



DANI EU FONDOVA

EFFECTIVE MANAGEMENT SYSTEM *FOR* EU STRUCTURAL AND COHESION FUNDS

Jana Trošt

United Nations Development Programme
(UNDP)

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- Knowing what to do
- Administrative capacity
- Implementing procedures
- Timely planning of activities
- Monitoring and reporting
- Control arrangements
- Cooperation with EC and others
- Role of regional and local actors
- Summary of good advices.



Main institutions involved

- The main institutions involved in the management of structural funds defined through negotiations.
- Detailed division of tasks, between Managing Authority, intermediate bodies have to be prepared in accordance to the framework provided in operational programmes.

Main institutions involved

The institutions established for the Structural Funds implementation:

- National Coordinative Body
- **Managing Authority**
 - (Intermediate Body/is)
- Certifying Authority
- Independent Audit Authority
- Beneficiaries

Knowing what to do

Authorities have to know well:

- *what is expected from you*
- what are your responsibilities, tasks
- what are obligation towards the European Commission.



Knowing what to do

- Council Regulation, EuropeanC Regulations
- Secondary legislation (directives, conclusions of cases from European Court of Justice)
- National Strategic Reference Framework (indicative document)
- Operational Programmes
- National legislation and secondary legislation
- Good practice

Knowing what to do

- In EC legislation often writes '*member state*' has to ensure...
 - In these cases it is **up to the Croatian authorities** to decide which institutions is going to perform a task (expl. eligibility per fund).

Administrative capacity



Administrative capacity

- In order to allocate tasks to the institution, you have to have **adequate number** of qualified **staff**.
- EU funds always require recruitment of **new persons** (technical assistance!)
 - Demanding procedures
 - Many tasks which not done before structural funds were present in the Member State (ex. management verifications).

Administrative capacity

- Don't underestimate the administrative burden of the SF implementation
- **Careful planning of staff needs** necessary for all the institutions involved
- **Timely** recruitment of new staff – recruitments take time!
- Clear description of tasks for each employee
- Trainings

Administrative capacity

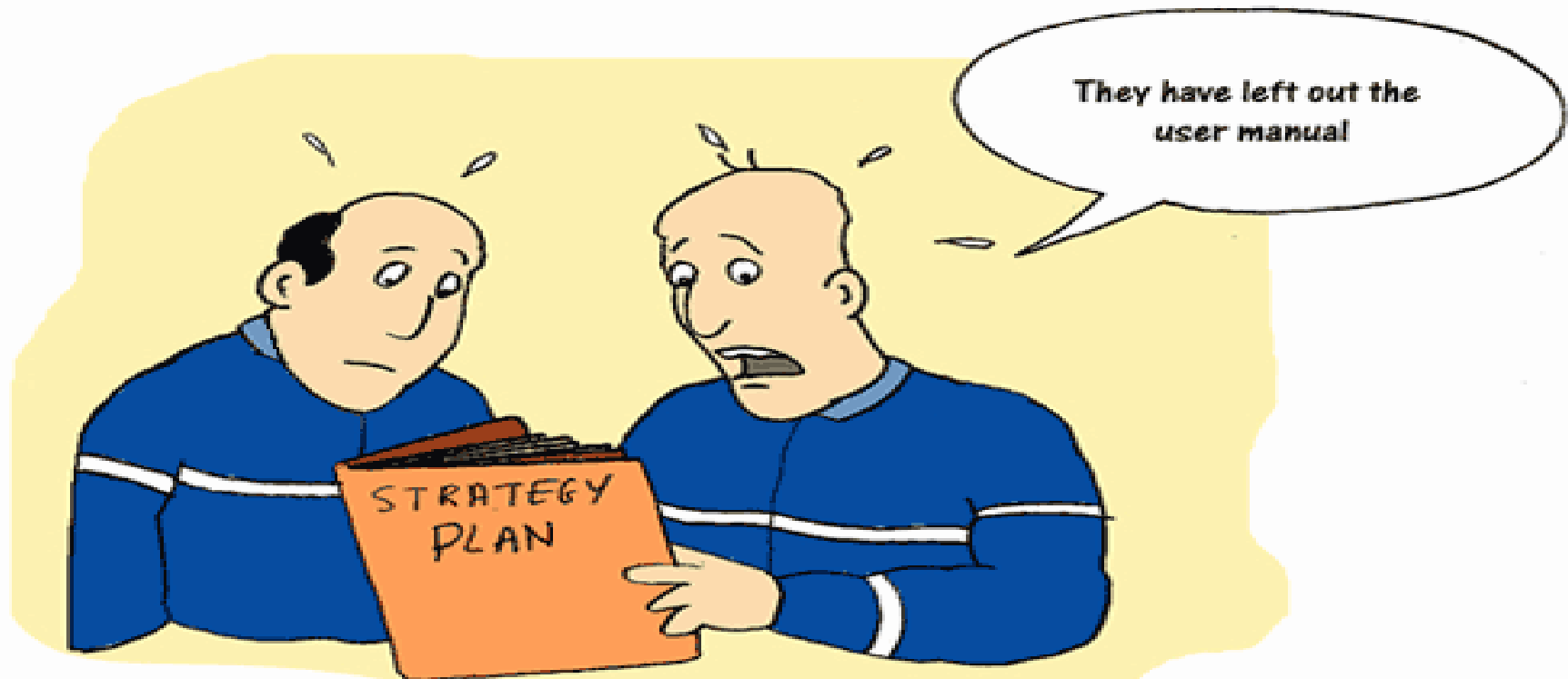


- Motivate your staff not to leave!

Avoid:

**Too many tasks, not enough people, people
start looking for other jobs**

Implementing Procedures



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review

Implementing procedures

- Many actors involved, huge challenge for a country:
 - Clear responsibilities and tasks for **each institution**
 - Definition of tasks **between institutions**
 - Clear tasks for each unit **within the institution**
 - Clear tasks for **each employee** within the unit.

Implementing Procedures

- Define procedures
- Prepare procedural manuals
 - Check lists (use them!)
- Modify procedures when necessary (learning by doing)
 - Don't make a system for modifying too complicated.

Timely planning of activities



Timely planning of activities

- Prepare broader plan for the whole period, detailed plan on a yearly basis (N+2, N+3).
 - For each priority axis (sectors covered by EU funds within operational programmes)
- Inform potential **beneficiaries** about plan, they can prepare projects in time

Timely planning of activities

- Make estimates on
 - when contracts will be signed?
 - When payments from beneficiaries are expected?
- Define, for what actions calls for proposals, direct grants and public procurement procedures will be implemented. Estimate time needed for every call.

Monitoring and Reporting

The Managing Authority must have a **monitoring system in place** in order to know:

- How the implementation is advancing? Is there any danger for decommitments?
 - Early detection of problems, delays crucial!
- Are the results from the implementation reaching the goals within strategic documents?
- Computerised system!



Monitoring and Reporting

- Each institution must establish efficient **reporting system within and between institutions.**
 - When employee discovers that the implementation doesn't go according to the plan, it must be clear to the person to who and in what time framework he/she must report about the problem.



Monitoring and Reporting

- Any deviation from the plan has to be detected at early stages in order to be able to react and not to lose time (N+3, N+2 rule!).



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"This is Thompson, he has a black belt in budget control."

Controls

- Prevent, detect, correct..
- New task – management verification!
- If any mistake, irregularity is find by the employees who perform these controls, it is easy to correct. No funds lost!
- All other controls are ex post, after the invoices are already paid.
 - Harder to correct and modify things once the invoices are already paid.

Great procedures...where are projects?



Projects, project, projects

EU funds absorbed only through successful implemented projects (reimbursement!)

- Projects should be a result of sound planning
- Project teams
- Major project takes time to prepare (more than a year), EC needs to approve them! Start now!
- Smaller projects, many problems, huge administrative capacity..
 - BUT crucial for development!



From a vision, a plan to a project

At regional / local level:

- Vision...
- Strategic development plan at local/regional level
 - Integrated d (urban/rural) evelopment plan! How much does it cost?
- Involvement of relevant partners (private sector, educational institutions, NGOs, minorities..)
 - Owned by the citizens, public consultations
 - EU legislation (Environment!)

Administrative capacity - Beneficiaries

- Responsibility of Managing Authority to ensure that beneficiaries know what and how to do on tasks related to EU funds:
 - Do beneficiaries have necessary administrative capacity, staff, expertise, information..?
 - Capacity to prepare projects and to implement them (expl. public procurement, audit trail, publicity)



Cooperation with EC

- Share with the EC information about your implementation process.
 - If they know about your problems, they can help!
- Make use of your contact points within the EC! They have access to broad range of experts for specific issues, if needed!



Cooperation with other institutions

- Make use of all existing capacity, knowledge, practice, expertise, experiences within the country!
 - There are several good practice projects and good expertise in Croatia!

Summary of good advices

- **Aministrative burden** of EU funds often underestimated
- To spend EU funds, you must **first invest money!**
- Recruit **enough persons**, train them and motivate them that they won't start looking for new jobs



Summary of good advices

- Make procedures as simple as possible
- Management verifications are your safeguard
- Efficient monitoring and reporting system (good coordination within and between institutions!)
- Early detections of problems can save millions!



Summary of good advices

- Evaluate capacity of beneficiaries. Make sure that they are capable of performing their tasks.
- **Prepare project pipeline**
 - Major projects
 - Smaller projects
 - Overbooking!
- Provide **assistance to beneficiaries** - Huge implementing burden for Bs



Summary of good advices

- Stay in regular contact with the EC, don't hesitate asking them for an advice!
 - Your problems are their problems!
- Make use of all existing capacity, knowledge, practice, expertise, experiences within the country!
 - Activate all resources within the country!
- Learn from others...



United Nations Development Programme (UNDP)

- More than 10 years of experiences in Croatia
 - Assisting government, regional actors, local authorities in strategic preparation, project development, project implementation
- Team of more than **100 persons working daily on projects preparation and implementation**
- Good network in Croatia (3 regional offices Zadar, Split, Petrinje)

- Covering wide field of actions
 - Local Development
 - Green energy and energy efficiency
 - Social inclusion
 - Justice and human security.
- Good network in Croatia (3 regional offices Zadar, Split, Petrinje)
- Several success stories

**Committed to assist Croatia to make
best use of EU funds !**



Thank you for your attention.

Jana Trošt

For further information and assistance

Jana.Trost@undp.org