

Special Report

Joint Assistance to Support Projects in European Regions (JASPERS) – time for better targeting

(pursuant to Article 287(4), second subparagraph, TFEU)



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Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

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GLOSSARY

Action Completion Note (ACN): A standardised document drawn up by JASPERS summarising the work it had done on a project and providing, if necessary, recommendations to national authorities.

Action plan: Action plans are prepared for each Member State in cooperation with the beneficiary state concerned and the European Commission to specify what work JASPERS plans to do. Since 1 January 2014, every new action plan has become a rolling plan, starting with the signature of this document one single time for the 2014-2020 programme period. They will remain valid throughout the entire 2014-2020 period, and periodic modifications (addition and removal of projects) will take place with agreement between the parties by an exchange of letters.

Cost-Benefit Analysis (CBA): A technique for comparing the predicted costs and expected benefits associated with a proposal, helping decision-makers arrive at an informed decision about whether or not to implement it.

Cohesion Fund (CF): The Cohesion Fund aims to improve economic and social cohesion within the European Union by financing environment and transport projects in Member States whose per capita GNP is less than 90 % of the EU average.

Cohesion policy: Cohesion policy is one of the biggest policy areas on which the EU budget is spent. It aims to reduce development disparities between different regions, restructure declining industrial areas and diversify rural areas and to encourage cross-border, transnational and interregional cooperation. It is funded from the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Efficiency: the principle of efficiency concerns the best relationship between resources employed and outputs achieved.

European Regional Development Fund (ERDF): The European Regional Development Fund aims to reinforce economic and social cohesion within the European Union by redressing the

main regional imbalances through financial support for the creation of infrastructure and productive job-creating investment, mainly for businesses.

European Structural and Investment Funds (ESIF): The European Structural and Investment Funds cover five separate funds that aim to reduce regional imbalances across the European Union, with policy frameworks set for the seven-year multiannual financial framework (MFF) budgetary period. The funds include: European Regional Development Fund (ERDF); European Social Fund (ESF); Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD); and the European Maritime and Fisheries Fund (EMFF).

Impact: Longer term socio-economic consequences that can be observed after a certain period after the completion of an intervention, which may affect direct beneficiaries of the intervention or other indirect beneficiaries (e.g. decrease in unemployment levels, improvements in water quality, etc.).

Indicator: An indicator is a measurable proxy e.g. for an objective that will give useful information to assess the degree to which an objective is met.

Instrument for Pre-accession Assistance (IPA): The Instrument for Pre-accession Assistance is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help. The IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region.

Independent Quality Review (IQR): An evaluation carried out by an independent body of a major project application before it is submitted by a Member State to the Commission for approval. JASPERS acts as an independent quality reviewer for all countries which ask it for assistance. The Commission can only refuse approval of financial support where it establishes significant weaknesses in the IQR report.

Major projects: Major projects are large-scale infrastructure projects in transport, environment and other sectors such as culture, education, energy or ICT, often representing strategic importance for the EU and therefore subject to a specific approval procedure by the Commission. They comprise an economically indivisible series of works, activities or

services fulfilling a precise technical function and having clearly identified aims. The CPR establishes that major projects are those projects whose total eligible cost (total cost for the 2007-2013 programme period) assessed when determining the contribution of the funds exceeds 50 million euro. For the 2014-2020 programme period, in case of projects promoting sustainable transport and removing bottlenecks in key network infrastructures, the threshold was raised to 75 million euro.

Managing authority: A managing authority is a national, regional or local public authority (or any other public or private body), which has been designated by a Member State to manage an operational programme. Its tasks include selecting projects to be funded, monitoring how projects are implemented and reporting to the Commission on financial aspects and results achieved.

Operational Programme (OP): An operational programme sets out a Member State's priorities and specific objectives and how the funding (EU and national public and private co-financing) will be used during a given period (generally seven years) to finance projects. These projects must contribute to achieve a certain number of objectives specified within the OP. An OP is prepared by the Member State and has to be approved by the Commission before any payments from the EU budget can be made. They can only be modified during the period covered if both parties agree.

Output: Something that is produced or accomplished with the resources allocated to an intervention (e.g. training courses delivered to unemployed young people, number of sewage plants or km of roads built, etc.).

Phased projects: Incomplete major projects from the previous programme period whose outstanding part, which needs to be identifiable both financially and physically, had been shifted into the 2014-2020 programme period.

Post-Submission Appraisal (PSA): An appraisal carried out by JASPERS, on the request of the Commission, of a major project application submitted by a Member State which has not been subjected to an independent quality review by JASPERS.

Result: A result is a measurable consequence deriving – directly or indirectly – from a cause and effect relationship.

Supreme Audit Institution (SAI): An independent body responsible for examining government revenue and expenditure. There is one SAI in each of the EU Member States, the European Court of Auditors is the SAI of the EU.

EXECUTIVE SUMMARY

About JASPERS

I. In 2005, the European Commission decided to engage in a new initiative together with the European Investment Bank (EIB), known as ‘Joint Assistance to Support Projects in European Regions’ (JASPERS), to provide the Member States that joined the EU in 2004 or later with independent free-of-charge advice to help them to prepare high-quality proposals for large investment projects for funding through the EU’s Cohesion and European Regional Development Funds.

How we conducted our audit

II. We assessed whether JASPERS had made a positive contribution to the development and overall quality of the EU co-financed projects in those Member States it supported, as well as improved their administrative capacity.

III. We audited in four Member States: Croatia, Malta, Poland and Romania. The audit covered the period from when JASPERS began operations in 2006 until the end of 2016. For Croatia and Poland, we performed our audit in cooperation with their supreme audit institutions (SAIs), which were carrying out their audits of the impact of JASPERS at national level at the same time as our audit¹.

What we found

IV. There were shortcomings in the definition of JASPERS’s main objectives and roles and responsibilities. As a result, JASPERS did not target its assistance sufficiently. While JASPERS

¹ Report of the Supreme Audit Office of Poland on ‘The functioning of the JASPERS initiative in Poland’ of October 2016 and Report of the State Audit Office of Croatia on ‘Impact of JASPERS programme initiative on the submitted project proposals of the Republic of Croatia for co-financing from EU funds’ of May 2017.

was conceived as an initiative for the 2007-2013 programme period, it became a longer-term initiative, as it was extended to the 2014-2020 programme period. It has no clear measurable objectives to signal that its purpose has been achieved. At the start of the 2014-2020 programme period, JASPERS also began to support phased projects and further encouraged Member States to increase their use of its free-of-charge assistance during the project implementation stage. Neither of these was a priority.

V. There were significant weaknesses in the setting-up of the new Independent Quality Review (IQR) function for the 2014-2020 programme period. The functional independence of JASPERS's IQR service was detracted because the same person was responsible for signing off the work of both IQR and advisory divisions. Moreover, by October 2017, no procedures defining the IQR processes in JASPERS had been adopted. We noted a high risk of a lack of impartiality in relation to JASPERS's advisory function. Furthermore, although IQRs were a crucial part of the Commission's approval process for major projects, the Commission had no direct input into how IQRs were conducted in practice, opening itself to the risk that they would not be delivered as intended.

VI. JASPERS contributed to quicker project approval and had an impact on the quality of projects. Moreover, JASPERS had a positive impact on the quality of the underlying project documentation. We also found that assistance provided by JASPERS was relatively comprehensive. In the 2007-2013 programme period, the Commission overall needed less time to approve major projects if they had been assisted by JASPERS. However, we observed that JASPERS could generally not impact on the absorption of EU funds. For the 2014-2020 programme period, we noted that the overall time needed to approve major projects could be significantly reduced. Lastly, we observed that major projects assisted by JASPERS had been less frequently affected by legality and regularity errors during our 2014 and 2015 compliance audit exercises.

VII. JASPERS's impact on administrative capacity did not yet result in higher degrees of independence from JASPERS's assistance. In general, national authorities and project beneficiaries both stated that JASPERS had a positive impact on their administrative capacity, although some of them stated that they remained strongly reliant on JASPERS

assistance. We found no evidence to confirm whether this improvement in administrative capacity had actually materialised. We noted that, over time, JASPERS had increased its focus on building Member States' administrative capacity.

VIII. This, in combination with significant shortcomings in the monitoring of JASPERS activities, puts at risk the successful operation of the initiative, particularly in terms of its efficiency and effectiveness. The EIB was unwilling to provide information on JASPERS's real costs, and the Commission was only partially able to demonstrate the plausibility of the standard costs of JASPERS used up to 2014 for staff members provided by the EIB.

What we recommend

IX. The Commission should:

- (a) take more control over the strategic planning of JASPERS, including all types of JASPERS activities, keeping in mind that JASPERS was originally conceived as a temporary initiative, and therefore allowing it to be phased out if its main objectives have been met;
- (b) take immediate actions to mitigate the high risk of a lack of impartiality when JASPERS carries out IQRs to appraise projects which have received JASPERS advisory support;
- (c) obtain full access to the relevant documentation to verify the quality of JASPERS's IQR procedures;
- (d) target JASPERS assistance according to the project's stage of development and maintain its focus on providing advisory services to major projects;
- (e) integrate JASPERS activities into its own technical assistance strategy, with the aim of improving coordination with JASPERS on carrying out ongoing (as opposed to ad hoc) activities for developing Member States' administrative capacity; adjust the role, nature and intensity of JASPERS's capacity-building activities in Member States over time, to

provide incentives for them to reach a sufficient and sustainable level of administrative capacity;

- (f) introduce a comprehensive system for monitoring the extent to which JASPERS's long- and short-term objectives have been met; ensure that future evaluations of JASPERS are sufficiently comprehensive, and draw conclusions on the achievement of its main objectives; take action to optimise JASPERS's efficiency and effectiveness; and ensure that JASPERS's costs are reasonable, and that they reflect the actual costs incurred.

INTRODUCTION

What is JASPERS?

1. The Member States that joined the EU in 2004 or later could benefit from large amounts of funding through the Cohesion Fund and the European Regional Development Fund².

Romania, Bulgaria and Croatia also received EU financial support through the Instrument for Pre-Accession Assistance (IPA) until their accession to the EU.

At the same time, the administrations of these countries had only limited capacity of managing EU funds and preparing and implementing projects according to the EU's requirements.

2. In order to address this weakness, the European Commission decided to engage in a new initiative together with the EIB to provide these Member States with technical advice. In 2006, a memorandum of understanding (MoU) was agreed between the Commission, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) and later KfW to establish the initiative. The aim of the initiative, known as 'Joint Assistance to Support Projects in European Regions' (JASPERS), was to provide independent advice to help the Member States, free-of-charge, to prepare high-quality 'major projects' involving large investments to receive EU co-financing. This advice related, for example, to feasibility study, cost-benefit analysis (CBA) and environmental issues (see paragraph 57).

3. It was originally envisaged that JASPERS would operate only during the 2007-2013 programme period and be open only to the Member States which acceded to the EU in 2004 and afterwards³. However, under a framework partnership agreement (FPA) signed

² For the 2014-2020 programme period, the European Structural and Investment Funds were created which include, among others, the Cohesion Fund and the European Regional Development Fund (ERDF).

³ Greece was assisted by JASPERS since 2013 as an exception.

in 2014⁴, its operations were extended to cover the 2014-2020 programme period as well (including a new mandate for the Connecting Europe Facility CEF) ⁵. It was also opened to all Member States and candidate countries, as long as the required resources were available.

4. The JASPERS technical assistance initiative is managed by a dedicated department, the JASPERS department, within the EIB. JASPERS employs around 124 members of staff⁶. Its headquarters are in Luxembourg at the EIB's premises; it also has three regional offices in Warsaw, Vienna and Bucharest, and a branch office in Brussels. It is jointly financed by the EIB, the Commission through the EU budget, and the EBRD⁷. The three partners vote unanimously to take strategic decisions on the direction and supervision of the initiative in the JASPERS Steering Committee, chaired by the Commission.

5. The actual cost of JASPERS, between its commencing operations in 2006 and the end of 2016, was 284.2 million euro. Around 79 % of the total cost of JASPERS (around 223.5 million euro) was funded from the EU budget. See **Table 1** for more details. The remaining contribution was provided by the other partners in the form of members of staff assigned to JASPERS.

⁴ Framework Partnership Agreement for the management of the JASPERS technical assistance facility 2014-2020, agreed between the European Commission and the EIB in November 2014.

⁵ There was also a mandate for IPA II.

⁶ Figure valid at 31.12.2016.

⁷ The Kreditanstalt für Wiederaufbau (KfW) was originally a fourth founding member, but did not extend its participation for the 2014-2020 programme period. The EBRD has decided to withdraw from the initiative with effect from July 2017.

Table 1 - The actual cost (largely based on unit costs) and headcount (year end) of JASPERS until 2016

Year	JASPERS actual cost ¹	Commission contribution ¹	Commission financing rate	Headcount [FTE]
	A	B	B/A	
2006	0.0	3.9	-	15
2007	17.8	13.2	74%	56
2008	21.2	16.0	75%	61
2009	23.5	17.1	72%	77
2010	30.2	23.4	77%	88
2011	32.0	26.5	83%	89
2012	30.4	24.2	80%	91
2013	31.6	23.1	73%	87
2014	28.9	21.8	75%	96
2015	32.4	25.7	79%	116
2016	36.0	28.8	80%	124
total	284.2	223.5	79%	-

¹ In million euro.

Note: According to the annual reports of JASPERS, no actual costs were incurred in 2006. The Commission, however, made payments to JASPERS during 2006. The figures do not include the JASPERS's mandates for IPA and CEF.

Source: ECA analysis of the annual reports of JASPERS and replies from the Commission.

What does JASPERS do?

6. Each individual JASPERS task is known as an “assignment”. Assignments come in the following main forms:

- individual support to major projects and non-major projects (see **paragraph 7**), including temporary support to phased major projects (see **paragraph 40**),
- horizontal support (see **paragraph 8**),
- capacity-building measures (see **paragraph 9**),
- reviewing functions (see **paragraph 10**):
 - independent quality reviews (IQRs),
 - post-submission appraisals (PSAs).

7. Providing individual support as early as possible in the project development – helping beneficiary Member States to prepare projects for grant financing under the European Regional Development Fund and Cohesion Fund – is the main strategic objective of JASPERS⁸. In practice, JASPERS can provide support at any stage of a project's life, from conception through to approval and, exceptionally, beyond this in the implementation phase. Most of these assignments are related to major projects: projects whose costs exceed a defined threshold⁹, requiring Commission approval. JASPERS can also support non-major projects, especially if they have a specific strategic value, which are approved by Member States.
8. Horizontal support can take the form of advice given to groups of different but related projects in one or more Member States, or the form of strategic advice given to Member State authorities.
9. In 2011, JASPERS established a networking platform dedicated to capacity-building measures. It organises training courses and networking events with the aim of improving Member State authorities' ability to draw up projects in line with EU regulations, and disseminating good practices.
10. In 2015, JASPERS also started to carry out reviews of major project applications as part of the Commission's major project approval procedure. These reviews can take the form of IQRs (see paragraphs 44 to 52). IQRs are carried out at the request of Member States, as set

⁸ Memorandum of Understanding 2006 (MoU).

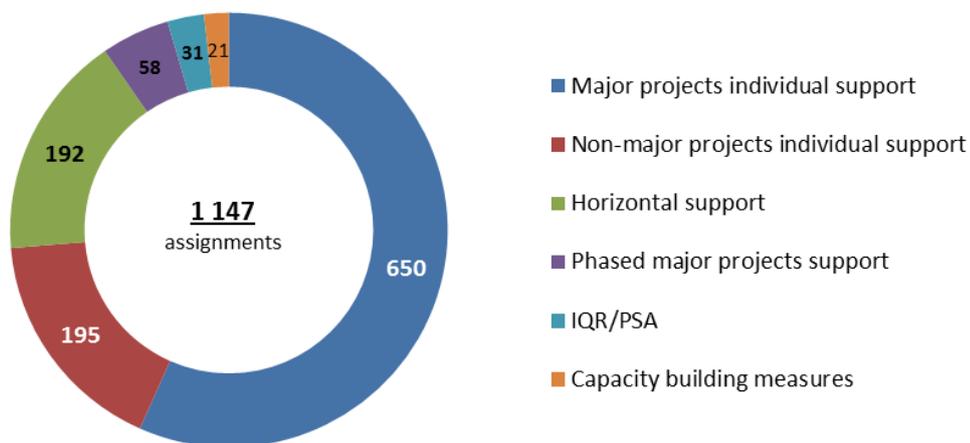
⁹ For the 2007-2013 programme period, according to Article 39 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (OJ L 210, 31.7.2006, p. 25), when the total project cost exceeds 50 million euro.

For the 2014-2020 programme period, according to Article 100 of Common Provisions Regulation No 1303/2013, when the total eligible cost exceeds 50 million euro and 75 million euro in the case of operations contributing for promoting sustainable transport and removing bottlenecks in key network infrastructures.

out in the Common Provisions Regulation¹⁰, by a division based in Brussels. At the request of the Commission, not of a Member State, JASPERS can also provide reviews in the form of PSAs since 2015. The scope of PSAs is narrower than that of IQRs. IQRs and PSAs can also be done for major projects which have already received JASPERS advice before the major project applications are submitted.

11. Between commencing operations in 2006 and the end of 2016, JASPERS completed 1 147 assignments. Around two thirds of these concerned major projects. **Figure 1** provides details of the number of completed assignments, broken down by type.

Figure 1 - Completed JASPERS assignments by type (2006-2016)

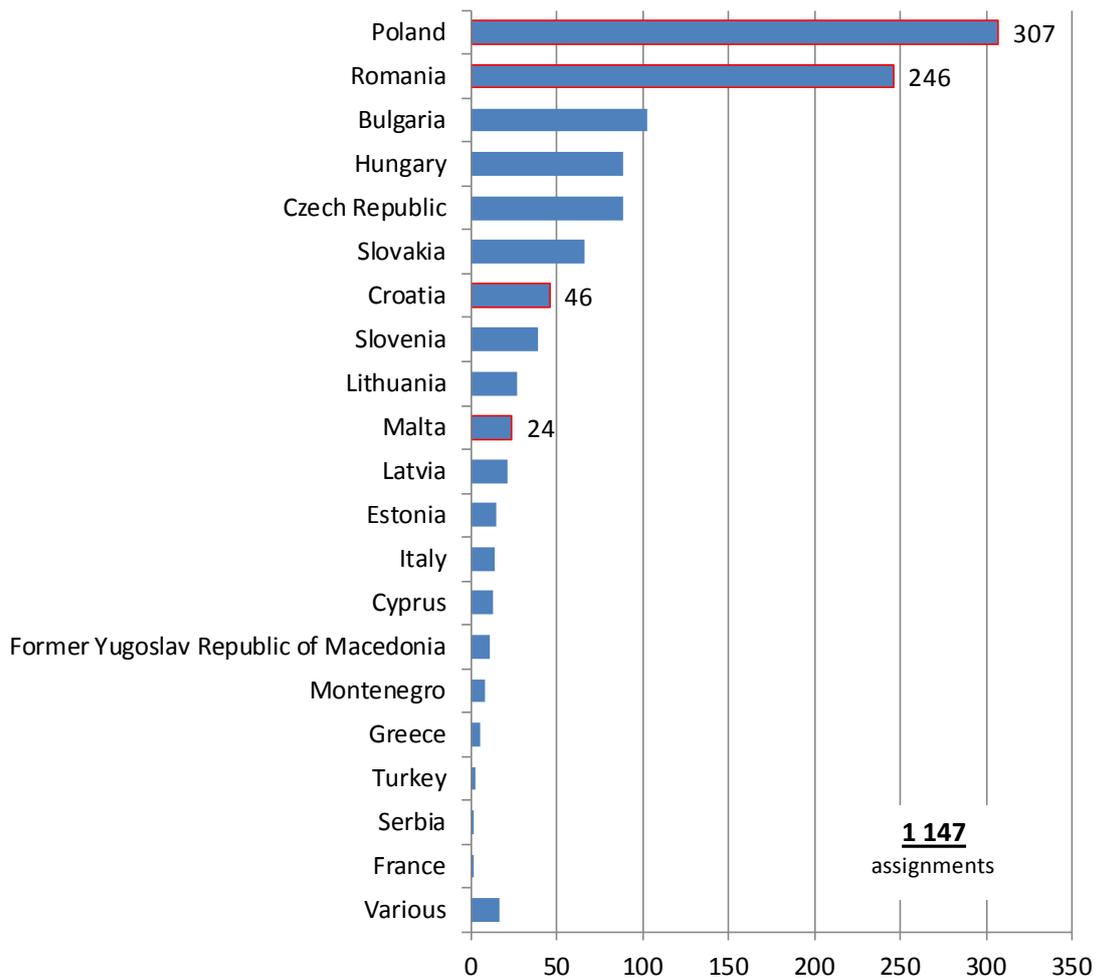


Source: ECA analysis based on data provided by JASPERS (as of 31 December 2016).

¹⁰ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

12. Nearly 50 % of all completed JASPERS assignments concerned activities in Poland (307) and Romania (246). **Figure 2** shows the number of JASPERS assignments in each Member State.

Figure 2 - Completed JASPERS assignments by Member State



Source: ECA analysis based on data provided from JASPERS (as of 31 December 2016).

13. Between 2006 and December 2016, the Commission approved 963 major projects from the 2007-2013 programme period¹¹. Of these, 511 (around 53 %) were supported by

¹¹ According to the Commission, as of 2017, it adopted positive decisions in respect of 970 major projects in the 2007-2013 programme period.

JASPERS. The total amount invested in these projects was around 77.6 billion euro; the total EU contribution was 46.2 billion euro.

14. The number of all JASPERS's assignments during the 2007-2013 and 2014-2020 programme periods, broken down per assignment status and type is presented in ***Annex I***.

Our audit scope and approach

15. The aim of this audit was to assess whether JASPERS had made a positive contribution to EU co-financed projects in the Member States.

To do this, we focused on three different areas. First, we examined the institutional set-up of JASPERS, how it was administered, and the scope of its activities. In this respect, we did not audit the EIB's own lending activities related to projects assisted by JASPERS¹². Second, we checked the actual impact of JASPERS activities on the sampled projects and on Member States' administrative capacity. Finally, we examined the systems in place at various levels for monitoring and evaluating the work and the efficiency and effectiveness of JASPERS.

16. The audit covered the period from when JASPERS began operations in 2006 until the end of 2016: it therefore includes assignments from both the 2007-2013 and the 2014-2020 programme periods. When relevant, we also took into account information concerning the period up to August 2017 provided by the Commission and the EIB.

17. We carried out our audit work at the Commission, at the EIB's JASPERS department and the JASPERS Steering Committee, and in four selected Member States: Croatia, Malta, Poland and Romania. We selected these Member States on the basis of how much JASPERS assistance they had received, their geographical distribution, and their level of experience with using EU funds.

18. Our audit was based, in particular, on the following evidence:

¹² According to Article 287(3) TFEU, our audit rights in respect of the EIB's activities only relate to its management of expenditure and revenue from EU budget.

- interviews with officials and beneficiaries at EU and national level;
- an analysis of documentation and data made available by national bodies, the EIB's JASPERS department and the Commission;
- an examination of a sample of 28 individual project assignments (comprising 25 related to major projects and 3 to non-major projects) and 9 horizontal JASPERS assignments (*Annex II*); the selection of the sample focused on completed assignments¹³;
- a screening of 343 action completion notes (ACNs) related to assignments in the four visited Member States;
- an analysis of the results of our own compliance audit exercise carried out in 2014 and 2015 related to major projects.

19. Furthermore, we referred to the final audit report on major projects in DG REGIO, which was issued in October 2017 by the Internal Audit Service of the Commission. The scope of that audit included a review of the processes and controls put in place by DG REGIO to approve and monitor major projects in the 2014-20 programming period and covered, among others, the use of JASPERS IQR function.

20. In conducting the parts of this audit which concerned Croatia and Poland, we cooperated with the Croatian and Polish supreme audit institutions (SAIs), which were carrying out their audits of the impact of JASPERS at national level at the same time as our audit¹⁴. This cooperation included exchanges of views on our audit approach and methodology, and discussions of the main results of the audit work concerning each country.

¹³ From our sampled assignments, 29 assignments related to the 2007-2013 programme period and 8 related to the 2014-2020 programme period (see Annex II and for the overall population see Annex I).

¹⁴ Report of the Supreme Audit Office of Poland on 'The functioning of the JASPERS initiative in Poland' of October 2016 and Report of the State Audit Office of Croatia on 'Impact of JASPERS programme initiative on the submitted project proposals of the Republic of Croatia for co-financing from EU funds' of May 2017.

OBSERVATIONS

Weaknesses in the definition of JASPERS's main objectives resulted in shortcomings in its operations

21. We consider that appropriately defined and unambiguous top-level strategic objectives provide a solid basis for directing JASPERS resources towards the most important areas. They are also important for the subsequent monitoring and evaluation of JASPERS operations, and for identifying areas where additional support is needed. We also consider that clearly defined roles and responsibilities are crucial for guaranteeing transparency and accountability, for avoiding overlaps, and for guaranteeing impartiality where this is important. To this end, we assessed the institutional set-up of JASPERS when it was created in 2006 and when it was extended in 2014.

The main objectives for JASPERS were insufficiently clear and partly conflicting

22. JASPERS was originally conceived as an initiative for the 2007-2013 programme period. The idea behind JASPERS was first described in a concept paper issued in 2005¹⁵. It stated that major projects in the Member States which had acceded to the European Union in and after 2004, as well as Greece, Spain and Portugal¹⁶, would be given priority for receiving JASPERS support.

23. The concept paper also stated that the Commission and the EIB would review the operation of JASPERS after its first two years of operation to decide on its future strategic direction, since it was not possible to precisely forecast future demand when JASPERS operations began. Although the general focus envisaged in the concept paper was carried

¹⁵ Final version of 6 September 2005.

¹⁶ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic and Slovenia and the accession countries of Bulgaria, Croatia and Romania. Greece, Spain and Portugal were mentioned in the 2005 concept paper, but not included in the 2006 MoU. The assistance for Greece started in 2013 (without any amendment to the 2006 MoU).

over to the 2006 MoU (see ***paragraphs 2 and 3***), certain aspects were practically postponed. One of these was the focus on building Member States' administrative capacity. Another was the commitment to perform a review after two years of operation.

24. The overall strategic objective of JASPERS as described in the 2006 MoU was to help beneficiary Member States to prepare and submit high-quality projects for grant financing under the Structural and Cohesion Funds. It aimed to accelerate the absorption of the available EU funds. Both objectives - improvement in quality and absorption - remained valid for the 2014-2020 programme period.

While the concept paper included a rough estimation of expected major project submissions per year, no needs assessment as such was carried out before launching the JASPERS initiative for the 2007-2013 programme period. In contrast, for the 2014-2020 programme period, the Commission worked together with JASPERS to carry out a formalised needs assessment before extending the mandate of JASPERS and opening it up to all Member States (see ***paragraph 3***). However, we found this needs assessment to be overoptimistic (see ***paragraph 52***, and ***paragraphs 87 to 90***).

25. The ultimate aim of JASPERS – helping Member States to make the most of the aid available under the Structural and Cohesion Funds – is clear. The two main objectives set for JASPERS were not clear or specific enough in either of the two programme periods. The objective of improving project quality, which the initiative was meant to bring about, was not specifically defined and the objective of improving the absorption of EU funds¹⁷ was vague. Moreover, these two main objectives were at least in partial conflict with each other; for example, improving a project may induce further delays, thus prejudicing absorption (see also ***paragraph 96***). This provided an unsatisfactory basis for evaluating the effectiveness of the initiative.

26. The Commission did not specify on what basis it would judge whether the main objectives of JASPERS had been achieved and by what means. For example, increasing

¹⁷ Better absorption means, in general, that EU funds are spent earlier and faster.

administrative capacity – which should contribute to improving project quality as well as absorption - was set as an objective in the concept paper, but it was not carried over into the MoU for the 2007-2013 programme period. It was only incorporated into the FPA covering the 2014-2020 programme period, without any reference to specific objectives. As a result, no specific objectives were associated with it in either period; an increase in administrative capacity was set as a long-term impact instead. This caused the following problems.

27. Increasing administrative capacity is, by its nature, an objective that needs to be revisited over time: after a Member State's administrative capacity has been increased, on a specific topic, to the desired level, the need for further capacity-building measures diminishes. In such a case, we would expect thematic objectives to have been set which, when achieved, would clearly indicate that certain capacity-building measures were no longer necessary. In this case, however, both the Commission and JASPERS did not establish any specific objectives concerning capacity-building.

The roles and responsibilities of the main stakeholders were not sufficiently clear

28. The work of JASPERS is mostly paid for by the Commission and carried out by the EIB at the request of the Member States. The roles and responsibilities of JASPERS and its main stakeholders¹⁸ were not clearly defined in either of the two programme periods, including in formal agreements signed between the Commission and the EIB, such as the Annual Contribution Agreements.

29. The only evidence of formalised working arrangements we saw was between JASPERS and the Member States¹⁹. However, these arrangements were of a general nature and limited to project assignments.

Besides agreements on individual assignment level (referred to as project fiches), where

¹⁸ The beneficiary Member States, the Commission, the EIB and the EBRD, the latter of which was not in the scope of our audit work due to its relatively limited contribution.

¹⁹ Introduced: for Croatia in 2012; for Malta in 2006; for Poland in 2006 and for Romania in 2008.

they existed, we saw no evidence of any formalised institutional arrangements for providing horizontal or strategic advice, or capacity-building activities. We also saw no evidence of any requirements for Member States to demonstrate whether good use had been made of JASPERS's advice (including assistance to non-major projects).

30. Furthermore, the working arrangements for projects were not sufficiently comprehensive, and this led to practices being developed which were not always in line with JASPERS objectives. In Poland, for example, the national authorities had systematically decided to involve JASPERS only after major projects had already been approved at national level. This went against the priorities of JASPERS, which is intended to be involved as early in the project planning procedure as possible.

31. JASPERS also had no clearly formalised working arrangements with the Commission. In particular, no provisions for reporting on the results of JASPERS assignments were introduced until 2008, two years after the initiative began. These took the form of the JASPERS ACN, a standardised summary of the work JASPERS had done on a project, together with recommendations to national authorities if necessary. From 2008 onwards, whenever an assignment was completed, JASPERS drew up an ACN; Member States were obliged to attach it when they submitted a major project application form to the Commission so that the Commission could use it for its own appraisal work.

32. Unclear expectations and uncoordinated communications associated with the lack of clarity in how to work with JASPERS had provoked criticism from national authorities in two of the four visited Member States²⁰. We consider the Commission to be in practice a client benefitting from JASPERS. JASPERS and the Commission regard the Member States as the only clients of JASPERS, since – except for PSA, which was introduced in 2015 (see [paragraph 35](#)) – JASPERS carries out work purely according to their demands.

²⁰ Poland and Croatia.

33. Also the EIB can be considered to be an indirect client of JASPERS. In 2006, the EIB defined its own additional institutional objectives for JASPERS. These included an increase in lending opportunities, and closer relationships with national authorities²¹. For the 2014-2020 programme period, the EIB again expected to benefit from the increased lending opportunities resulting from JASPERS by lending 10 billion euro to JASPERS-supported projects, the same amount as in the 2007-2013 programme period.²² Because of missing audit rights (see paragraph 15), we did not assess whether lending-related benefits made the EIB's contribution to JASPERS worthwhile. Nor did we verify whether the risk of insufficient impartiality between JASPERS advisory work and EIB's lending activities was appropriately mitigated.

34. JASPERS generally adhered to its own designated role, which does not include drawing up project documentation, such as CBA and tendering documents. But in a limited number of cases (3 out of 20 audited major projects), we found that Member States had asked JASPERS to do so anyway, and JASPERS had complied. In effect, by doing so, JASPERS provided Member States with free-of-charge consultancy work by hiring and paying external consultants.

35. In 2015, when the Commission introduced the PSA (see also paragraph 53) it stopped requiring ACNs to be submitted together with major project applications. However, JASPERS had not incorporated this change into its working arrangements with the Member States, and continued to require them to submit an ACN with each major project application. In our opinion, continuing to require the ACN is a good practice on the part of JASPERS: the ACN has a broader scope than the PSA. During our audit, the Commission restarted using ACNs.

36. JASPERS should have brought further benefits to the Commission by reducing the need for external consultants to carry out work in support of its appraisal procedures. However,

²¹ EIB Corporate Operational Plan 2006-2008 of January 2006, approved by the EIB Board of Directors.

²² According to an internal JASPERS memo to the EIB Board of Directors on 22.4.2014.

we found that the Commission had sometimes failed to take advantage of this opportunity. We found that in around 7 % of approved major projects for the 2007-2013 programme period which had been assisted by JASPERS, the Commission had used external consulting companies to carry out work which to some extent overlapped with work which had already been done by JASPERS.

In many cases, JASPERS did not target its assistance sufficiently

37. Priorities for JASPERS assistance were based on Member States' wishes, which should be in line with the EU cohesion policy. JASPERS itself did not set any particular priority areas for its assistance to Member States. Both the 2005 concept paper and the JASPERS internal quality manual, introduced only in 2010, stated that the Commission must be consulted about the selection of all individual or horizontal assignments before the Steering Committee could approve the national JASPERS action plans. These action plans were of strategic importance: they defined the scope, and the limits, of the activities JASPERS was able to carry out in Member States. However, in the 2007-13 programme period, consultation with the Commission did not always occur for non-major projects or for horizontal assignments.

38. The introduction of multiannual rolling action plans for JASPERS for the 2014-2020 programme period resulted in less accurate planning and even less frequent consultations with the Commission, therefore reducing their strategic value. In reality, JASPERS accepted almost all (98 %) of the individual and horizontal assignment requests submitted by Member States across both programme periods. For details see **Table 2**.

Table 2 - Overview of assignments rejected by JASPERS in the 2007-13 and 2014-20 programme periods

Assignment type	2007-2013			2014-2020			Overall		
	All	rejected	%	All	rejected	%	All	rejected	%
Major projects	916	31	3%	367	0	0%	1283	31	2%
Non-major projects	231	4	2%	71	0	0%	302	4	1%
Horizontal support	221	1	0%	144	1	1%	365	2	1%
	1368	36	3%	582	1	0%	1950	37	2%

Note: As a matter of principle, capacity building, PSA and IQR assignments are not subject to rejection.

Rejected – an official assignment request refused by JASPERS.

Source: ECA analysis based on an extract from the JASPERS database (as of December 2016).

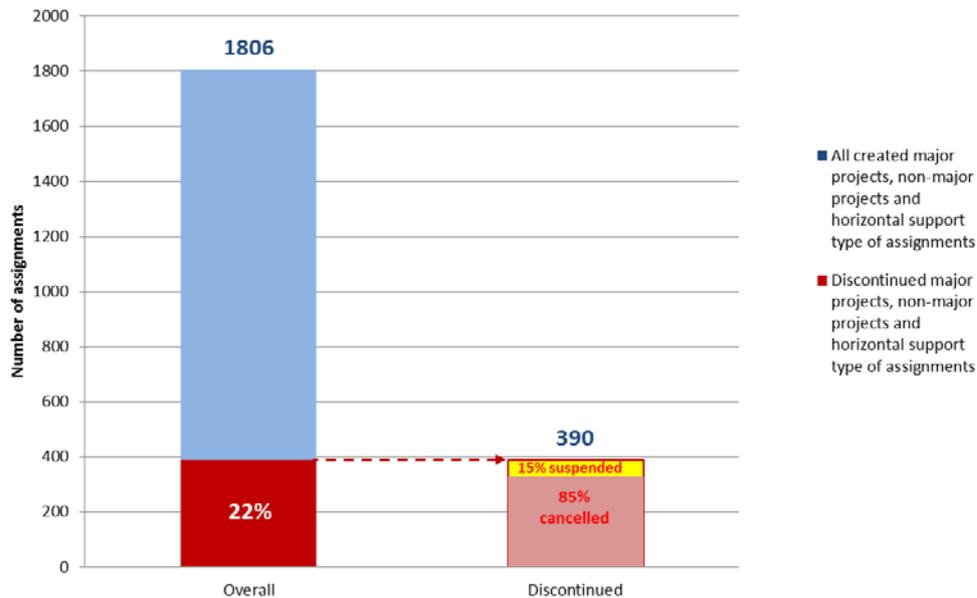
39. Between 2006 and the end of 2015²³, around 22 % of all individual (major and non-major projects) and horizontal assignments created were discontinued. Of these, 85 % were cancelled and the remaining 15 % suspended²⁴. For details see **Figure 3**. Work done on these discontinued assignments accounted for around 8 % of the total time worked by JASPERS staff during this period²⁵. The reasons for cancellation can be numerous, including cases where projects are downsized to non-major projects or even abandoned. However, in our opinion, this high rate of discontinued assignments indicates poor targeting.

²³ JASPERS did not make the information on total time worked by JASPERS staff for 2016 available.

²⁴ Cancellations or suspensions often happened because EU co-financing was no longer being requested for the associated projects. There were also several cases of projects being dropped because they had been split into smaller projects.

²⁵ Taking JASPERS actual cost 2006-2015 (see **Table 1**) as a basis, which consist mostly of staff related cost, we estimated the value of work time related to discontinued assignments to be up to 20 million euro.

Figure 3 - Overview of cancelled and suspended assignments (major projects, non-major projects and horizontal support) between 2006 and the end of 2015



Note: Discontinued assignments – suspended and cancelled assignments:
 Suspended – an assignment put on hold by a Member State or JASPERS.
 Cancelled – an assignment cancelled by a Member State.

Source: ECA analysis based on an extract from the JASPERS database (as of December 2016).

40. We found that the Commission ultimately did not approve 14 % of all major projects submitted by the Member States in the 2007-13 programme period for EU co-financing. We noted positively that, based on the information contained in the Commission's database, most of the non-approved major projects (around 95 %) had not been assisted by JASPERS. The reasons were manifold: projects were downsized or split, or, due to delays, put on hold to allow implementation within the next eligibility period. Less frequently the Commission rejected them or Member States cancelled them.

41. Moreover, we found that JASPERS began to provide support for delayed major projects which needed to be carried over from the previous programme period (phased projects). It

had opened 59 assignments of this kind by the end of 2015²⁶. This went counter to JASPERS's main priority of developing new major projects by providing conventional advisory assistance.

42. We also observed that JASPERS further encouraged Member States to extend the use of its assistance for horizontal assignments and projects during their implementation stage.

43. JASPERS mid-term evaluation, carried out on behalf of the Commission in December 2012, among others, recommended to JASPERS to improve its strategic approach and the formalisation of its working arrangements with the Commission. We noted that the underlying issues were still causing problems in the 2014-2020 programme period.

There were significant weaknesses in the setting-up of the new IQR function for the 2014-2020 programme period

44. In November 2013, the Commission nominated JASPERS as an independent expert within the framework of its technical assistance strategy for the 2014-2020 programme period²⁷. It did so without any prior formal evaluation process. To exercise this role, JASPERS began carrying out IQRs in 2014 in agreement with the EIB (completing its first IQR report in 2016). The Commission and JASPERS recommend especially that IQRs be used for major projects which have already received JASPERS advisory assistance, although they can also be used for major projects which have not previously received such assistance.

45. IQR is a very important new function of JASPERS, which the Commission wanted the Member States to use for the appraisal of major projects. We would therefore have expected that internal quality procedures had been formally adopted. However, by October 2017, no procedures defining the IQR processes in JASPERS had been adopted. The only

²⁶ By the end of 2016, 58 of these assignments were completed.

²⁷ Technical assistance strategy for the 2014-2020 programming period adopted by DG REGIO on 11 November 2013.

available document was a draft IQR procedures manual. Until October 2017, eight IQR reports had been issued by JASPERS, leading to tacit approval of the underlying major projects by the Commission

46. To ensure that IQRs are impartial, the Commission requires them to be conducted with full functional independence from JASPERS advisory services. It was intended that this would be achieved by the physical separation of the advisory and IQR subunits. The draft IQR procedures manual was the main document presented to us regarding the IQR procedures. It contained a number of provisions which had the potential to compromise the functional independence of IQR.

47. The Internal Audit Service of the Commission reports that DG REGIO's quality checks have not adequately addressed questions concerning potential conflicts of interest between JASPERS advisory and IQR divisions. The IAS recommends DG REGIO to analyse actual and perceived conflicts of interest between JASPERS advisory and JASPERS IQR and develop mitigating measures where necessary.

48. We also noted that the same director was responsible for signing off the work of both the IQR and advisory divisions; this further detracted from the IQR division's independence.

49. IQRs are a crucial part of the Commission's approval process for major projects. Requirements about what an IQR should contain are set out in secondary legislation. However, the Commission had no direct input into the procedures manual which governs how IQRs are conducted. JASPERS had also not signed any working agreements on IQRs with the Commission.

50. The IQR procedure differs from the advisory procedure in that it puts the onus on the Commission to demonstrate a significant weakness in an IQR report which it disagrees with. In our opinion, it is difficult for the Commission to do so, since it no longer has access to the underlying documentation. Unless it does so, the IQR is accepted automatically after three months. In such a scenario, the Commission's decisions to approve major projects are in practice made by JASPERS, who is in charge of the IQR.

51. By the time of our audit, JASPERS had drawn up standardised working arrangements for IQRs for all Member States, but not all Member States had signed them. By the end of 2016, nine Member States had signed the arrangements, but they did not include Romania²⁸, the Czech Republic or Italy, which were among the Member States which were expected to submit the largest numbers of major projects.

52. As mentioned in paragraph 87 and 90, the number of major projects for the 2014-2020 programme period and their submission timeline were overly optimistic. Similarly, we found that the use of IQR by the Member States had been overestimated. In December 2013, the Commission expected that most of the main beneficiaries of cohesion policy would use IQR. In July 2015, JASPERS estimated that approximately 50 % of all major projects would go through the IQR procedure. Specifically, it estimated that 20 would do so in 2015, 70 in 2016 and 66 in 2017. In fact, by the end of 2016, JASPERS had only issued three IQR reports for major projects, all of which had already received JASPERS advisory assistance (including the issuing of an ACN).

53. The Commission intended from the outset that all major projects which did not use the IQR procedure would be submitted directly to the Commission and then go through the PSA procedure²⁹.

The Commission did not sign any agreements with JASPERS on working arrangements or methods to be used for the PSA. JASPERS was able to commit to a maximum timing for the PSA procedure, namely 20 working days. Up to the end of 2016, JASPERS had completed 28 PSA assignments (including 24 for Poland), compared to its own previous estimate of 90 PSA assignments.

²⁸ Working arrangements with Romania were signed on 27 April 2017.

²⁹ Under the PSA procedure, JASPERS carries out a large part of major project appraisal work on behalf of the Commission to allow the Commission to make its decision.

JASPERS had an impact on project quality but could not impact absorption

54. We sought to identify whether JASPERS had met its overall aim of increasing the quality of projects and speeding up their approval by the Commission or the national authorities. Achieving these aims should lead to economic and social cohesion being enhanced and the absorption of EU funds being increased.

JASPERS's generally comprehensive assistance contributed to better project documentation and quicker project approval

55. Generally, the earlier JASPERS becomes involved, the higher the impact it has. We examined the ACNs that had been issued for all 343 completed major project assignments in the four Member States we visited. For the purpose of this examination, different stages of JASPERS's first involvement were applied (see **Box 1**).

Box 1 - Different stages of JASPERS involvement

1. Concept stage: needs are identified and prioritised.
2. Pre-feasibility stage: possible solutions are proposed to the identified needs found in the previous stage.
3. Feasibility study stage: a solution is selected to address the needs identified. The beneficiary identifies a number of options for an investment to meet these needs, and ascertains the key features and likely costs of each option. In our opinion, this is the last stage when JASPERS can achieve a relatively high impact on the project by becoming involved.
4. Application stage: the details of the project are worked out based on the feasibility study. The beneficiary prepares a complete project application and asks JASPERS to appraise or review it before submitting it to the managing authority or the Commission.
5. Implementation stage: includes the physical implementation of the project. Usually occurs after the project has been approved by the managing authority or the Commission.

56. We found that JASPERS had mainly become involved at the pre-feasibility (15 %) and feasibility study (52 %) stages, of projects. During the audit, the national authorities and the

beneficiaries of the audited JASPERS assignments – except the ones we examined in Malta – stated that JASPERS had generally become involved sufficiently early during the project development process.

57. In our analysis of JASPERS's activities, we identified 13 areas where JASPERS offers assistance³⁰. When we examined the ACNs for all 343 major project assignments completed in the four Member States we visited, we found that JASPERS had most often provided assistance in the following five areas (ranked by frequency in descending order): feasibility study, project application form, cost-benefit analysis, environmental issues and funding and financing issues. We noted that according to its own internal procedures manual JASPERS can only offer limited advice in certain areas (such as procurement). We also found that Member States placed restrictions on what JASPERS could do in the area of state aid: Malta, for example, has a specific body dealing with state aid, so this area had practically never been dealt with by JASPERS in Malta.

58. In the sample of 20 major projects we audited (see *Annex II*), the areas where JASPERS most frequently provided support were reviews of application forms; vetting of overall proposals and feasibility studies; CBAs; and environmental issues. We found that JASPERS assistance was generally comprehensive, and contributed to the quality of project documentation. This reflected JASPERS's policy of providing assistance across several areas, regardless of when it became involved. This observation was confirmed by the beneficiaries of the assignments, and by both the Croatian and the Polish SAIs during the coordinated audits. Moreover, we observed that most of the beneficiaries of the assignments we audited had used the support of external consulting companies, including for areas where JASPERS provided frequently advice.

³⁰ Among the 13 assisted areas are: CBA, competition and state aid, procurement, project cost estimation, risk and sensitivity analysis, project implementation and structures, feasibility study, environmental issues, funding and financing issues, and project application form.

59. In general, we found that JASPERS assignments in our audit sample of 20 major projects (see [Annex II](#)) tended to last longer when JASPERS had become involved at an early project stage. The roads sector was an exception: here, assignments where JASPERS had become involved later, in the project application stage (on average, 1 688 days), lasted longer than assignments where it had become involved earlier, in the feasibility study stage (834 days).

60. It is to be expected that assignments will last longer in cases where JASPERS becomes involved early. However, this should lead to a reduction in the time needed for the project to be approved by the Commission. We found that projects in our sample where JASPERS had become involved at the application stage took 207 days to be approved by the Commission, whereas the approval time for projects where JASPERS had become involved earlier, at the feasibility study stage, was 205 days: practically no decrease in the approval time. Where JASPERS had become involved in the pre-feasibility study stage, the approval time decreased more substantially to 183 days.

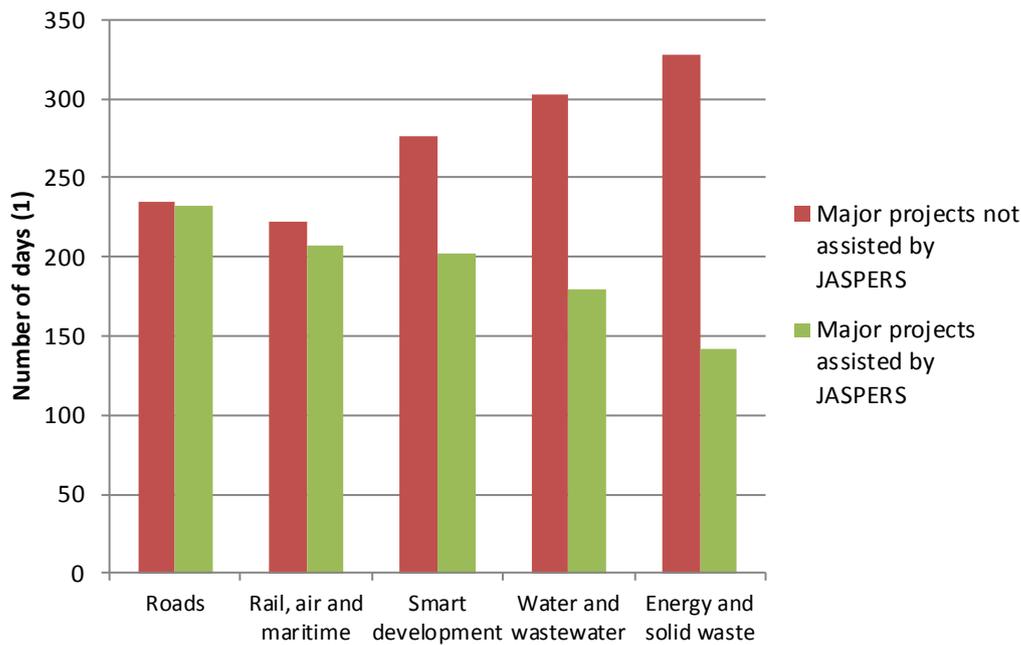
61. Among the four Member States we visited, JASPERS-assisted major projects in Malta had obtained the quickest Commission decisions (on average, 126 days). All of the major projects we audited in Malta had been assisted by JASPERS, and unlike in the other three Member States we visited, some of them had been informally reviewed by the Commission before the applications were officially submitted. Of the assisted major projects in our sample, it was those in Croatia which had taken the longest to obtain Commission decision (281 days).

62. Based on the information contained in the databases of the Commission and JASPERS for all major projects approved during the 2007-13 programme period, we assessed whether major projects which had received JASPERS assistance had received approval from the Commission more quickly. We found that, on average, decisions about major projects which had received JASPERS assistance had been issued 22 % faster than decisions about projects which had not received such assistance³¹. This observation was confirmed by the Polish and

³¹ Major projects assisted by JASPERS needed on average 198 days (with interruption time deducted), while it took 255 days for the non-assisted major projects.

Croatian SAIs during the coordinated audit. This effect was most visible in the energy and solid waste sector (see [Figure 4](#)).

Figure 4 - Time needed by the Commission to adopt major project decisions during the 2007-2013 programme period (by sector)

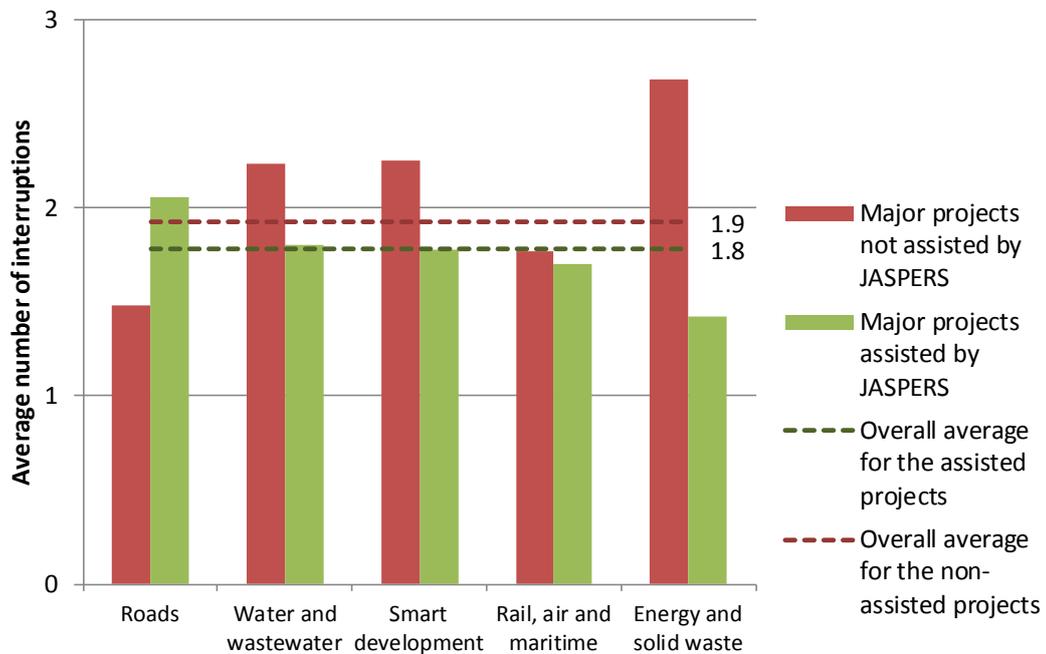


¹ Elapsed days with interruption time deducted.

Source: ECA analysis of the Commission's SFC database (as at 6 April 2017).

63. We would have expected JASPERS assistance to contribute to the quality of project applications, thus reducing the need for the Commission to interrupt them during the approval procedure. During the 2007-2013 programme period, this was indeed the case for all sectors except roads, where the picture was so negative that it brought the average number of interruptions for assisted and non-assisted projects across all sectors to a similar level. [Figure 5](#) contains details.

Figure 5 - Average number of interruptions during the 2007-2013 programme period



Source: ECA analysis of the Commission's SFC database (as at 6 April 2017).

64. In the 2007-2013 programme period, although the approval procedure for assisted projects was generally quicker than that for non-assisted projects, the Commission only managed to approve around 15 % (76 out of 513) of assisted major projects and 7 % (31 out of 463) of non-assisted major projects within the 90-day deadline following receipt of the project application³². For assisted major projects, the Commission overran its 90-day deadline by an average of 198 days. Taking into account interruptions, the Commission issued its decision, on average, almost one year (342 days) from the date on which a major project was submitted.

³² For the 2007-2013 programme period: Article 41(2) of Council Regulation (EC) No 1083/2006. For the 2014-2020 programme period: Article 102 (1) and (2) of the Regulation (EU) No 1303/2013.

65. A further envisaged benefit of ACNs was that they would help to streamline the major project application process: if JASPERS did not raise any major issues in its ACN, the Commission would be able to use the ACN as part of a quicker, ‘fast-track’ approval procedure. Overall, it was only used for 29 % of major projects that had received JASPERS assistance during the 2007-2013 programme period (see **Box 2**).

Box 2 - Streamlining effect of the fast-track procedure on the major project application process

We analysed what effect the fast-track procedure using ACNs had on the time taken by the Commission to reach a decision on major projects assisted by JASPERS. We found that, on average, decisions using the fast-tracked procedure were around 35 % faster than decisions where it had not been used.

66. For the 2014-2020 programme period, by the end of 2016, the Commission had adopted 17 decisions on new major projects subject to the PSA procedure (see paragraph 53) with an average of 111 days taken for approval³³. This is a significant improvement compared to the situation in the 2007-2013 programme period.

In general, JASPERS had an impact on the quality of major projects we audited

67. We analysed the impact of JASPERS advisory services on the quality of major projects. We did so by assessing the effect of advisory services on major projects’ planned scope or outputs; their results or impact; their costs; and their completion deadlines. For more than half of our audited projects JASPERS accepted the Member States’ requests to be first involved in the application stage to review the project application documentation (see paragraph 55). **Table 3** contains quantified conclusions for all of the major projects that we audited.

³³ With interruptions deducted.

Table 3 - Impact of JASPERS advisory services on certain parameters related to the quality of audited major projects

Aspect	Impact during planning			sample of projects ¹
	no significant		significant impact	
	no impact	moderate impact		
1 Project scope/outputs	58%	26%	16%	19
2 Project cost	35%	45%	20%	20
3 Project results/impact	63%	32%	5%	19
4 Project implementation timeline	95%	5%	-	19

¹ The number of major projects (out of 20 in total) that by the time of our audit were sufficiently advanced to allow us to draw a conclusion.

Note:

No impact – no evidence for any changes resulting from JASPERS’s impact on the analysed aspects.

Moderate impact – evidence for minor changes resulting from JASPERS’s impact on the analysed aspects.

Significant impact – clear evidence for substantial (tangible) changes resulting from JASPERS’s impact on the analysed aspects.

Source: ECA analysis, based on an examination of our audit sample of individual major project assignments.

68. Overall, in most cases, JASPERS had an impact on at least one of the four parameters related to the quality of the major projects we audited. Regarding the planned scope or outputs of the major projects we audited, we found that JASPERS had little or no impact in most cases. However, there were also examples where a significant impact was achieved. We also found that JASPERS assistance had an impact on the planned cost of around two thirds of the major projects we audited. Mostly, we found that JASPERS had little or no effect on the planned results or impact of the major projects we audited. Some examples are provided in **Box 3**.

Box 3 - Examples of significant and moderate impact of JASPERS on the planned scope, outputs, cost or results of two major projects in Malta and Poland

In a CF project in Malta for the construction of national storm management infrastructure, we found that JASPERS assistance had resulted in a significant revision of the design and scope of the project, involving a reduction in the re-use of storm water, the economic justification for which was weak. Instead, JASPERS advised the project planners to focus on flood relief infrastructure in the riskiest areas. This triggered an increase of around 11 % in the planned output target value for the project (increasing flood water catchment capacity). Consequently, the project's result target value, namely the number of inhabitants protected against flooding, increased by around 226 %. The significant revision of the design and scope of the project had resulted in a decrease in the planned project cost to 62.5 million euro. The initial planned cost indicated by the Maltese authorities was up to 70 million euro.

In a CF project in Poland for the construction of a wastewater treatment plant, we found that JASPERS assistance had a moderate impact, resulting in an extension of the planned project scope to include modernisation work to improve quality of drinking water. This extension increased the planned project outputs and results. Moreover, JASPERS had a moderate impact on the planned project cost. JASPERS's advice resulted in an increase of around 7.5 % in EU financing. JASPERS also provided advice on how to optimise the supervision of the construction work in the project.

69. Mostly, we found that JASPERS had no impact on the planned implementation timeline of the major projects we audited (see **Table 3**).

70. We also analysed to which extent the planned project quality parameters were actually achieved. For the major projects which were sufficiently advanced for us to draw conclusions, we noted that the target values for most output indicators had been fully or partially achieved. Only 40 % of projects had fully achieved their results. More than half of projects had experienced cost overruns. All of the major projects we audited had been delayed, on average by 22 months compared to the original completion date specified in the grant agreement. Details are provided in **Table 4**. We found no evidence that these delays or cost overruns related to JASPERS input.

Table 4 - Actual achievement of project indicator target values associated with quality parameters

Aspect	Project indicator target values achieved?			sample of projects ¹
	no	partially	fully	
1 Project scope/outputs	-	20%	80%	10
2 Project cost	54%	-	46%	11
3 Project results/impact	20%	40%	40%	5
4 Project implementation timeline	100%	-	-	19

¹ The number of major projects (out of 20 in total) that by the time of our audit were sufficiently advanced to allow us to draw a conclusion.

Source: ECA analysis, based on an examination of our audit sample of individual major project assignments.

71. In addition to our sample of audited major projects, we audited in detail three individual assignments related to three non-major projects. We did not observe that JASPERS had any significant impact on the projects' scope, outputs, results, impact, cost or completion deadlines in any case except for one project in Croatia. In this case, JASPERS's assistance contributed to the efficient use of the new equipment (and thus the planned project efficiency).

72. For all three assignments, the beneficiaries and the national authorities had generally followed JASPERS's advice. However, we noted that there were no appropriate arrangements for beneficiaries, national authorities, JASPERS and the Commission to properly exchange information on how best to use JASPERS's advice for non-major projects. In all three of the projects we analysed, the project application submitted to the relevant national authority did not have an ACN attached although it was issued by JASPERS.

73. Finally, we assessed whether JASPERS-assisted major projects were less error-prone than projects which had not received assistance. To do so, we returned to the results of our compliance audit exercise which we carried out in 2014 and 2015. In this exercise, we had carried out compliance audits of 68 major projects across all Member States, of which 34 had been assisted by JASPERS and 34 had not. Overall, JASPERS-assisted projects were less frequently affected by errors than non-assisted projects: (44 % of assisted projects and 56 % of non-assisted projects contained errors).

74. By the time of the compliance audit exercises, 12 of these 20 major projects were sufficiently advanced to allow us to analyse whether the target values for their output and result indicators had actually been achieved. We found that 50 % of indicator target values in JASPERS-assisted projects had been achieved, but only 25 % of indicator target values in non-assisted projects.

JASPERS could not impact the absorption of EU funds for the audited projects

75. We expected that particularly by speeding up the Commission's decision, JASPERS would have increased absorption. By the time of our audit, 19 of the 20 major projects we audited were sufficiently advanced to allow us to analyse whether JASPERS had had a significant effect on the absorption of EU funds. But in the cases we audited, we found no evidence that JASPERS had any such effect.

76. This was mainly because delays occurred at project level (on average, there had been 22 months of delays to the major projects we audited). More than one third of the projects had to be partially shifted into the subsequent programme period (see paragraph 41).

77. Another reason for the lack of any impact on absorption was the set-up of declaring expenditure for major projects. Costs which are eligible for reimbursement from EU funds are declared ("certified") to the Commission, which then reimburses them to the Member State. Between the start of the programme period 2007-13 to 2009, Member States could declare expenditure for major projects only after project approval by the Commission. From 2009³⁴ however, the legislation allowed Member States to declare costs after a project had been approved at national level, but before the Commission itself had issued a decision. In such a scenario JASPERS's input has no effect on absorption, since the money would be

³⁴ Council Regulation (EC) No 284/2009 of 7 April 2009 amending Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund concerning certain provisions relating to financial management (OJ L 94, 8.4.2009, p. 10).

spent regardless of JASPERS's assistance on these projects unless the Commission rejects the major project application.

78. Many of the major projects which we audited had benefited from this arrangement: for 53 % of the audited projects, eligible expenditure had been submitted to the Commission before it issued its decision. In these cases, the average gap between the first cost declaration and the Commission's decision was 23 months.

The impact of JASPERS on administrative capacity of Member States had not yet resulted in greater independence from JASPERS assistance

79. We sought to identify whether JASPERS had met another of its aims: that of increasing Member States' administrative capacity to prepare, approve and implement projects. If this aim had been reached, it should have led to a situation in which Member States used the experience gained for subsequent projects and programming exercises, thereby becoming less dependent on the technical assistance provided by the Commission (including JASPERS).

Since 2012, JASPERS has increased its focus on building Member States' administrative capacity

80. The concept paper issued by the Commission in 2005 envisaged that JASPERS would be reviewed after two years. It, thus, was seen by the Commission as a transitional tool which would help to develop the administrative capacity of Member States to manage EU funds, and to prepare and implement projects according to the EU's requirements. The concept paper also envisaged that JASPERS would in some cases recommend to the Member States concerned ways of enhancing administrative capacity for example by setting up project management implementation units. Until 2012, there were no other documents specifying in greater detail what action JASPERS was expected to take with a view to building up Member States' administrative capacity.

81. It was not until after the Commission had issued its evaluation report in 2012 that JASPERS created a Networking Platform to complement JASPERS's project advisory operations and increase support to Member States in improving their administrative

capacity. It aimed to do this by implementing knowledge-sharing and targeted capacity-building activities, as well as fostering the dissemination of good practices and the exchange of experiences among Member States.

82. For the 2014-2020 programme period, the Commission and the EIB decided to expand and improve the JASPERS Networking Platform's capacity-building activities. Consequently, in 2014, JASPERS created the Network and Competence Centre, a division whose primary objective was to further increase capacity-building activities aimed at national authorities and project beneficiaries.

Member States remain keen on receiving JASPERS's support for their administrative capacity

83. For all individual project assignments we audited, both the national authorities and beneficiaries stated that JASPERS had a positive impact on their administrative capacity, although some of them stated that they remained strongly reliant on JASPERS assistance. This was also observed by the Polish and Croatian SAIs during the coordinated audit. Nevertheless, the national authorities and beneficiaries could not provide us with supporting evidence demonstrating that this impact actually occurred.

84. We also audited nine horizontal assignments with strategic potential launched between 2008 and 2014. We were able to confirm that 33 % of them (3 out of 9 assignments) had indeed a significant strategic impact, and that another 22 % had a more limited impact (2 out of 9 assignments). For the remaining 45 % (4 out of 9 assignments), we identified no strategic impact. However, we could not find evidence that JASPERS had an impact on administrative capacity in six of these cases. In the remaining three cases, JASPERS had a limited impact (mainly to the level of national authorities and beneficiaries) (see **Box 4**).

Box 4 - Example of the limited impact of JASPERS on a Member State's administrative capacity in Malta due to staff turnover

One of the strategic horizontal assignments we audited in Malta aimed to enhance a Managing Authority's capacity to analyse and monitor certain aspects of revenue-generating projects (e.g. CBA). We observed that JASPERS assistance had contributed to knowledge being transferred to the Maltese authorities, beneficiaries and a private consultant. However, we also observed that the capacity increase had not been sustained during the 2014-2020 programme period, because all the Managing Authority staff responsible for CBA in the 2007-2013 programme period had moved to other institutions. Consequently, at the end of 2016, JASPERS approved a request from the Maltese authorities and launched a similar assignment for the new programme period called "Capacity building and support for updating CBA guidance documents".

85. JASPERS's capacity-building measures should have fit into the framework of the capacity-building measures carried out by the Commission. But in the 2007-2013 programme period, the Commission's own capacity-building measures consisted mainly of reactive steps. In the 2014-2020 programme period, however, we noted that the Commission had taken a more proactive and coordinated approach. It had drawn up a technical assistance strategy in November 2013, and set up a dedicated capacity-building unit. However, in the technical assistance strategy, we found no reference to any coordination between the dedicated capacity-building activities provided directly by the Commission and those provided by JASPERS.

Significant shortcomings in the planning, monitoring and evaluation of JASPERS activities put the successful operation of the initiative at risk

86. We sought to identify whether the JASPERS initiative's planning, monitoring and evaluation system had been defined comprehensively and implemented accordingly. If the system had been set up appropriately, sufficient information about JASPERS's performance should be available to the Steering Committee, and in particular to the Commission, to allow it to make changes to JASPERS's operations and set its future direction. The system should make it possible to monitor whether JASPERS's operational objectives have been achieved in

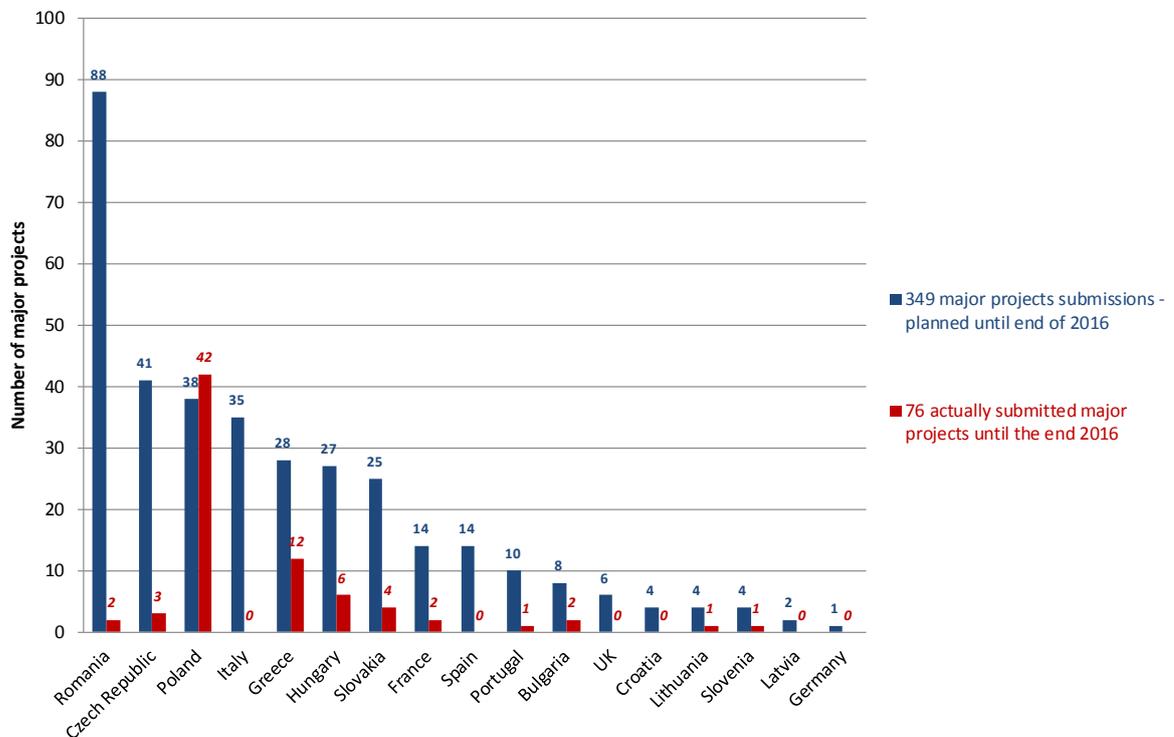
a timely fashion, and to evaluate what its overall impact has been. It should also make it possible to examine whether the initiative's financial management has been sound.

We found significant shortcomings in the planning of JASPERS activities

87. Between 2007-2009 and 2014-2016, the average number of JASPERS staff members increased by 73 % to cope with expected workload (see **Table 1** for more details on JASPERS staff). The overall number of all created (and not rejected, suspended or cancelled) JASPERS assignments decreased by around 32 % between these two periods. In our view, this was largely because the Commission's estimations about the number and timeline of major projects that would be submitted in the 2014-2020 programme period were overly optimistic (see also paragraph 52 as regards IQR).

88. The Commission's estimations are a key input for planning JASPERS's workforce needs. The Commission makes its estimations on the expected number of major projects on the basis of information provided by Member States. This information includes both new and delayed major projects which needs to be carried over from the previous programme period (phased projects). Except for Poland, no Member State had submitted a number of applications which was even close to the number they had previously predicted. See breakdown by Member State from 2014 up to 2016 in **Figure 6**.

Figure 6 - Overview of planned and actual major project submissions from 2014 until the end of 2016 by Member State

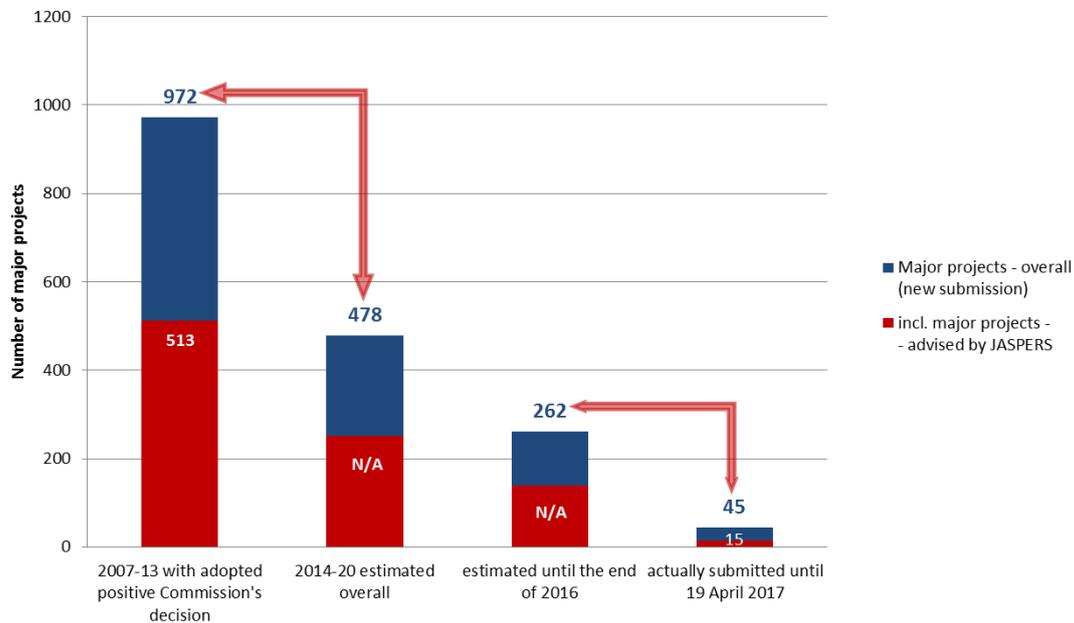


Source: European Commission figures.

89. In January 2015, the Commission had estimated that 582 applications for major projects, out of which 478 for new major projects, would be submitted during the whole 2014-2020 programme period. Of the 582 (478 new) major project applications, 349 (262 new) were expected to be submitted by the end of 2016.³⁵ However, only 76 (45 new) had actually been submitted by 19 April 2017. Of these 45 (new) submitted applications, only one third had received advice from JASPERS (see [Figure 7](#)).

³⁵ For comparison, the Commission had adopted positive decisions in respect of 972 major projects in the 2007-2013 programme period.

Figure 7 - Overoptimistic predictions of volume of new major project submissions

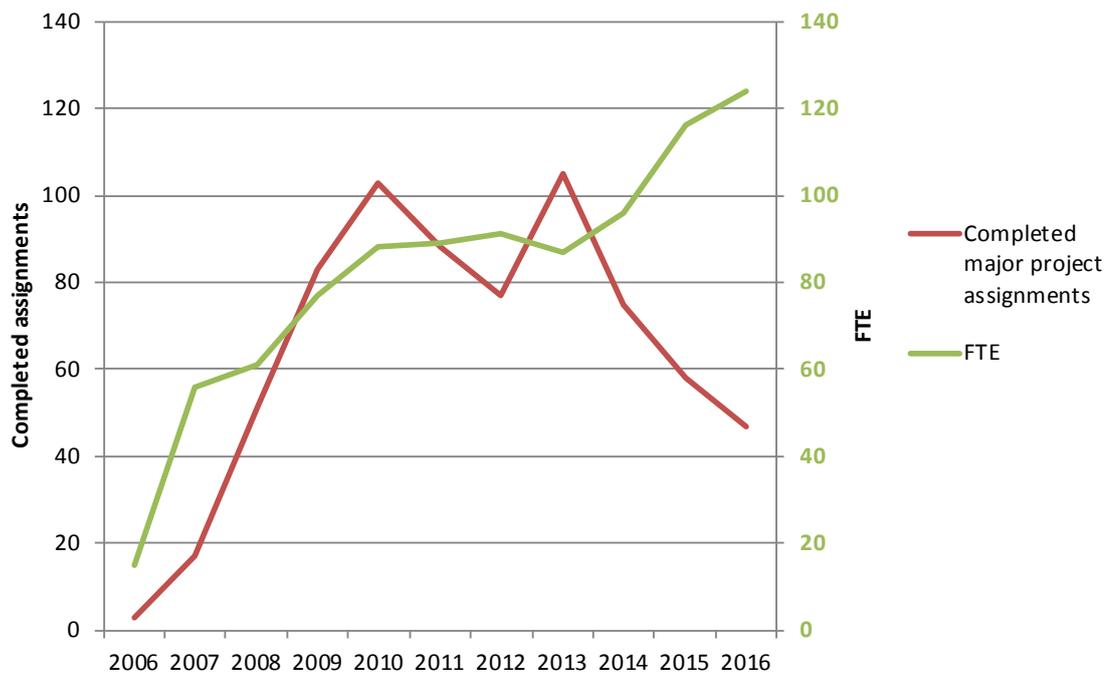


Source: ECA analysis based on information provided from the Commission.

90. While the Commission was aware from its own experience that Member States' predictions had been rather optimistic, we noted that the Commission did not appropriately adjust them for JASPERS own workforce planning. Between 2006 and 2013, the number of total staff³⁶ was generally proportionate to the number of completed major projects advisory assignments. From 2014 onwards, despite a further increase in staff numbers, the number of all completed major project advisory assignments per year decreased substantially (see **Figure 8**).

³⁶ Expressed in full time employment equivalent (FTE)

Figure 8 - Evolution of completed major project JASPERS assignments and full-time equivalent (FTE) JASPERS workforce during 2006-2016



Source: ECA analysis based on data from the JASPERS database (as of December 2016).

We found significant shortcomings in the monitoring of JASPERS activities

91. The 2006 MoU referred to objectives for JASPERS, but did not set any associated indicators and quantified targets. It was not until October 2008 that JASPERS Steering Committee approved a substantive proposal concerning the nature and frequency of performance indicators and reporting. It consisted of 10 performance indicators, and 10 thematic statistics³⁷; however, only 4 performance indicators (3 outputs and 1 results) were actually reported to the Steering Committee.

³⁷ The 10 performance indicators were split into 5 key performance indicators and 5 additional performance indicators. The 5 key performance indicators were: 'number of JASPERS actions completed', 'number of JASPERS-supported project applications submitted to DG REGIO',

92. In the four Member States we visited, monitoring carried out by the national authorities was limited to the progress of JASPERS action plans and assisted projects, but even so, we found that several assignments were missing in the JASPERS action plans or were created in such a way that monitoring was hampered (see **Box 5**). There was no assessment of JASPERS's impact on administrative capacity.

Box 5 - Use of non-specific assignments which hampered monitoring of JASPERS in Croatia

We found a number of cases where non-specific catch-all horizontal assignments were created by JASPERS, without clear definition of scope and timeline, to accommodate miscellaneous ad hoc activities whose scope had not been properly defined in advance. The Croatian SAI reported on the negative effects of this practice on the monitoring of JASPERS activities on projects and results at national level.

93. JASPERS focused the monitoring of its outputs on the number of completed assignments. This was the case for all types of assignments except IQRs and PSAs; however, we observed that target values, which had only been introduced in 2010 by the JASPERS Steering Committee, had not been clearly defined, or were missing entirely. The main indicator actually used by JASPERS to monitor results for reporting to the Steering Committee is the time taken to approve major projects, which is done by the Commission. JASPERS used this indicator for an annual benchmark exercise with non-assisted major projects, albeit without further analysis at sector level. Furthermore, we noted that this indicator was not used for non-major projects, which are approved by national authorities, even though this was envisaged by the Steering Committee. Nor did we find any monitoring of results related to individual JASPERS non-major projects or to horizontal/strategic advice assignments, IQRs or PSAs.

'progress of JASPERS actions through the project cycle', 'beneficiary feedback' and 'Regio Desk feedback'. The 5 additional performance indicators were: time from assignment start to completion, time to approve JASPERS and non-JASPERS supported projects, actions run per expert, cost per action to completion and management authority feedback. The 10 thematic statistics included statistics on JASPERS' efficiency, such as resource cost absorbed per country and sub-sector, number of JASPERS supported actions and time from completion of JASPERS action to submission of grant application.

94. In addition to the one result indicator reported to the Steering Committee, we found three more results-oriented indicators relating to major projects. These three indicators had been reported to the Steering Committee only once, in June 2016, covering the entire period from 2008. These indicators were measured using “feedback forms” to be filled in by the beneficiaries of JASPERS advice. The response rate was low, and the results across all types of JASPERS assignments were overwhelmingly positive, so the exercise was discontinued.

95. We did not identify any performance indicators and statistics related to the monitoring of JASPERS’s impact on the Member States’ administrative capacity. Moreover, this aspect was not covered by any monitoring reports.

Evaluations of JASPERS suggest continuing but noted shortcomings to be addressed

96. In 2010, the EIB carried out an evaluation of its role in the JASPERS initiative. This report was made available to the Steering Committee and to the Commission. In 2012, another JASPERS evaluation was carried out on the Commission’s behalf; the Commission considered this evaluation to be equivalent to the planned, but delayed, mid-term evaluation for the 2007-2013 programme period (see **paragraph 23**). Both evaluations covered JASPERS’s outputs, results and overall impact. The EIB’s 2010 evaluation reported on contradictory elements within JASPERS results. For example, it stated that most JASPERS assignments had no influence on the physical form of a project, and therefore no influence on its underlying quality. However, when project quality had indeed been improved, this had generally induced further delays, which had had a negative effect on the absorption of EU funds. Furthermore, shifting the initiative’s focus towards producing mature, ready-to-go projects, a shift which was intended to promote absorption, had distanced the initiative from a capacity-building orientation. The overall conclusion of the EIB evaluation is presented in **Box 6**.

Box 6 - The overall conclusion of the EIB evaluation

“...the priorities of the initiative should be revisited in the light of a formal needs assessment and that the Bank should now take stock of its involvement based on the operational experience gained to date in order to decide whether and in what form to continue its involvement in a manner which safeguards its own reputation and makes best use of its scarce and valuable resources. What is clear from the evidence gathered is that the initiative is fully justified and potentially still has much to do”.

97. Neither of the two evaluations covered JASPERS’s performance with regard to its individual non-major project assignments. The most recent evaluation, which was carried out by the Commission in 2012, contained information on JASPERS’s main objective related to the impact on project quality. According to AECOM, “The JASPERS initiative has proved to be of substantial value to Member States in the development of projects and applications for funding”. It also recommended that “JASPERS continues to operate, as there continues to be strong demand for its services among Member States”³⁸. The launch of the mid-term review for the 2014-20 programme period scheduled for 2017 was postponed by the Commission to the first quarter of 2018.

98. In general, we found no formal procedures in the four visited Member States relating to the evaluation of outputs, results and the overall impact of JASPERS assistance. We only found evidence of evaluations actually having been carried out in Poland: a survey had been conducted by the coordinating body in 2007, and an evaluation had been carried out on behalf of the Ministry of Development in 2010. The Polish SAI reported in the coordinated audit a lack of systemic evaluations of the JASPERS initiative at the national level, although plans to do so had existed since 2012.

³⁸ JASPERS Evaluation, Final report 13th December 2012, AECOM.

There had only been a limited follow-up of how JASPERS's advice was actually used

99. We observed that JASPERS only followed up on the application of its conclusions and recommendations (its outputs) during the major project approval process to a very limited extent. The information required to carry out a follow-up of this kind comes from four main sources.

100. Until JASPERS started its reviewing functions (IQR and PSA), its role in the major project approval procedure ended when JASPERS issued an ACN. However, if the Commission interrupted the approval process, JASPERS could obtain feedback to see what the problem was (if the Member State agrees). Among the individual major project assignments we audited, we found that JASPERS had only obtained this information in 47 % of cases.

101. Another source of information, for major projects only, is the feedback mechanism from DG REGIO to JASPERS. However, according to JASPERS, the return rate for these forms was low.

102. A third source of information is access to the Commission's database. Although JASPERS can access this database, we found that it was not possible to identify individual major projects in around 24 % of cases, even though the assignments had been completed.

103. The fourth source of information, which was the only source which also covered non-major projects, was the annual feedback questionnaire sent by JASPERS to the national managing authorities involved in approving the underlying projects. JASPERS only collected this information in one of the visited Member States (Romania), and only for one operational programme.

104. We did not find any evidence that JASPERS had systematically followed up how its advice had been used in the implementation of assisted major or non-major projects. We also noted that the monitoring system contained no information about the actual implementation of assisted projects, including implementation delays, cost overruns and procurement issues. We did not see any evidence that the Commission had provided

feedback to JASPERS on the actual implementation of projects based on information included in the Member States' annual implementation reports to the Commission.

105. Our audit sample contained four assignments, with six underlying major projects, for which JASPERS had issued an overall negative opinion. In all cases except one, the beneficiaries and national authorities had followed JASPERS's advice, and the projects were not submitted to the Commission. In one case, the Member State had then decided to change the scope of the project, reducing its scope and then continuing it as a non-major project without addressing all of the issues raised by JASPERS.

106. We only found one source of information about the actual use of JASPERS's horizontal/strategic advice: a feedback form sent by JASPERS to be filled in by the national authorities which benefited from this advice. The return rate for this exercise was also low (around 32 % across all Member States).

We found shortcomings in the monitoring and evaluation of JASPERS's efficiency and effectiveness

107. To assess efficiency, we compared the outputs of the initiative with its inputs. The information needed to do this is provided in the form of indicators. In 2008, the Steering Committee approved three output indicators³⁹ (see also paragraph 91) and three input indicators⁴⁰. However, we found that only the output indicators had been systematically assessed, and even here, we found some shortcomings (see paragraphs 92 to 94).

108. Two of the input indicators had not been assessed at all. For the third, 'Time from assignment start to completion', some data was available, but it had never been used to inform any analysis of efficiency. The data was also incomplete: no information had been

³⁹ 'Number of JASPERS actions completed', 'number of JASPERS-supported project applications submitted to DG REGIO', 'progress of JASPERS actions through the project cycle'.

⁴⁰ 'Time from assignment start to completion', 'Actions run per expert', and 'Cost per Action to Completion'.

recorded about assignments which had been suspended, rejected or cancelled. Such assignments made up around 21 % of all assignments created up to January 2017, or 8 % of JASPERS's workload.

109. JASPERS had a system for recording the time spent on each assignment. It should have been possible for JASPERS to use this as a basis for calculating one of the input indicators, 'Cost per Action to Completion'. However, JASPERS told us that the data recorded in the system was insufficiently reliable to allow it to be used for this analysis. As of late 2016, JASPERS staff started recording in another system.

110. The EIB had carried out its own evaluation of JASPERS in 2010 and had concluded that the initiative could therefore be said to be economically justified, but at a less than optimal level. As a result, the evaluation rated the overall performance of the initiative for both effectiveness and efficiency as partly unsatisfactory, for two reasons. First, JASPERS role and its priorities were unclear: as a result, in the words of the EIB's report, "...considerable time and resources [had been] expended in providing advice which turned out to be contrary to the requirements of the Commission". Second, the provision of services at no charge had led to reduced efficiency in the handling of JASPERS assignments.⁴¹

111. To measure effectiveness, we examined the available result indicators. We identified four result indicators, though we observed certain shortcomings affecting them (see paragraphs 92 to 94).

We found shortcomings in JASPERS's efficiency

112. JASPER had no suitable input indicators to assess its efficiency. We investigated whether increases in JASPERS's budget and staff numbers for the 2014-2020 programme period, had been accompanied by corresponding increases in JASPERS's outputs in terms of the number

⁴¹ See Synthesis Report - Evaluation of the EIB Role in the JASPERS initiative, December 2010.

of assignments completed. We observed that the number of completed assignments per JASPERS staff member had decreased by at least 10 % between 2007-2009 and 2014-2016.

113. The 2006 MoU had set the Commission's indicative contribution to JASPERS in the 2007-2013 programme period at 106.5 million euro. In reality, the Commission contributed around 38 % more than this (147.3 million euro paid during the 2006-2013 period). In our opinion, JASPERS's overall budget was generous. The 2014 FPA had stated that the Commission's indicative contribution to JASPERS in the 2014-2020 programme period would increase to 250 million euro⁴². This amount had been arrived at based on JASPERS's own estimations of the number of planned assignments, estimations which were based on data from Member States and which in our opinion were overly optimistic (see also **paragraphs 24, 52 and 89**). Also, in the 2012 evaluation report, contracted by the Commission, AECOM had benchmarked JASPERS's daily staff costs with those of four other institutions, and found that JASPERS's staff costs were significantly higher (up to 116 % more) than those of the others⁴³.

114. In their annual budgeting, the Commission and the EIB had agreed to estimate staff costs using standard unit costs. Up to 2014, the cost of a member of staff depended on whether their post was financed by the Commission or the EIB. On average, the monthly unit costs for EIB-financed staff were around 40 % higher than the costs applied for the members of staff financed by the Commission. We examined the underlying documentation available to us, but found no convincing reason for this.

115. From 2014, the Commission and the EIB agreed to use a different method to calculate staff costs. Under the new method, the standard costs were harmonised and based on staff experience: they no longer varied depending on whether the Commission or the EIB was

⁴² 260 million euro including the CEF.

⁴³ The benchmarked institutions were the EIB, the European Maritime Safety Agency (EMSA), the European Aviation Safety Authority (EASA) and Eurofound. JASPERS's staff costs were 44 % higher than those of the EIB, 79 % higher than those of the EMSA, 99 % higher than those of Eurofound and 116 % higher than those of the EASA.

financing the post. In 2015, the Commission signed the Specific Grant Agreement including an estimated budget using the old method for the EIB staff and Financial and Administrative Framework Agreement (FAFA) rates for the Commission staff. This was later superseded by another one, the new FAFA rates, for both the Commission and the EIB staff. Under the former 'mixed' method, the estimated total cost of the initiative for 2015 was 40.3 million euro. Under the 'FAFA only method', it was 37.3 million euro – 7.4 % lower. Despite the recalculated total cost of JASPERS for that year, the Commission's contribution remained unchanged.

116. We found no evidence that JASPERS's standard staff costs corresponded to the real cost of employing staff members. We asked JASPERS for information on its real (actually incurred) costs, but JASPERS refused to provide it. We also asked the Commission to show us how standard staff costs were demonstrated to be plausible, for the old method used up to 2014 for staff provided by the EIB. The reply received from the Commission only partly addressed our questions.

CONCLUSIONS AND RECOMMENDATIONS

117. Overall, we concluded that there were shortcomings in the definition of JASPERS's main objectives and roles and responsibilities. As a result, JASPERS's assistance was not targeted sufficiently at those activities which added the most value. Furthermore, we concluded on significant weaknesses in the setting-up of the new JASPERS IQR function for the 2014-2020 programme period, which resulted in a high risk of a lack of impartiality in relation to JASPERS's advisory function. We found that JASPERS had had an impact on the quality of major projects. The impact of JASPERS on administrative capacity of Member States did not yet result in higher independence from JASPERS assistance. This, in combination with shortcomings in the monitoring and evaluation of JASPERS activities, puts at risk the successful operation of the initiative, particularly in terms of JASPERS's efficiency and effectiveness.

Weaknesses in the definition of JASPERS's main objectives had resulted in shortcomings in its operations

118. We found that the main objectives for JASPERS were insufficiently clear and partly conflicting. The agreements signed by the Commission and the main JASPERS stakeholders did not specify how or when the Commission would judge whether the main objectives of JASPERS had been achieved. JASPERS's planned impact on project-quality improvement, on the absorption of EU funds, and on administrative capacity had not been clearly defined. While JASPERS was originally conceived as an initiative for the 2007-2013 programme period, it became a longer-term initiative as it was extended to the 2014-2020 programme period. It has no clear measurable objectives to show that its purpose has been achieved.

119. Furthermore, we observed that the roles and responsibilities of the main stakeholders were not sufficiently clear; this put accountability at risk. JASPERS had only signed working arrangements with Member States, but not with the Commission. These arrangements were still not comprehensive enough, since they were limited to providing assistance to projects and did not cover any other types of JASPERS activities. We considered the Commission and the EIB to be (indirect) clients benefiting from JASPERS, however JASPERS and the Commission regard the Member States as the only clients of JASPERS (except for the PSA). JASPERS had also provided Member States with free consultancy work by hiring and paying external consultants.

120. In many cases, we also found that JASPERS assistance had not been sufficiently targeted. This contributed to a high number of cancelled or suspended assignments. JASPERS itself had not set any particular priority areas for the Member States it assisted, acting instead on the basis of the demand expressed by those Member States. In general, JASPERS followed up almost all assignment requests made by Member States without always consulting the Commission, which financed most of the cost of JASPERS.

121. At the start of the 2014-2020 programme period, JASPERS also began to support phased projects and further encouraged Member States to increase their use of its free-of-charge assistance during the project implementation stage. Neither of these was a priority.

122. JASPERS mid-term evaluation, carried out on behalf of the Commission in 2012, highlighted shortcomings, on JASPERS's strategic approach and working arrangements and recommended measures to address them. These shortcomings should have already been addressed by the time JASPERS was extended for the 2014-2020 programme period, but at the time of the audit, corrective action taken resulted in less accurate planning, therefore, reducing their strategic value.

Recommendation 1

The Commission should take more control over the strategic planning of JASPERS, including all types of JASPERS activities, keeping in mind that JASPERS was originally conceived as a temporary initiative. In particular, it should take the following steps.

- (a) Adjust its overall strategic planning of JASPERS operations based on the particular needs of Member States and in line with EU cohesion policy. JASPERS operations should focus on those activities which add the most value.
- (b) Define clear milestones and criteria that will allow the JASPERS initiative to be phased out when its main objectives have been met.
- (c) Incorporate its overall strategy into the annual planning of JASPERS activities in the Member States. This planning should set specific priorities for each Member State and sector in accordance with EU legislation and policies.
- (d) Further clarify the roles and responsibilities of the main stakeholders to strengthen transparency and accountability.
- (e) Ensure that JASPERS establishes comprehensive, practical and clear working arrangements for all of its services with all relevant Commission DGs, the EIB, and Member States.

Target implementation date: by end of 2018.

123. We found significant weaknesses in the set-up of the new IQR function for the 2014-2020 programme period. We noted a high risk of a lack of impartiality in relation to JASPERS's advisory function. Furthermore, although IQRs were a crucial part of the Commission's approval process for major projects, the Commission had no direct input into how IQRs were conducted in practice, opening itself to the risk that they would not be delivered as intended. The Commission's decisions to approve major projects are in practice made by JASPERS, who is in charge of IQR.

124. The aim of IQRs was to streamline the Commission's major project approval process. However, by the end of 2016, JASPERS had not managed to sign working arrangements with several Member States that were expected to submit the largest numbers of major projects. In addition, the Commission decided to use another appraisal function provided by the same JASPERS division, the PSA, for most major projects. The PSA procedure contributed to a significant shortening of Commission's approval time for major projects.

Recommendation 2

(a) The Commission should take immediate action to mitigate the high risk of a lack of impartiality when JASPERS carries out IQRs to appraise projects which have received JASPERS advisory support. For the post-2020 period, the Commission should stop using IQRs provided by JASPERS for major projects which have previously been advised by JASPERS.

(b) The Commission should obtain full access to the relevant documentation to verify the quality of JASPERS's IQR procedures.

Target implementation date: immediately.

JASPERS had an impact on project quality but could not impact absorption

125. Overall, we found that JASPERS had a positive impact on the quality of project documentation. We also found that assistance provided by JASPERS was relatively comprehensive, regardless of the precise point at which JASPERS became involved. This was confirmed by both the Polish and the Croatian SAIs during the coordinated audit. In the

2007-2013 programme period, the Commission generally needed less time to approve major projects if they had been assisted by JASPERS. We noted that the overall time needed to approve major projects was reduced in the 2014-2020 programme period.

126. Overall, in most cases, JASPERS had an impact on at least one of the four parameters related to the quality of the major projects we audited. However, only in a few cases did we recognise significant improvements in the planned scope, outputs, results or impact of the JASPERS-assisted major projects we visited (for example, reductions in economically unjustified elements in project infrastructure).

127. We found that JASPERS had no impact on the implementation timeline of major projects. Even though JASPERS had provided advice in this area, all of the projects we visited were behind schedule. More than one third of them had needed to be partially shifted (phased) into the 2014-2020 programme period.

128. We observed that major projects assisted by JASPERS had been less frequently affected by legality and regularity errors during our 2014 and 2015 compliance audit exercises.

129. We did not observe that JASPERS had any effect on the planned scope, outputs, results, impact, cost or implementation timeline of any of the non-major projects in our audit sample except in one case. We also observed that there were no appropriate arrangements in place to ensure the proper exchange of information between beneficiaries, national authorities, JASPERS and the Commission on how best to make use of JASPERS's advice for non-major projects.

130. During the 2007-2013 programme period, we observed that JASPERS could generally not impact on the absorption of EU funds. This was mainly due to changes in legislation in 2009 which allowed EU funds to be disbursed before the Commission had issued its formal approval of a project. In more than 50 % of the projects we audited, expenditure claims had indeed been submitted to the Commission before such a decision had been issued, thus rendering the intended benefit of JASPERS's advisory support less relevant. In the remaining cases, implementation delays had resulted in the postponement of the first expenditure

claims being submitted to the Commission, even though the Commission's decision was already available.

Recommendation 3

(a) The Commission should target JASPERS assistance according to a project's stage of development. In particular, JASPERS should concentrate on the substance of projects rather than on project documentation. JASPERS should no longer begin to provide advice to projects which have already been approved by national authorities.

(b) The Commission should maintain its focus on providing JASPERS advisory services to major projects. JASPERS assistance should be available, in exceptional cases, for non-major projects and project-related horizontal assignments of a strategic nature. In these cases, it should be provided in consultation with the Commission.

Target implementation date: by mid-2018.

The impact of JASPERS on administrative capacity of Member States had not yet resulted in greater independence from JASPERS assistance

131. In general, national authorities and project beneficiaries both stated that JASPERS had a positive impact on their administrative capacity, although some of them stated that they remained strongly reliant on JASPERS assistance. The Polish and the Croatian SAIs made similar findings during the coordinated audit. We found no evidence to confirm whether this improvement in administrative capacity had actually materialised. For around two thirds (67 %) of the horizontal assignments we audited, we observed no such impact.

132. We noted that, over time, JASPERS had increased its focus on building Member States' administrative capacity. We also observed that, in the 2014-2020 programme period, the Commission had taken a more proactive and coordinated approach to measures aimed at building the Member States' administrative capacity. However, in the Commission's technical assistance strategy, we found no reference to any coordination between the

dedicated capacity-building activities provided by the Commission and those provided by JASPERS.

133. We found that the use of JASPERS assistance for assignments with a potential strategic impact had increased. We found that JASPERS had a significant (33 %) or limited (22 %) impact on more than half of the horizontal assignments with strategic potential that we audited.

Recommendation 4

(a) The Commission should integrate JASPERS activities into its own technical assistance strategy, with the aim of improving coordination with JASPERS on carrying out ongoing (as opposed to ad hoc) activities for developing Member States' administrative capacity. JASPERS's activities in this respect should complement those of the Commission, focusing on sectors, areas and Member States where administrative capacity is insufficient.

(b) The Commission should adjust the role, nature and intensity of JASPERS's capacity-building activities in Member States over time, to provide incentives for them to reach a sufficient and sustainable level of administrative capacity.

Target implementation date: by the end of 2018.

Significant shortcomings in the planning, monitoring and evaluation of JASPERS activities put the successful operation of the initiative at risk

134. We identified significant shortcomings in the planning and monitoring of JASPERS activities. We found that JASPERS and the Commission had focused their monitoring on outputs. Where target values had been set for this monitoring, they were either not clearly defined or inconsistently applied. The results that had been regularly monitored and reported on were only the results of JASPERS advisory to major projects in terms of the speed with which the Commission adopted approval decisions. As we explained in paragraph 130, this was largely irrelevant as an indicator of absorption from 2009 onwards. We found no evidence that JASPERS or the Commission had monitored the impact of JASPERS activities

on Member States' administrative capacity. Nor did we find evidence of any well-defined procedures relating to the monitoring and evaluation of the results and overall impact of JASPERS assistance in any of the four Member States we audited.

135. Two evaluations of JASPERS had been carried out, one of them by the EIB and another on behalf of the Commission. These evaluations did not cover JASPERS's performance with regard to individual non-major project assignments. Furthermore, significant shortcomings were reported on in these evaluations; as we concluded in paragraph 122, these had been addressed only to some extent.

136. We noted that there had only been a limited follow-up of how JASPERS's advice was actually used. We observed that JASPERS had only rarely followed up on whether its conclusions and recommendations had been applied during the major project approval process. We also observed that JASPERS's monitoring system contained no information about the actual implementation of assisted projects, including implementation delays, cost overruns and procurement issues. Nor did we find any evidence of feedback provided by the Commission to JASPERS concerning project implementation.

137. We concluded that there were shortcomings in the monitoring of JASPERS's efficiency and effectiveness. The data about inputs recorded in JASPERS's systems was insufficiently reliable to allow it to be used for a meaningful input analysis. While output indicators were systematically used, the results indicators were not. Furthermore, there were some shortcomings for both output and result indicators. The two evaluations of JASPERS, carried out in 2010 and 2012, suggested continuing the initiative and indicated shortcomings to be addressed.

138. The Commission had begun to apply harmonised standard costs, which reduced total cost of JASPERS. Despite the lower recalculated cost of JASPERS for the year 2015, the Commission's contribution remained unchanged. We found no evidence that JASPERS's standard costs for staff provided by the EIB before harmonisation reasonably corresponded to the actually incurred staff cost. The EIB was unwilling to provide information on JASPERS's real (actually incurred) costs, and the Commission's reply only partially addressed our

questions on the plausibility of the standard costs used up to 2014 for staff members provided by the EIB.

Recommendation 5

(a) The Commission should introduce a comprehensive system for monitoring the extent to which JASPERS's long- and short-term objectives have been met, for all the services JASPERS provides.

(b) The Commission should ensure that future evaluations of JASPERS are sufficiently comprehensive, and draw conclusions as to whether JASPERS has achieved its main objectives.

(c) The Commission should take action to optimise JASPERS's efficiency and effectiveness, in particular by ensuring that the actual cost of JASPERS assistance for each assignment is monitored reliably and compared against JASPERS's outputs and results.

(d) The Commission should ensure that JASPERS's costs are reasonable, and that they reflect actual costs incurred.

Target implementation date: by mid-2018.

This Report was adopted by Chamber II, headed by Mrs Iliana IVANOVA, Member of the Court of Auditors, in Luxembourg at its meeting of 29 November 2017.

For the Court of Auditors

Klaus-Heiner LEHNE

President

Number of all JASPERS's assignments during the 2007-2013 and 2014-2020 programme periods, broken down per assignment status and type

Assignment type	2007 - 2013							2014 - 2020							Grand Total
	ACCEPTED	ON-GOING	COMPLETED	SUSPENDED	CANCELLED	REJECTED	SUB-TOTAL	ACCEPTED	ON-GOING	COMPLETED	SUSPENDED	CANCELLED	REJECTED	SUB-TOTAL	
Major projects	3	33	652	25	172	31	916	23	252	55	12	25	0	367	1283
Non-major projects	0	5	168	7	47	4	231	4	29	27	7	4	0	71	302
Horizontal support	5	17	143	1	54	1	221	9	46	50	10	28	1	144	365
Capacity building	2	1	9	0	2	0	14	8	24	12	0	1	0	45	59
PSA	0	0	0	0	0	0	0	0	0	28	0	0	0	28	28
IQR	0	0	0	0	0	0	0	0	1	3	0	0	0	4	4
Grand Total	10	56	972	33	275	36	1382	44	352	175	29	58	1	659	2041

Accepted – an assignment which was officially accepted by JASPERS, but for which the advisory has not yet started.

On-going – an assignment with an ongoing JASPERS's advisory.

Completed – an assignment which was finalised and for which an Action Completion Note was issued by JASPERS.

Suspended – an assignment put on hold by a Member State or JASPERS.

Cancelled – an assignment cancelled by a Member State.

Rejected – an official assignment request refused by JASPERS.

Source: ECA analysis based on data provided by JASPERS (as of 31 December 2016).

Overview of assignments audited¹

#	Assignment number	Assignment title	Programme period	Member State	Examined on the spot
Major project individual assignments					
1	2011 085 HR WAT WAT	Vukovar water supply and wastewater treatment	2007-2013	Croatia	1
2	2011 086 HR WAT WAT	Osijek water supply and wastewater treatment 2014	2007-2013	Croatia	2
3	2013 083 HR ROD ROD	Road connection to South Dalmatia	2014-2020	Croatia	3
4	2015 071 HR ROD ROD	Peljesac bridge	2014-2020	Croatia	
5	2012 095 HR AMT RAL	Upgrade and construction of second track on railway line section Dugo Selo - Križevci	2007-2013	Croatia	4
6	2011 080 HR SWE SLW	Development of Documentation for Remediation of Site Highly Polluted by Waste (Hot Spot) Pit "Sovjak"	2014-2020	Croatia	-
7	2006 086 MT ENV WAT	Storm Water Management	2007-2013	Malta	5
8	2008 188 MT WAT FLP	Malta - National Flood Relieve Programme	2007-2013	Malta	
9	2008 192 MT WAT WAT	Malta South Sewage Treatment	2007-2013	Malta	6
10	2010 031 MT MIS R&D	Mater Dei Hospital Oncology Centre	2007-2013	Malta	7
11	2011 023 MT ROD ROD	Preliminary analysis of key aspects for the definition of a road tunnel link option between Malta and Gozo	2014-2020	Malta	-
12	2006 089 MT TRA ROD	Upgrade TEN-T road network	2007-2013	Malta	8
13	2009 255 PL RAL RAL	Purchase of rolling stock for PKP Intercity	2007-2013	Poland	9
14	2009 272 PL KE R&D	Centre for Advanced Materials and Technologies (CEZAMAT)	2007-2013	Poland	10
15	2009 273 PL KE R&D	CENT III - Centre for Biological and Chemical Sciences of the University of Warsaw	2007-2013	Poland	11
16	2009 168 PL WAT WAT	Żywiec waste water treatment – phase II	2007-2013	Poland	12
17	2010 059 PL WAT WAT	Mysłenice water and wastewater management	2007-2013	Poland	13
18	2008 027 PL TRA ROD	S-69 Bielsko-Biała - Żywiec, odc. Wilkowice/Łodygowice-Żywiec	2007-2013	Poland	14
19	2006 001 PL ENV WAT	Włocławek dam Vistula River	2007-2013	Poland	-
20	2011 115 RO KEW R&D	Extreme Light Infrastructure Nuclear Physics	2007-2013	Romania	15
21	2009 197 RO RAL RAL	Modernisation of Railway Section Coşlaru - Sighişoara	2007-2013	Romania	16
22	2010 155 RO WAT WAT	Extension and modernisation of Bucharest wastewater infrastructure	2007-2013	Romania	17
23	2009 146 RO ROD ROD	Motorway Construction on TEN-T 7 Cernavodă-Constanța section	2007-2013	Romania	18
24	2010 141 RO RAL RAL	Rehabilitation of the Railway Bridges over Danube	2007-2013	Romania	19
25	2007 068 RO ENV WAT	Rehabilitation and Modernization of the Water and Sewerage Systems in Prahova County	2007-2013	Romania	20
Non-major project individual assignments					
1	2013 189 HR KEE RDI	Research Infrastructure University of Rijeka Campus	2007-2013	Croatia	1
2	2014 101 HR ROD ROD	Completion of Ploče Gateway Express Road and the Construction of a Link Road to the Port and Town of Ploče	2007-2013	Croatia	2
3	2007 121 MT TRA POR	Refurbishment and upgrading of breakwaters and other marine infrastructure	2007-2013	Malta	3
Horizontal assignments					
1	2012 008 HR WAT WAT	Development of CBA Guidelines	2007-2013	Croatia	1
2	2014 073 HR KEE RDI	Support with the preparation of the OP 2014-2020 Competitiveness and Cohesion	2014-2020	Croatia	2
3	2011 031 MT ROD ROD	Development of a National Transport Masterplan	2014-2020	Malta	3
4	2008 103 MT HOR MUL	Assistance in the vetting of CBAs and Financial Feasibility Studies	2007-2013	Malta	4
5	2010 067 PL WAT WAT	Screening of priority axis I water and wastewater projects	2007-2013	Poland	5
6	2010 077 PL SWE SLW	Sewage Sludge Management Strategy for Poland	2007-2013	Poland	6
7	2013 246 RO KEE RDI	Support for the preparation of the OP Competitiveness 2014-2020	2014-2020	Romania	7
8	2011 032 RO WAT WAT	Support for the preparation of the project pipeline for 2014-2020 in the water sector	2014-2020	Romania	8
9	2009 094 RO WAT WAT	Flood Management - National Strategy	2007-2013	Romania	9

¹ Out of 25 audited major project assignments, 22 assignments with 20 underlying major projects were examined on the spot. The remaining 3 audited major project assignments were subject to a desk review. All 3 non-major projects as well as all 9 horizontal assignments were also examined on the spot.

REPLIES OF THE COMMISSION TO THE SPECIAL REPORT OF THE EUROPEAN COURT OF AUDITORS

"JOINT ASSISTANCE TO SUPPORT PROJECTS IN EUROPEAN REGIONS (JASPERS) – TIME FOR BETTER TARGETING"

EXECUTIVE SUMMARY

I. JASPERS was formally set-up as a joint partnership between the Commission (DG REGIO), EIB and EBRD (including Kreditanstalt für Wiederaufbau for part of the period audited). Since 2013, DG MOVE and DG NEAR have given JASPERS additional mandates and funding for support to project preparation under CEF and IPA.

IV. JASPERS is linked to the financial programming periods, JASPERS' primary role was to assist EU-12 Member States (MS) in preparation of major projects. Following the mid-term evaluation of JASPERS completed in 2012 and the interest expressed by MS, it was decided to expand its function also towards policy areas and capacity-building measures.

In 2014 and 2015 new operational programmes were negotiated, with increased focus on a strategic angle. The assistance to non-major projects corresponded to a real need expressed by the MS. JASPERS' involvement in such cases was justified by the high priority and the difficult nature attached to a specific project. Considering that JASPERS' involvement in non-major projects did, indeed, represent an extension of the original scope, these assignments were subject to the verification of their added value/replicability to other similar projects.

V. The Commission considered relevant risks at the time of setting up the IQR. The solution applied was considered proportionate bearing in mind the status of the EIB as an EU institution. IQR and advisory reports are prepared by different teams in JASPERS with the final documents having an additional signature at Director's level. JASPERS Steering Committee will formally adopt a new IQR Manual of procedures in December 2017. It will describe how the IQR function is performed independently of any advisory functions.

VII. In some cases JASPERS' efforts have sparked real progress in the Member State's ability to handle project preparation and the projects have been of good quality as confirmed by their fast approval by the Commission (and in PSA reports) in the 2014-2020 period.

VIII. ECA has been provided with the audited annual financial statements of JASPERS since 2006. As per the methodology agreed in the annual Contribution Agreements and later on in an overarching agreement (Financial and Administrative Framework Agreement - FAFA) signed between the Commission and the EIB covering all joint initiatives, the staff costs of JASPERS are established on the basis of a standard price that the Commission agreed to pay for services provided by the EIB.

Overall, FAFA rates have contributed to a greater harmonisation, and simplification of contractual arrangements for specific TA initiatives between the Commission and the EIB.

The Commission considers that the FAFA complies with the Financial Regulation. Article 124 of the Financial Regulation permits the use of flat rates and lump sums and is applicable to the FAFA agreement.

IX.

(a) The Commission accepts the recommendation.

(b) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(c) The Commission partially accepts the recommendation as JASPERS should continue to be offered also for projects after national approval and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(d) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(e) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

The Commission recalls at the same time that JASPERS 'costs' are determined through the FAFA.

INTRODUCTION

7. The original priorities for 2007-13 were indeed set in the 2006 Memorandum of Understanding (MoU). However, the priorities evolved over time to reflect experiences and strategic decisions of the Steering Committee. These objectives were reflected in the annual Specific Grant Agreements between the Commission and the EIB. The priorities for 2014-20 are defined in the Framework Partnership Agreement (FPA).

Non-major projects could be supported in the smaller Member States (MSs) which had few major projects. This was explained in the concept paper of 2005 and all subsequent policy and legal documents.

OBSERVATIONS

23. The strategic direction of JASPERS has evolved over time to adapt to changes in its environment. JASPERS began operations in late 2006 (three assignments completed that year) so mid-2007 was much too early to assess results. The growing economic and financial crisis from autumn 2008 onward led to certain decisions which would affect JASPERS operations. JASPERS responded with flexibility and pragmatism to changing circumstances.

The biggest challenge for JASPERS was to ensure that Member States prepare sufficient number of quality major projects that could be approved and implemented. For this reason, other interesting aspects of JASPERS work were kept on hold, and initiated at later stage, when the MS have improved their technical capacities of preparing major projects, and the issue of how to ensure stability and spill-over effects was given more prominence.

JASPERS began to improve technical capacity in the Member States from the start through the impact of learning-by-doing, with national authorities working alongside JASPERS as assignments progressed.

24. The Commission and the EIB would like to note that the action plans are a de facto needs assessment in which the Member States have the opportunity to state their needs for technical assistance.

The major project submission dates are included in the operational programmes 2014-2020 based on the MS proposals. It is the Member States' prerogative and responsibility to propose major projects and to verify the state of preparation of each project.

The needs assessment for 2014-2020 was based on information provided by the Member States, which is valid in terms of number of projects but ambitious in terms of their submission timeline.

25. Absorption of EU funds is not an objective in itself. If timely and high quality projects are developed then a high rate of absorption of funds is more likely to be achieved. The objectives which the Commission set for JASPERS were clear even if sometimes challenging. In legal terms, quality requirements for major projects for the first time in cohesion policy were defined in Delegated Commission Regulation no 480/2014. In addition also for the first time, the basic

requirements for the Cost-Benefit Analysis (CBA) were included in Implementing Regulation no 207/2015 and, together with CBA guide of 2014, constitute a comprehensive and detailed guidance on quality of public investments.

26. JASPERS assistance included learning- by-doing and thus building capacity in the national administrations.. This is one of the reasons why a large part of the JASPERS staff was placed from the start in regional offices, so that they could be close to the beneficiaries. Improving technical capacity does not have to be labelled as a separate activity to have an impact.

Technical capacity is an intangible which can be observed indirectly, e.g. , through better prepared projects over time, which has clearly been the case as shown, for example, by the reduced percentage of projects interrupted.

27. In practice, the speed of improvement in the capacity of MS to prepare high quality projects and implement them is highly variable. At the same time, the public authorities in beneficiary countries have developed their national capacity to use EU funds effectively and hence make far fewer requests for JASPERS support. In practice, JASPERS is time limited by the length of the PP. Whether to extend JASPERS into a new PP is the decision of the Commission and EIB, based on their assessment of needs for on-going support and on the demand shown by Member States.

28. The role of the Commission and EIB are clearly defined in the annual Contribution Agreements during 2007-2013 and in the Framework Partnership Agreement and annual Specific Grant Agreements during 2014-2020. The Member States are the clients of JASPERS advice. They also participate in JASPERS annual Stakeholders Meeting.

In 2014-2020 for advisory and IQR, the clients of JASPERS are the Member States, for PSA the Commission is the client. This is clear to all parties concerned.

29. See Commission and EIB reply to paragraph 28. The formal arrangements between the Commission services and the EIB indicated in the reply to the referred paragraph are signed on an annual basis.

The working arrangements set also the principles that regulate the JASPERS-Beneficiary interaction. There are project fiches which clearly spell out what JASPERS will provide for each assignment.

The monitoring of results in the case of non-major projects is a separate matter from the working arrangements and the methodology used. In the absence of an application for funding and an approval process at the Commission level, clearly monitoring the progress on non-major projects is more difficult and needs to be addressed in a less formal way.

In Cohesion Policy, the approval of non-major projects is a clear responsibility of the Member States.

30. The working arrangements were deliberately intended to be common to all Member States and consistency and speed were key considerations. Some minor changes were negotiated where Member States have strong objections but the intention was to keep as closely as possible to a standard operating procedure. The longer and more detailed the document, the more possibility for disagreements and requests for special arrangements.

The working arrangements are not a legal requirement but a tool to facilitate the dialogue with Member States, particularly in a context with changing counterparts. Their main purpose is to outline the rights and obligations of both sides

Different practices might have evolved but all in accordance with the WA and JASPERS mandate in order to adapt to the specific country context. As already mentioned the initiative to involve

JASPERS rests with the Member States (and JASPERS might decide to accept the assignment or not after consultation with DG REGIO).

31. There was no reason why JASPERS should formalize arrangements concerning operational issues with the Commission in 2007—2013 as it primarily worked for the MS, but for 2014-2020 the parties will formalise the aspects of the PSAs in the first quarter of 2018.

JASPERS developed a form of report for its output in 2006 although JASPERS may not have coined the term ‘action completion note’ (ACN) until later. The ACN is clearly based on the application form for major projects, as a comparison of the two documents will show.

There was some resistance in the early stages from some Member States to providing the completion report to the Commission. JASPERS encouraged them to do so, so that the Commission would be aware of JASPERS advice and its input would help the Commission to come to a better-informed conclusion. Eventually all Member States agreed that this should be standard practice which, we believe, resulted from a relationship of trust built up between JASPERS and the national authorities after experience with JASPERS assistance.

The ACN is a tool to formally close the assignment with the beneficiary. JASPERS adapts its format from time to time in the light of experience to maximise this usefulness.

32. The Commission and the EIB are stakeholders and partners of JASPERS, but in the ACN they are not its client.

33. JASPERS advice is provided independently of EIB lending (the concept paper 2005 states that there is no obligation on the EIB or EBRD to lend to MSs and no obligation of MSs to borrow from EIB or EBRD).

Also the EIB, EBRD and other potential lenders can be considered as indirectly benefiting from JASPERS results.

34. Most of the work of project preparation is carried out by Member States through the use of consultants e.g. preparation of basic project documents, like the feasibility study or the environmental impact assessment. JASPERS role is to direct, or comment on, the production of these documents. JASPERS does not compete with external consultants in carrying out this work. JASPERS and consultants have distinct but complementary roles.

Out of the about 830 project assignments completed by JASPERS by 2015, less than 1% involved hiring consultants that contributed directly with parts of the final project documents.

36. The using of additional consultants related to specific and limited cases where JASPERS ACN could not be used for decision-making and authorising officers deemed necessary to have secondary opinion on the project (it only took place in the Programming Period 2007-2013).

In 2014-2020 the Commission has decided to exclusively use JASPERS for appraisal of all major projects (except of phased projects under Article 103 of the CPR), also thanks to establishment of JASPERS IQR Division that provides additional quality check.

37. The priorities of the Member States derive from policy (for example, the Trans-European Networks), legislation (e.g. environmental legislation, like the Waste Water Directive) or priorities (e.g. maximum share of certain sectors in funding) and are implemented through agreed rules and procedures. JASPERS responds to the needs for technical assistance within the given policy framework.

38. The introduction of rolling action plans did not change strategies.

The concept of rolling action plans was introduced in order to respond to requests from the MS that tend to arrive in a non-coordinated manner, especially at the end of the programming period 2007-

2013. JASPERS Action Plans are the result of extensive discussions with the Member State before accepting assignments, with the result that by the time the requests is formally made, the level of acceptance is around 98%.

Action Plans are communicated to the Commission.

39. There can be numerous reasons for an assignment to be cancelled – projects may have been found by JASPERS to be poor investment and were therefore abandoned, projects may have been reduced in size and become non-major projects, exchange rate changes could have changed major projects into non-major projects, Member States for internal reasons may have withdrawn projects.

Cases of cancellation of assignments should not be perceived negatively only. In fact, in some cases the dropouts can represent the added value of JASPERS in downsizing investments or abandoning those that might not be the best use of scarce public resources.

41. Work on phasing by its nature is limited in time and is linked to the programming period cycle.

42. Horizontal assignments had been in JASPERS from the beginning as the action plans for 2007 show. The proportion of the horizontal assignments remained stable over the years.

43. All JASPERS partners paid utmost importance to results of mid-term evaluation of JASPERS and there are few evaluations that have similar follow-up ratio in in their recommendations.

The AECOM study¹ is generally positive about the impact of JASPERS.

44. The Commission (DG REGIO) explained its reasons for the use of JASPERS as an appraisal body in the letter from Director General of DG REGIO to all Member States (with major projects) in March 2014.

The function of IQR was defined in the CPR based on MS experience with JASPERS, hence it was considered as redundant to screen JASPERS according to criteria that were set out in Commission Delegated Regulation 480/2014 based on JASPERS competences and features.

Common reply to paragraphs 45, 46 and 47:

The IQRs are also produced for projects without any involvement of JASPERS advisory services.

The Draft IQR Procedures Manual from early 2014 was never approved and is not currently valid. The functional separation of JASPERS IQR from Advisory Sector Divisions is real as the teams are in different locations and report to different line managers. For resource use efficiency, JASPERS experts who have not worked in an advisory capacity on a major project can potentially work on appraisals for the IQR division. JASPERS has developed a quality management approach which is codified in a Quality Manual, process maps and a clear division of roles between advisory and appraisal activities. The Quality Manual has been developed in the framework of a quality approach endorsed by the Steering Committee and will be externally validated by the European Foundation for Quality Management.

¹ JASPERS Evaluation report, December

2012 (http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/jaspers_evaluation/final_report_131212.pdf)

A new JASPERS Quality Manual will be adopted by the Steering Committee in December 2017. The IAS was provided with drafts of the process maps for the IQR and PSA activities that are the basis for the corresponding procedures in this new Quality Manual.

47. DG REGIO has accepted the IAS recommendations and has put in place an action plan to address them.

48. IQR and advisory reports are prepared by different teams in JASPERS with the final documents having an additional signature at Director's level. It is common practice in both the public and private sectors for operational units and quality control and audit units to report to the same head of the organisation (e.g. set-up agreed in a number of the MS in relation to certifying and managing authorities located under the same Minister). There is no reason that this should detract from the independence of the audit or quality control function.

No evidence has been found so far regarding compromises in the opinions delivered by the IQR team. The Commission and the EIB will however reflect on additional measures to be taken to increase a perception of risk for independence.

49. IQR was established by the Council and the European Parliament (EP) as legislators with the explicit purpose of providing an alternative to appraisal of major projects by the Commission. A new JASPERS Quality Manual will be adopted by the Steering Committee in December 2017.

50. The Commission follows the legal provisions in the CPR that provide for the IQR function. The legislators have not defined the notion of "significant weakness". In order to apply that notion in a uniform way, DG REGIO defined in its internal procedures approved by its management, four main cases where significant weakness can be declared and negative Commission decision proposed.

51. Use of IQR is a choice for Member States to make. The IQR Working Arrangements have now (October 2017) been signed with fourteen Member States including Romania, Czech Republic and Italy. The signature of working arrangements is a requirement from JASPERS before undertaking an IQR for a project.

52. JASPERS forecasts were based on information from Member States on expected major project submission dates as listed in the operational programmes (OPs).

The Commission considers that the numbers of major projects are not optimistic, the submission timeline were indeed overly optimistic. In September 2017, DG REGIO published the data on major projects on Open Data Platform to sensibilise the MS for quality of information on major projects.

The use of IQR function is hindered by different rules on certification of expenditure – this is going to be addressed in the modification of the CPR that is currently being discussed with the Council and the EP. This should increase the MS interest in using the IQR.

The role of JASPERS IQR Division is to deliver not only IQR but also PSA reports.

53. The PSA process was intended to ensure that an appraisal methodology as close as possible to IQR was used in application submitted directly to the Commission, led by the IQR division in Brussels. This ensured a level playing field for the appraisal of applications.

The working arrangements for PSA, even down to the deadlines to be used, were described in the paper about major project-related procedures provided to the board of DG REGIO on 22 June 2015.

Nevertheless the Commission and the EIB will formalise key elements of cooperation with JASPERS on PSA as requested by the Court.

58. Projects are typically prepared by consultants, hired by managing authorities. JASPERS does not replace them, but assists with methodological advice and helps managing authorities in their supervision.

59. JASPERS reviews the documentation that is produced by the beneficiary itself or with help from external consultants. Therefore timing of JASPERS advisory services in many instances depend on administrative capacity of beneficiaries and local consultants.

60. The duration of assignments where the involvement takes place at a later stage is uncertain: short if the project documents have the necessary quality but significantly long otherwise as some aspects may have to be questioned from the beginning (for example the option analysis). In terms of approval time, there should be not much difference as, following the JASPERS support, projects are submitted with similar quality standards.

Another feature of JASPERS assistance was to focus on complex projects where the MS had difficulties in preparing proper documentation, but JASPERS could not easily remedy complexity of projects and some residual risks remain to be addressed.

63. In many cases, the reasons for interruption were raised already in the ACN report.

One area where elimination of shortcomings in documentation was very difficult for JASPERS is the environmental impact assessment-related procedures/documentation, especially for road sector.

64. The situation improved significantly in the 2014-2020 period where, to-date, the average approval time for the projects received in 2017 fell to 84 calendar days. This was a result of many factors, inter alia strategic reorientation of JASPERS, better legal framework, and reorganisation of the Commission's appraisal system.

68. JASPERS assistance had an impact on the planned cost of around two thirds of the major projects audited by the ECA (these savings are estimated by the Commission at 175 million euro). This sample covers 3% of the number of assignments carried out by JASPERS.

69. JASPERS frequently gets confronted with unrealistically short timelines for project implementation. There are very few opportunities to speed up project implementation timelines.

72. In Cohesion Policy, the approval of non-major projects is a clear responsibility of the Member States.

75. In 2007-2013, following the beginning of the economic and financial crisis in 2008, the Commission decided to allow Member States to certify expenditure and claim reimbursement without submitting major project applications, thus breaking the link between the approval and certification processes.

76. Delays may occur for reasons totally unrelated to JASPERS input e.g. very commonly due to procurement issues.

77. Certification rules for major projects under 2014-2020 will allow JASPERS to have an impact on the pace of absorption as expenditure of projects can only be certified after the submission of the major project applications to the Commission.

79. There are clear examples of improvements in administrative capacities of MS and their institutions such as national roads in Poland where the National Road Agency is fully capable of preparing good quality and mature projects.

Investing in administrative capacity is a long- term process which requires investments in structures, human resources and systems and tools and where the governance in a country is an important contextual factor.

JASPERS is an important factor in supporting Member States improving their administrative capacity for (major) projects, but it is not the sole determinant in this process.

80. Support from JASPERS was first of all demand-driven on the basis of the needs of individual Member States and administrative capacity actions would be developed accordingly. Moreover, JASPERS was not the only source of support, but Member States were also encouraged to use the technical assistance built in their programmes pro-actively and targeted for e.g. training of their staff and hiring external expertise.

81. Capacity building was taking place from the start of operations through learning-by-doing and horizontal papers. Networking and knowledge sharing was already taking place through the stakeholders meeting, for example.

84. JASPERS is only one of the determining factors in this process and should not be held solely accountable if there was no (direct) strategic impact. Many other factors, of which many are at MS level, may play a role.

85. The technical assistance strategy is first and foremost the document where the budget allocations for individual actions is determined (taking into account synergies and avoidance of overlaps). It is not the document which should also describe all (formal and informal) coordination mechanisms set up between different initiatives.

Although there is no reference to any coordination between the dedicated capacity-building activities provided directly by the Commission and those provided by JASPERS, coordination was regularly taking place and the risk of any overlap is avoided.

87. JASPERS supported about 500 approved major projects during the programming period 2007-2013. For the 2014-2020 programming period, the number of major projects supported by JASPERS and/or reviewed is estimated to be over 600 to which it has to be added the agreed increase in support for non-major projects and capacity building and the earlier involvement on projects when possible. This estimation was used as the basis for the increase of staff and the recruitment took place in a gradual manner in order to match staff numbers and workload. When looking at the period 2007-2009 and 2014-2016 versus the allocation of full time equivalent (FTE) to the JASPERS-EU mandate, the average number of all ongoing and completed assignments per staff practically remains the same.

88. Major project submission dates are included in the OPs 2014-2020 based on the Member State proposals.

It is the Member State prerogative and responsibility to propose major projects and to verify the state of preparation of each project.

89. As of October 2017, there were 624 major projects included in the OPs 2014-2020.

90. As JASPERS should be engaged into project preparation at earliest possible stage in order to maximise its added value, the information on submission dates is irrelevant for estimation of adequate staffing of JASPERS. Currently JASPERS works on over 350 planned major projects that will be submitted in future years.

The ratio of all completed assignments (advisory, IQR, PSA and horizontal) to FTE between 2014-2016 is comparable to the same ratio in the previous programming period (2007-2009) and increased as at November 2017.

92. The national authorities should step up their efforts in monitoring the impact of JASPERS on projects and institutions in relation to administrative capacity. The Commission will include this aspect in mid-term evaluation of JASPERS.

93. Time taken to approve projects by the Commission is a proxy measure of project quality as it is assumed that better prepared and presented projects are approved faster.

The results of IQR and PSA projects are monitored and are publicly visible via the JASPERS website under the statistical report and dashboard since September 2016. This information is updated quarterly.

96. All relevant recommendations from evaluations were acted upon, within the boundaries of administrative and legal environment.

The Commission will launch a mid-term evaluation of JASPERS in the first quarter of 2018, and it will include overall review of JASPERS performance and outlook for post-2020.

98. The national authorities should step up their efforts in evaluating impact of JASPERS as the Commission has always encouraged and promoted a comprehensive evaluation culture in cohesion policy.

101. There were various other channels of communication of desk officers feedback on JASPERS; namely, major project desk officers group has operated since 2008 and issues linked to JASPERS were frequently discussed and consequently communicated to JASPERS during JASPERS Steering Committee or other meetings.

104. JASPERS was not required by the Commission to follow-up how its advice had been used in the implementation of assisted major or non-major projects and its mandate does not include monitoring of actual implementation of assisted projects.

Monitoring of the implementation and closure of the operational programmes is a prerogative of the Commission services. JASPERS was aware of implementation issues when deemed necessary, especially via requests from the MS to assist them in phasing of projects between the programming periods.

105. The observation mentioned in this paragraph of the report meant that JASPERS has prevented poor investments to go forward, the value of which may be established as opportunity costs (or savings).

108. The fact that assignments were cancelled can be a proof of added value of JASPERS in screening poorly prepared projects, the quality of which could not be remedied.

109. There is a separate system, different to the one referred to by ECA, for recording time spent on different mandates for billing purposes which is used across the EIB. Completion rates in this system are checked at the end of each month.

As of late 2016, JASPERS staff started recording in this system not only the time allocated to each mandate but also the specific assignments.

This is the basis for the external audit of JASPERS expenditure where the audit mandate is to check that only eligible expenditure has been declared. This is the system used to declare expenditure to the Commission. No related shortcomings have been reported by the auditors.

Contractual relations between the Commission and EIB are based on grant agreement and the eligible staff costs are based on the number and type of experts employed, their cost being determined by FAFA rates agreed in 2014.

110. The Commission and EIB note that the document referred to by ECA was not an evaluation of JASPERS efficiency but was an assessment of 'the EIB role in the JASPERS initiative'. The report's assignment sample was largely drawn from the very early phase of JASPERS activities and has little relevance for JASPERS in 2014-2020. Nonetheless, the overall conclusion of the report was that JASPERS had a positive impact and the EIB should continue to support.

As for efficiency, the report states, "...the cases where JASPERS was able to influence the form of the underlying projects resulted in economic benefits which are likely to far outweigh the cost of the initiative itself."

112. The Steering Committee monitors the efficiency of JASPERS in terms of assignments completed and approval of JASPERS-supported projects.

The nature of assignments has changed as JASPERS portfolio of services expanded e.g. JASPERS advised on number of ex ante conditionalities (such as transport master plans in seven MS) where workload from JASPERS was considerably higher than to assess a single wastewater treatment plant project.

113. JASPERS expenditure has been substantially below the potential amounts that could have been spent for many years. There are now deadlines for the provision of appraisal reports which did not exist in the last programming period so the question of advance provision of capacity to meet future demand needs to be addressed.

The AECOM study findings in relation to JASPERS cost was the following:

"JASPERS employs a team of highly qualified staff [...]. On the basis of a comparison with other bodies and agencies, JASPERS costs appear reasonable given the nature of the tasks it performs and the staff needed to carry out this work."

114. The EIB contributions to JASPERS, was contribution, in kind in the form of staff seconded to JASPERS mostly on managerial and senior position. For the purposes of the grant agreements these contributions in kind were given monetary values. There was no cash transaction that corresponded to these contributions in kind. The payments which the Commission made were for staff for which it had agreed to support. The estimated cost of staff contributed by the EIB was irrelevant to this amount.

115. The Commission and the EIB agreed in FAFA to establish standard unit cost for staff and mission costs for services provided by the EIB to the Commission. JASPERS began to use this co-financing system based on the agreed unit costs in place of the parallel financing system used up to 2013. The new method and the old are based on different accounting concepts. The staff rates are calculated in a different way but as a consequence the aid rates were also adjusted to leave both parties contributing broadly the same amounts as before. Under the new system the notional rates to estimate costs were also changed taking into account an overarching agreement (FAFA) signed between the Commission and the EIB covering all joint initiatives.

116. ECA has been provided with the audited annual financial statements of JASPERS since 2006. As per the methodology agreed in the contribution agreements and in FAFA, in these statements the staff costs of JASPERS represent a standard price that the Commission agreed to pay in FAFA for services provided by the EIB.

CONCLUSIONS AND RECOMMENDATIONS

118. There were clear objectives relating to both timing – bringing projects to the point of a positive decision to provide EU investment funds faster than would otherwise be the case - and improving quality.

Developments in JASPERS should be understood within their wider context. JASPERS began operations in late 2006. The growing economic and financial crisis from autumn 2008 onward led to certain decisions which would affect JASPERS operations, including an expansion on JASPERS staff, changes to certification rules etc. JASPERS responded with flexibility and pragmatism to changing circumstances.

Initial shortcomings were later on addressed by agreements of the Steering Committee, according to the response received by Member States and the corresponding assessment of the demand. Indeed JASPERS was conceived initially as an initiative for the 2007-2013 programming period, but in light of developments during that period and based on a needs assessments, its mandate was extended for 2014-2020 programming period.

119. Formalised working arrangements have been established with the Member States in relation to major and non-major projects where they are the client – advisory and IQR. JASPERS has comprehensive contractual arrangement with the Commission in place. All JASPERS assignments in a country – major project, non-major project and horizontal or strategic assignments – are included in annual or rolling action plans and are agreed with the beneficiary.

In very rare circumstances, JASPERS provided support for consultancy- type work (pilot actions which could be replicated, lack of capacity of the national authorities or in JASPERS to undertake the necessary work etc.).

120. Priorities are based on the priorities of EU cohesion policy agreed between Member States and the institutions of the EU and these are then given operational content in the agreed operational programmes. JASPERS does not set priorities independently.

121. Phasing was a pragmatic short- term use of JASPERS resources to ensure full use of EU funds at the end of one programming period and the start of another. Work on phasing by its nature is limited in time and enhances absorption.

JASPERS assignments for project implementation are around 2%.

122. The introduction of rolling action plans did not change strategies.

Recommendation 1

JASPERS is a partnership between the Commission and the EIB which both contribute to it and govern it through the steering committee.

(a) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(b) The Commission accepts the recommendation.

(c) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(d) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(e) The Commission partially accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

Appropriate working arrangements exist where needed but it is accepted that a more formalised agreement may be needed for instance in relation to PSA.

123. IQR was established by the Council and the European Parliament with the purpose of providing an alternative to appraisal of major projects by the Commission. The IQR is requested by a Member State and addressed to the Member State as required by the legislation.

A Quality Manual has been prepared in the context of an overarching quality management approach endorsed by the the European Foundation of Quality Management in November 2017, which explicitly addresses independence and consistency issues from a quality management perspective. JASPERS Steering Committee will adopt the new Quality manual in December 2017.

124. Use of IQR is a choice for Member States to make. The signature of working arrangements is a requirement from JASPERS before undertaking an IQR for a project.

Recommendation 2

(a) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

For the current period, actions will be implemented in order to mitigate the risk of a lack of impartiality when JASPERS carries out IQRs to appraise projects which have received JASPERS advisory support.

While the Commission cannot make any specific commitment at this stage in relation to legislative proposals for the post 2020 period, it accepts the recommendation in substance and will consider the future of the IQR function.

(b) The Commission partially accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

The Commission will clarify the access rights to JASPERS IQR within the contractual arrangements between the Commission, the EIB and the Member States.

126. JASPERS could not have the same range and intensity of impact on all projects as this depended on the stage of the project cycle when JASPERS was invited to provide support and the existing quality of the project at the time it became involved. Nonetheless, for projects in the ECA sample there were moderate (45%) or significant (20%) impact of JASPERS advice across at least one quality dimension. The projects sampled in four countries present evidence of substantial cost reductions as a result of JASPERS input. Projects withdrawn following JASPERS advice should also be treated as benefits since that prevented the inefficient use of substantial resources. For the 4 out of 20 sample major projects with significant cost savings, the total cost savings were estimated by the Commission at €175m.

127. Much of the time taken in the project cycle is not attributable to JASPERS, particularly in the implementation phase; this was not the role given to JASPERS by either the Steering Committee or requested by MS (1% of assignments), and it shows that JASPERS could have a role to play during implementation.

129. Although more could be done to follow up the impact of its advice on non-major projects, this requires the cooperation of the Member States since there is no approval process comparable to that for major projects.

130. The certification rules for major projects under 2014-2020 will allow JASPERS to have impact on absorption pace.

Recommendation 3

(a) The Commission partially accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

Targeting JASPERS assistance according to a project's stage of development. is already a priority, but the stage at which JASPERS becomes involved depends on the timing of the request for support from the Member state.

The need to work as far upstream in the project cycle as possible is clear and its impact of such approach can be seen in, for example, the sectoral strategies for transport which it has developed for some Member States. However, this is not always made possible in other Member States.

The second part of the recommendation is not accepted. National Approvals can come early in the project development cycle and projects can be changed even after National Approvals.

(b) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

132. There has been ongoing coordination of activities between DG REGIO and JASPERS. The Commission has regular informal exchanges with JASPERS/NCC on their respective activities and where there is a risk of overlap or possibilities for synergies they work together. Example is the involvement of JASPERS in thematic state aid seminars organized by the Commission in 2016 in Brussels (JASPERS delivered expert speakers) and JASPERS participation in country seminars on state aid in 2015.

133. JASPERS over time has moved increasingly upstream and has assisted with strategies and the early process of project selection (to the extent that national authorities allow this). It is expected that JASPERS will continue to operate in this manner.

Recommendation 4

(a) The Commission accepts the recommendation and considers it as already implemented.

The new technical assistance strategy adopted in September 2017 by the Commission (DG Regional and Urban Policy) integrates actions from JASPERS into the new activities undertaken by the Commission.

(b) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

134. More intensive monitoring of JASPERS activities would greatly improve the successful operation of the initiative, particularly in terms of its efficiency and effectiveness.

The certification rules for major projects under 2014-2020 will allow JASPERS to have impact on absorption pace.

136. JASPERS provides technical advice to Member States and other functions like PSA and IQR. It was not established as a comprehensive monitoring system for all aspects of projects.

Monitoring of implementation of the operational programmes is a prerogative of the Commission services. JASPERS was aware of implementation issues when deemed necessary, especially via requests from the MS to assist them in phasing of projects between the programming periods.

138. The Commission and the EIB agreed to establish standard unit cost for staff and mission costs for services provided by the EIB to the Commission. JASPERS began to use this co-financing system based on the agreed unit costs in place of the parallel financing system used up to 2013. The new method and the old are based on different accounting concepts. The staff rates are calculated in a different way but as a consequence the aid rates were also adjusted to leave both parties contributing broadly the same amounts as before. Under the new system the notional rates to estimate costs were also changed taking into account an overarching agreement (FAFA) signed between the Commission and the EIB covering all joint initiatives.

ECA has been provided with the audited annual financial statements of JASPERS since 2006. As per the methodology agreed in the contribution agreements and in FAFA, in these statements the staff costs of JASPERS are established as per the standard price that the Commission agreed to pay for services provided by the EIB.

Overall, FAFA rates have contributed to a greater harmonisation and simplification of contractual arrangements for specific technical assistance initiatives between the Commission and the EIB.

The Commission considers that Fafa complies with the Financial Regulation. Article 124 of Financial Regulation permits the use of flat rates and lump sums and is applicable to the Fafa agreement.

Recommendation 5

(a) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

The issues raised about future strategy and objectives will be part of the forthcoming mid-term review.

(b) The Commission accepts the recommendation.

(c) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

(d) The Commission accepts the recommendation and highlights that the EIB, being the other partner in JASPERS, needs to be involved for its successful implementation.

The Commission recalls at the same time that JASPERS ‘costs’ are determined through the Fafa agreement.

Event	Date
Adoption of Audit Planning Memorandum (APM) / Start of audit	16.3.2016
Official sending of draft report to Commission (or other auditee)	5.10.2017
Adoption of the final report after the adversarial procedure	29.11.2017
Commission's (or other auditee's) official replies received in all languages	8.1.2018

In 2006, the European Commission engaged together with the European Investment Bank in a new initiative, known as 'Joint Assistance to Support Projects in European Regions' (JASPERS). Its main aim was to provide independent free-of-charge advice to help the Member States that joined the EU in 2004 or later to prepare high-quality 'major projects'. We found shortcomings in the definition of JASPERS's main objectives and roles and responsibilities, which put accountability at risk. There were also significant weaknesses in the setting-up of the new Independent Quality Review function, leading to a high risk of lack of impartiality. While JASPERS contributed to quicker project approval and better quality of underlying project documentation, it could generally not impact on the absorption of EU funds. Its impact on Member States' administrative capacity did not yet result in higher degrees of independence from JASPERS's assistance. The observed weaknesses, in combination with significant shortcomings in the planning, monitoring and evaluation of JASPERS activities, put at risk the successful operation of the initiative, particularly in terms of efficiency and effectiveness.



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