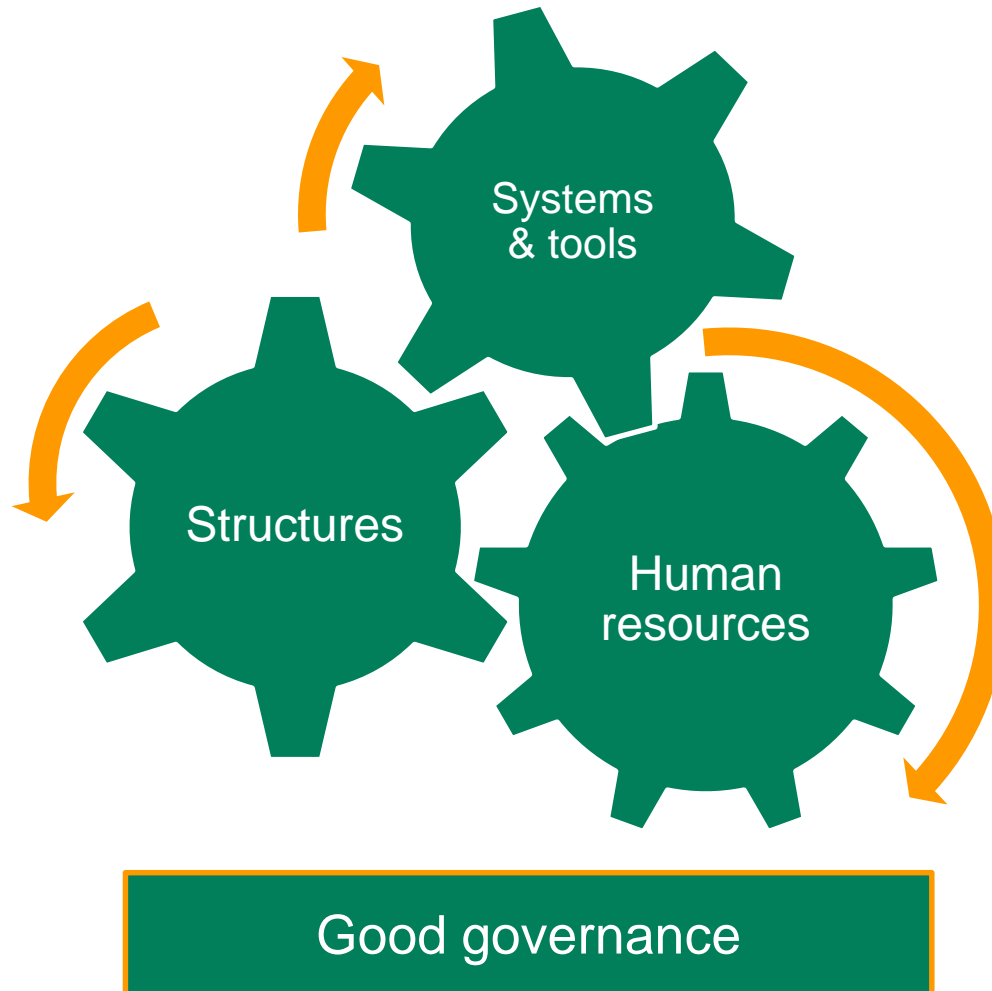
EU = 0  
Source: World Bank data and a regional quality of government survey.

# Key conditions required for administrative capacity reforms



- Strong political commitment at national/regional level
- A clear strategic vision with regard to public administration reform
- Tailor-made approaches to address country/region specific issues
- Sufficient time - Bringing plans/strategies into operational actions is a long-term and resource intensive process

# Support and expertise provided can address the following areas





# Examples of actions to support administrative capacity building



- Public Procurement Action Plan
- State Aid Action Plan
- Anti-fraud and anti-corruption measures (e.g. integrity pacts)
- Exchange of good practices: PEER 2 PEER
- Professionalisation of the management of the funds (Competency Framework)
- JASPERS activities in this respect

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# JASPERS Capacity Building Activities

## Blocking v enabling factors

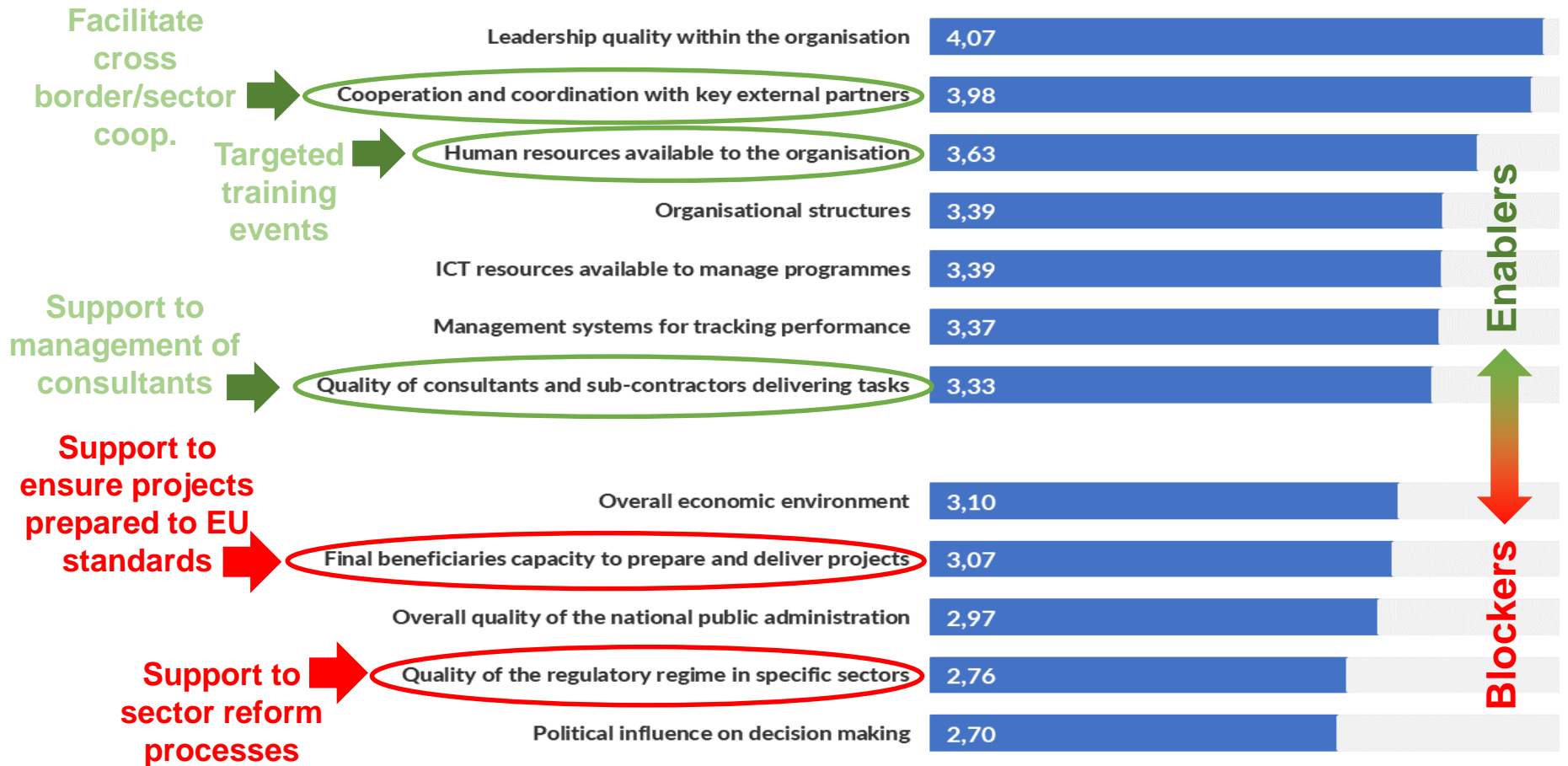
**(Internal):**  
Leadership  
Human Resources  
Structures  
Resources  
ICT  
Procedures, Systems and tools



**(External):**  
Regulatory  
Administrative  
Political  
Economic

# Factors that make a difference to successful implementation of capacity building measures?

## Evidence from MA interviews and survey (EIBURS on Adm Capacity)



➔ ➔ Areas where JASPERS is already active

# How do we help build capacity?

“We undertake assignments that allow our customers (e.g. MAs, IBs, FBs, EC) to **effectively perform their tasks and deliver results in a more independent manner**, including by **leveraging relevant good practices applied in other sectors and/or geographies** where JASPERS operates.”

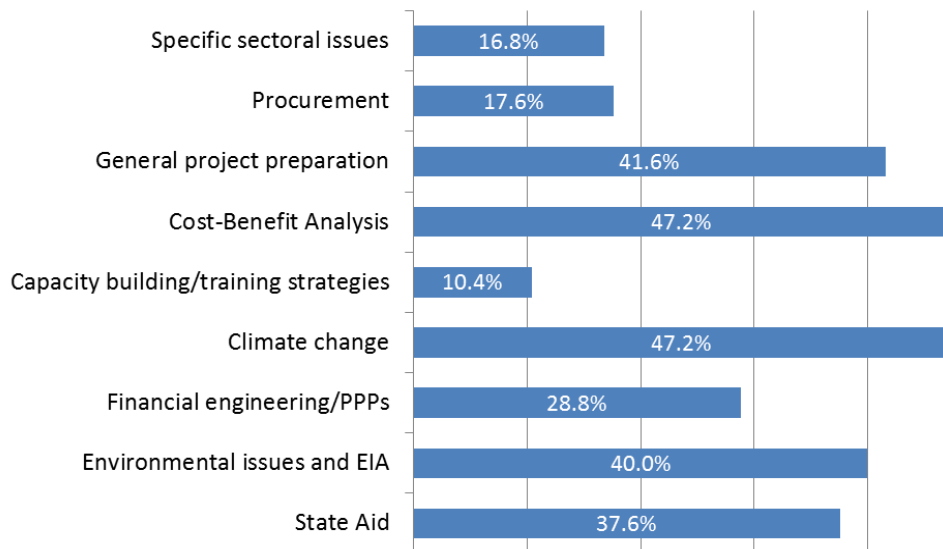
## Delivery modes:

- Learning-by-doing through project/strategic assignments
- NP events for knowledge/lessons learned/good practices sharing (mutual learning and networking)
- Targeted training sessions
- “Train-the-trainers” and support to “institutional” CB
- Guidance documents
- Web-portal and multimedia

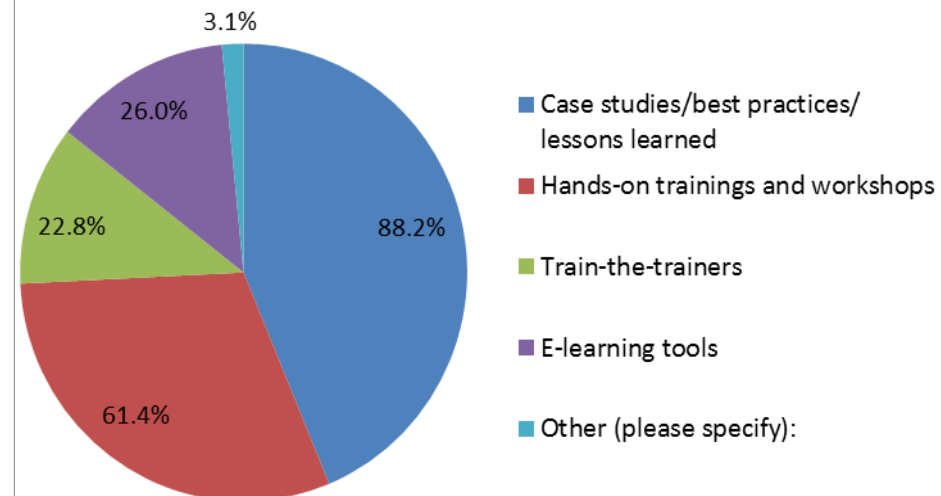
## JASPERS CB activities with the most (perceived) added value (from 2017 Stakeholders' meeting survey):

- Capacity building during projects and sector assignments
- Capacity building through tailored training activities (in or multi-countries)
- Train the trainers and support to institutional capacity building
- Capacity building through e-learning videos and multimedia

Interest in future capacity building activities organised by JASPERS Networking Platform (multiple choices)



Preferred format(s) for capacity building actions (multiple choices) – feedback surveys



## Networking Platform “multi-country” CB and Knowledge Sharing actions

- Unique opportunities for informal discussions and exchanges on subjects of common interests with peers (and with both JASPERS and EC) – demand remain high!
- Adequately mixed representation of stakeholders active on the subjects and involved in related project preparation foster knowledge sharing and (mutual) learning.
- Interactive sessions (e.g. practical exercises and/or case studies) are very well received and give an opportunity for active exchange of knowledge and practices between MSs, and with EC/EIB services.
- Awareness raising workshop and seminars are well suited for presenting new requirements/guidance and support capacity building at national local level.

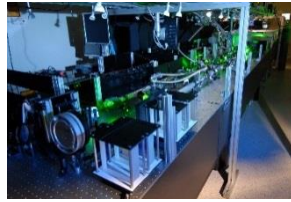
## Targeted “In country” Capacity Building assignments:

- The workshops complement well both multi-country and project assignments.
- Adequate needs assessment and design (possibly with the assistance of JASPERS) ensure better targeting, effectiveness and impact
- JASPERS support is more effective when a broader training strategy action plan has been developed by the MS (possibly also with JASPERS support).



## “Train the trainers” assignments:

- ToTs have the potential to support building capacity at MS level in a more sustainable manner, with stronger ownership and adaptation to national and local needs (including language), and wider outreach.
- JASPERS and its counterparts need to commit by allocating necessary human resources in a sustained manner (impact in medium-term).
- Subjects are often fairly technical and it might be difficult to identify and retain trainers with the relevant background and expertise.
- Partnership with relevant national institutions and/or academic bodies is a possible solution to ensure sustainability in the medium term.



# **JASPERS Advisory Support**

## Sustainable Urban Development

**Eugenia Kazamaki Ottersten**

Head of Smart Development Division

June 15, 2018

Sofia

# Overview

- Context
  - EU Cohesion Policy & Urban Agenda
  - What cities want
  - What we have learned
- Sustainable Urban Development beyond 2020
- JASPERS Added Value



*Smart technologies improving quality of life of citizens*

- **Focus on Urban Challenges**

- Urbanisation
- Climate
- Innovation (incl. digitalization)
- Governance

- UN Sustainable Development Goals & **New Urban Agenda**

- Make cities and human settlements inclusive, safe, resilient and sustainable
- (Global) Covenant of Mayors focusing on Energy & Climate Action

- **Urban Agenda for the EU**

- Partnership-based approach to tackling selected urban challenges such as: housing, inclusion of migrants and refugees, urban mobility, jobs & skills in the local economy, air quality, climate adaptation

# What cities want



# EFFICIENT CITY

## URBAN PLANNING

- Land cover classification
- Land use monitoring and management
- Cadastral maps
- Urban sprawl monitoring
- Property tax evaluation
- Identification of illegal buildings

## TRANSPORT & MOBILITY

- Real-time transport information
- Bike and car sharing
- Intermodal transport

## BUILDINGS & INFRASTRUCTURE

- Monitoring of pavements, buildings and critical infrastructure
- Road condition and traffic safety improvements
- Mapping of buried optic

# CLEAN CITY

## AIR

- Air quality and temperature
- Traffic, industry and airport emissions

## WASTE

- Optimised bin collection
- Detection of illegal dump sites

## GREEN AREAS

- Urban forest and biosphere maps
- Balanced green and built-in spaces
- Vegetation cover monitoring and management

## ENERGY

- Solar energy systems' assessment
- Wind maps for wind power stations
- Remote monitoring of hydropower stations
- Synchronised power

# SAFE & RESILIENT CITY

## DISASTERS & SECURITY

- Management of natural disasters
- Coordinated emergency and rescue services
- Oil spills detection and removal
- Monitoring of hazardous goods' transportation

## SOIL & WATER

- Soil morphology and moisture
- Soil cover and use
- Inland and sea water
- Hazardous materials management
- Sustainable urban agriculture

- **Experience in 2014-2020**

- City's capital investment programmes reliant on ESIF
- Limited capacity and experience to meet the ERDF (article 7 (SUD) and article 36 (ITI)) requirements (i.e. strategy development, selection of projects)
- Technical capacity is required both upstream in the development of strategies all through implementation
- Lack of enforceable planning tools – result in non sustainable and non participatory projects
- Climate change not systematically reflected in strategy and project development
- Integrated strategies and necessary institutions not sufficiently promoted
- Allocated budgets meet thematic objectives rather than local needs
- Setting up "Urban authorities" time consuming

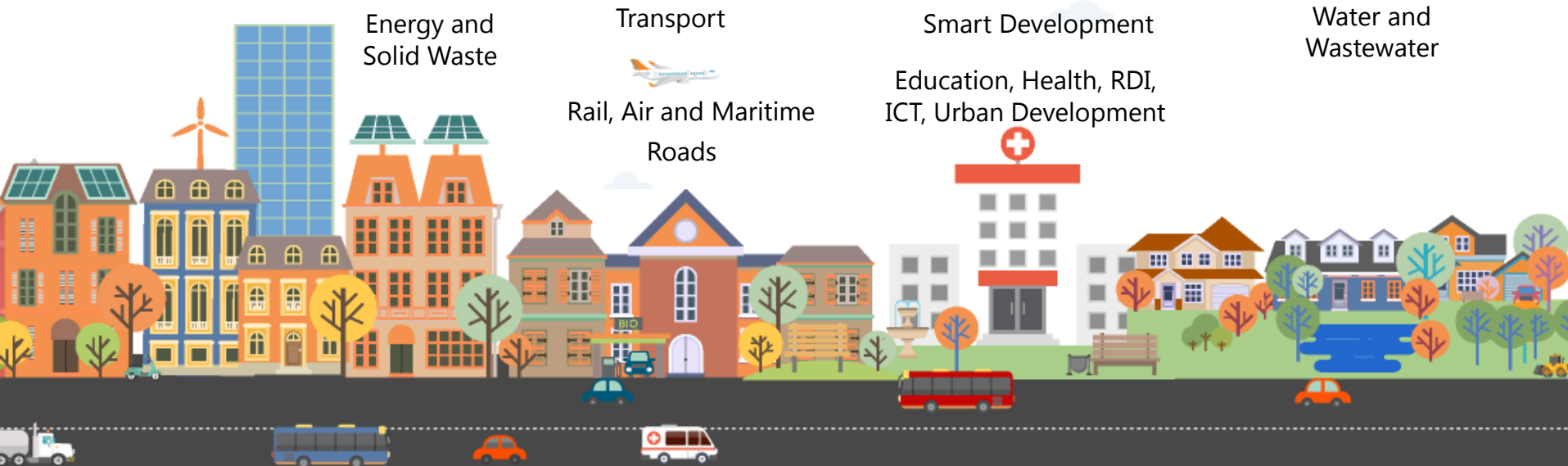


# Integrated Urban Advisory

## Strategic planning

- Strategic planning for defined territories (cities, towns, functional urban areas, territorial cooperation, neighbourhoods)
- Climate resilience and environmental planning

## Thematic advice



## Sustainable Urban Development Beyond 2020

*Planning-led, multi-disciplinary, multi-sector*

- A **Sustainable Urban Development Strategy** to set the strategic intent and framework for development
- **Action Plans** to establish the short-medium term priorities and actions
- **Investment programme and effective implementation mechanism**

## Vision: Integrated Territorial/Urban Development

Smarter  
Europe

Greener,  
Low Carbon  
Europe

Connected  
Europe

Social  
Europe

Europe  
closer to  
citizens

# What JASPERS can offer?

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1. Strategic advice
2. Strategic projects
3. Partner in unlocking urban investment

## What JASPERS can offer

- Expert reviews to develop strategy & action plan
- Multi-sector and multi-disciplinary advice
- Expertise in territorial development (eg functional regional plans, ITIs)

## What JASPERS supported

- Smart specialisation strategies, integrated territorial/SUD strategies, ITI, SUMP, SECAPs

*Articles 8/9 – Integrated territorial/urban development (incl. SUD 6% of ERDF)*

*Article 10 – European Urban Initiative to support urban areas and the Urban Agenda of the EU*

*Article 11 – Emphasis on “outermost regions”*

## What JASPERS can offer

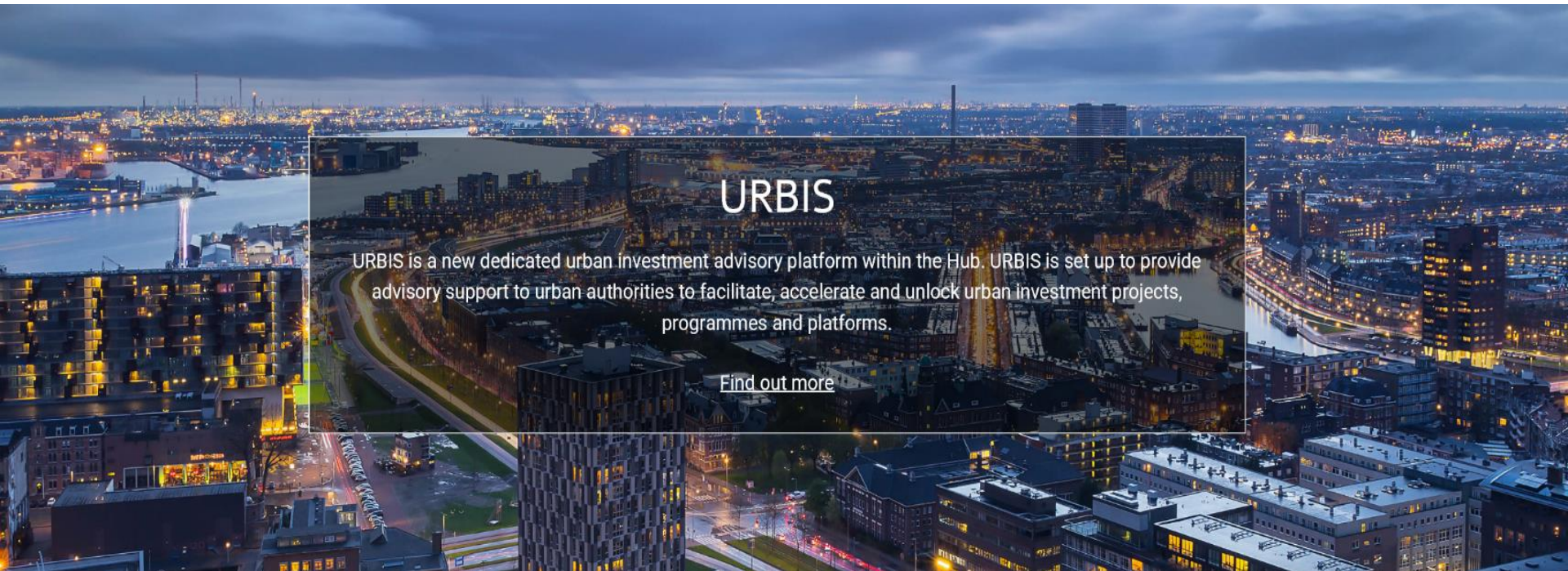
- Strong partner for strategic projects
- Emphasis on integrated programmes and associated projects
- Methodological advice for selection & prioritisation to maximise impact
- Phasing

## What JASPERS supported

- Focus on urban assignments like Lodz, Lower Valletta, Novo Mesto, Smart cities Burgas and V4

# Partner in unlocking urban investment

- Launched in Rotterdam at the Cities Forum November 2017 in partnership with EU
- Provides advice to cities and their partners
- Focuses on investment support: project development, linking strategy to investment, and innovative financial instruments and approaches
- Available via the European Investment Advisory Hub





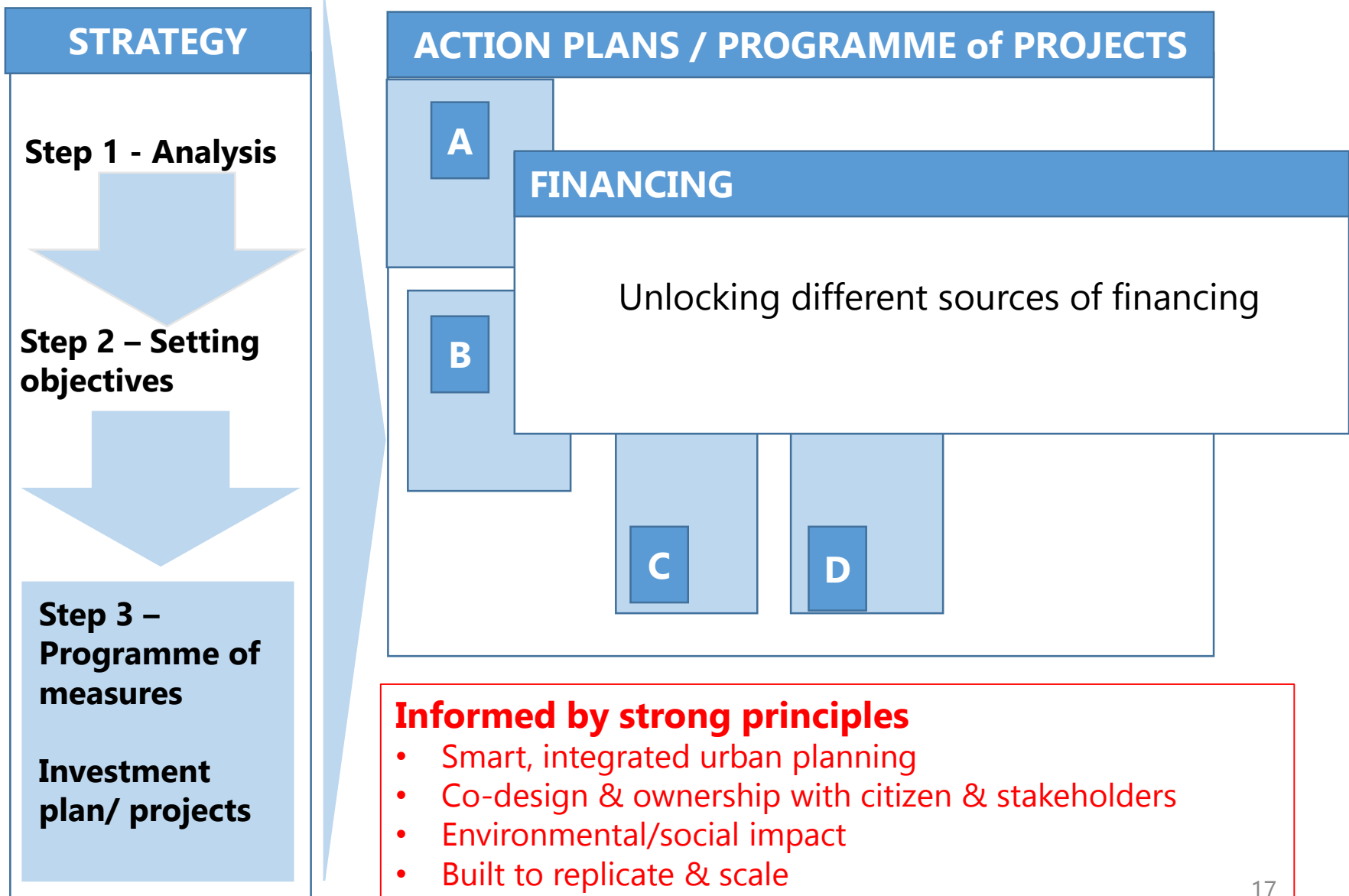
- Supports cities of all sizes and from all regions in Europe
- Provides place-based support for investment projects, programme and/or platforms – from concept stage through to implementation
- Brings together **technical and financial advisory** to support high quality and bankable projects *enabling blending where appropriate*
- Provides direct access for cities/urban authorities to support
- Prioritises cities with an integrated sustainable urban strategy

# Where JASPERS will add value

- Strategy
  - **Strategic advice** on planning led development
- Preparation of Action Plans & Investment Programmes
  - Project pipeline development
  - Prioritisation and selection methodologies
  - Bundling of (small-scale) projects
- Preparation of investment strategies – blending grants and loans/Financial Instruments
- Preparation, follow-up, implementation of **strategic projects**
- **Phasing** of operations
- Enabling capacities (climate change; spatial & environmental planning; state-aid...)

Unlocking Local Potential  
Preparing smart programmes & projects

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## Smart development for a smart Europe



The long-term competitiveness and cohesion of the European Union depend on its ability to innovate and develop in a harmonious way. The performance of EU regions still differs significantly in terms of Innovation<sup>1</sup>, social progress<sup>2</sup> and economic development.<sup>3</sup> There is a need for sound projects to increase jobs and growth and improve the social and economic conditions for a more resilient and cohesive Europe. To achieve a sustainable future and come out stronger from the global financial crisis, Europe must turn into a smart, sustainable and inclusive economy, delivering high levels of employment, productivity and social cohesion.

Clinical Centre of the University of Pécs, Hungary

Thank you!

More information:  
<http://jaspers.eib.org/>

<sup>1</sup> [http://ec.europa.eu/regional\\_policy/information/files/regions/indical\\_en](http://ec.europa.eu/regional_policy/information/files/regions/indical_en)  
<sup>2</sup> [http://ec.europa.eu/regional\\_policy/information/files/regions/indical\\_en](http://ec.europa.eu/regional_policy/information/files/regions/indical_en)  
<sup>3</sup> [http://ec.europa.eu/regional\\_policy/information/files/regions/indical\\_en](http://ec.europa.eu/regional_policy/information/files/regions/indical_en)