

Public projects – theory x praxis, use of the ESI Funds in public projects

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Public projects – basic questions/answers

- Realization phase – possibility of higher efficiency while allocating the public finance
- Public projects
 - Projects are seen as a systematic approach to the public finance allocation (especially investments activities) – 90ties def. in CZ
 - Later def. – extension to also non-invest activities
 - Broader view – public projects could be seen as any activities where the allocation from the public finances is taking place
- „Advantages“ of project approach
 - Possibility of clearly link final „effects“ to the costs
 - Application of possibility to compare different solutions – i.e. evolution of public project
 - Monitoring of progress and options enabling to apply the broad spectrum of the controlling procedures

Public projects (2) - basic questions/answers

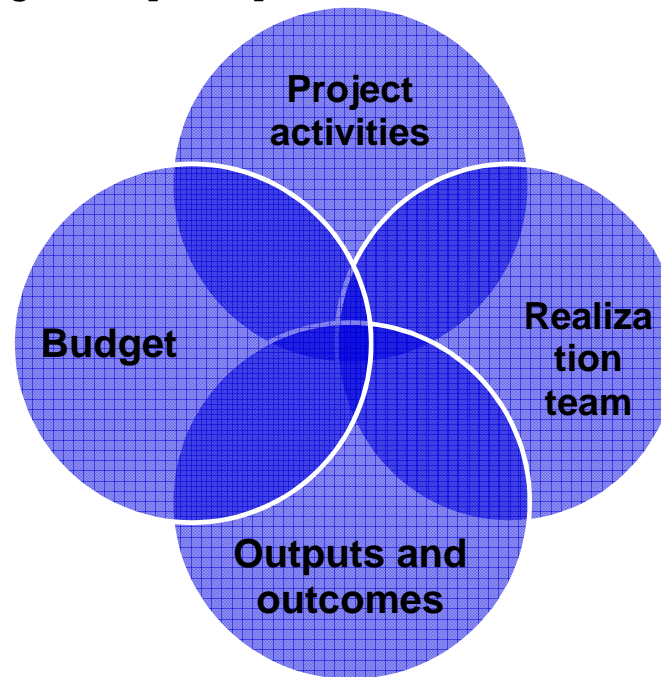
- Conditions/Signs of the public project (at least one condition needs to be applied):
 - Substantial part of sources for realization come from direct or indirect public funding (like tax exceptions etc.)
 - Realization is based on the other tools of economic policy (like different regulatory tools)
 - There are significant externalities connected with project (like impacts on the market based on the project realization)
- Questions/Issues – definition of benefits and their comparison (for example intangible), possibility to compare the projects (different types of grants etc.), necessity to set up the precise the targets
- Setting of targets – while setting up the targets a lot questions need to be answered (stakeholders?, are we able to identify them?, why it is necessary to proceed with a project? etc.) and then it is necessary to control fulfillment of the goals (are not there new factors influencing the realization of targets? etc.)

Project cycle

- In case that the decision about using project „optics“ is being made, the so called project cycle is common method to asses the different parts of the realization phase
- Example – V. Dočkal (2007) where 8 phases is being found:
 - 1. Existence of a problem – setting up of targets (goals) in connection with possibilities
 - 2. Identification of grant conditions in consensus with stakeholders – possible use of different grants/funds
 - 3. Seeking for grant title/source and check of the project eligibility – match between goals and binding rules
 - 4. Completee of application – administrative and other processes
 - 5. Pre-realization preparation – handing out of other documents/materials, dealing with comments/changes
 - 6. Realization of project – fulfilling of the conditions, following the goals
 - 7. Closing of project and sustainability – use of the results
 - 8. Identification of the new problems/risks – change of situation and necessity of reaction

Project proposal – a first step where to start?

To what detail the project proposal should be described?



Public projects in the CZ and their sources

- In the last 15 years there has been significant raise in „by purpose binding“ public finances sources allocated through the public projects
- Creation of new rules (legislature changes, competences issues etc.)
- „EU Phenomenon“ – relatively new area, allocation of the regional/cohesion funds – ESIF, relatively significant „volumes“ of grant finances
- Effectivity question – how these funds are being used in member states countries
- Issues connected with so called strategical governance and strategic management – different levels and layer of the public sector, use of the grant finances
- Role of ESIF in CZ and other countries

How does the ESIF works? (1)

1. Debate about the EU budget, where the ESIF funds is the part of the so called regional/cohesion policy. Representatives debate is linked to the EC and EP procedures.
2. After the decision is made, every member state is „putting together“ strategic priorities, including the relevant documents – it could be ranged from infrastructure to socially vulnerable groups etc. Necessary relevance to the EU strategic documents like Europe 2020.
3. Strategic priorities/plans are handed over to the EC and asses.
4. Every member state then discuss the potential with the EC and the possible use of the ESIF is being drawn.



How does the ESIF works? (2)

5. When both sides do agree on the structure the relevant programs are being prepared.
6. Details of all programs, especially the program annexes, are approved by the governments/regional authorities. Then the documents are sent to the EC for information.
7. Relevant managing authority on the national/regional level is running the calls etc. and the so called implementation is being performed.
8. Selected projects are being realized and the program priorities are being fulfilled, necessary to finish up in the given time frame.
9. Relevant authorities are monitoring the course of the program's implementation, including the monitoring authority where the different stakeholders are participating.



European structural and investment funds – ESIF – basic definition

Core instrument with the EU regional/cohesion policies realization - structural funds:

- **European regional development fund - ERDF**
 - **European social fund – ESF**

Situation in the EU/Czech republic

New programming period 2014 – 2020

- On the approved budget on the years 2014 – 2020 the EU member states started the discussions about the EU funds utilization, situation in the CZ
- Preparation of all documents like Partnership Agreement etc. for the 2014 – 2020 period
- Issues of the allocation between the different programs; international cooperation
- In CZ creation of 10 so called sectoral operational programs + programs aimed on multiregional, transnational cooperation, international cooperation

Creation of a public project (1)

- ***Ex – ante phase***

- Feasibility study ad.
- Identification of instruments
- Issues description
- Sustainability issues
- Conditions within the organization
- Financial instruments (issue of the public support etc.)
- Legislature
- Cooperation

Creation of a public project (2)

■ *Realization*

- Specific guides given by the providers
- Legislature
- Monitoring
- Controls
- Project partnership
- Management of the project
- Management of the organization
- Project closure

Creation of a public project (3)

- ***Ex – post***

- Sustainability
- Outputs/outcomes and their „role“ within the organization
- Controls
- Team chemistry/Institutional memory
- Projects/Programs/Portfolios
- Strategic management/governance

Thank you for your attention!

For the presentation the materials from the portals like www.msmt.cz and www.strukturalni-fondy.cz, were used.