



Institut za razvoj poduzetništva
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EU FUNDS AFTER THE ACCESSION TO THE EUROPEAN UNION - TOWARDS A NEW FINANCIAL PERSPEKTIVE



Kingdom of the Netherlands

REPUBLIKA HRVATSKA / REPUBLIC OF CROATIA



Ministarstvo regionalnoga razvoja i fondova Europske unije
Ministry of Regional Development and EU Funds





EXPERIENCES FROM HUNGARY

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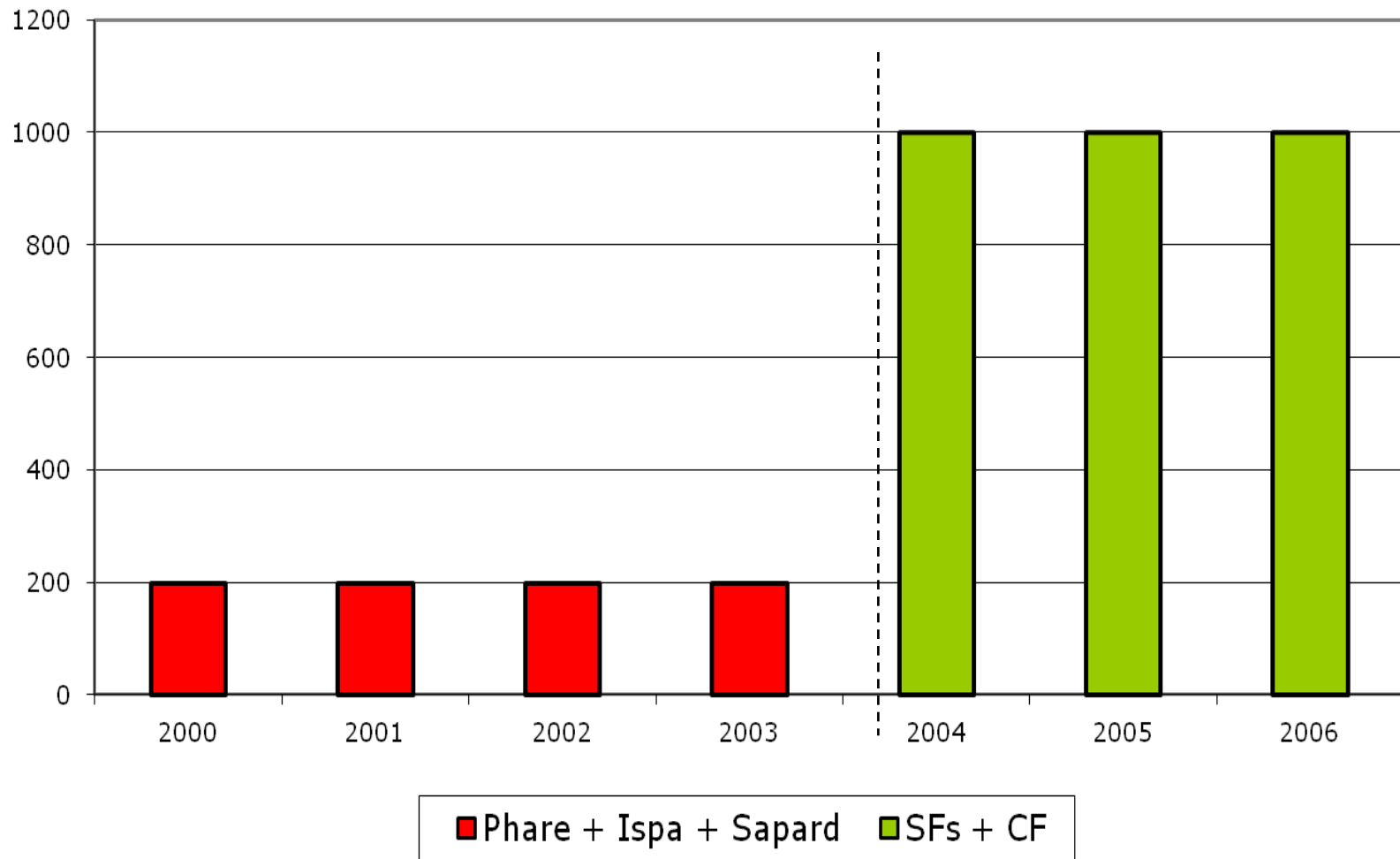


NEW DIMENSION OF FUNDS: BUDGETARY EXPERIENCES

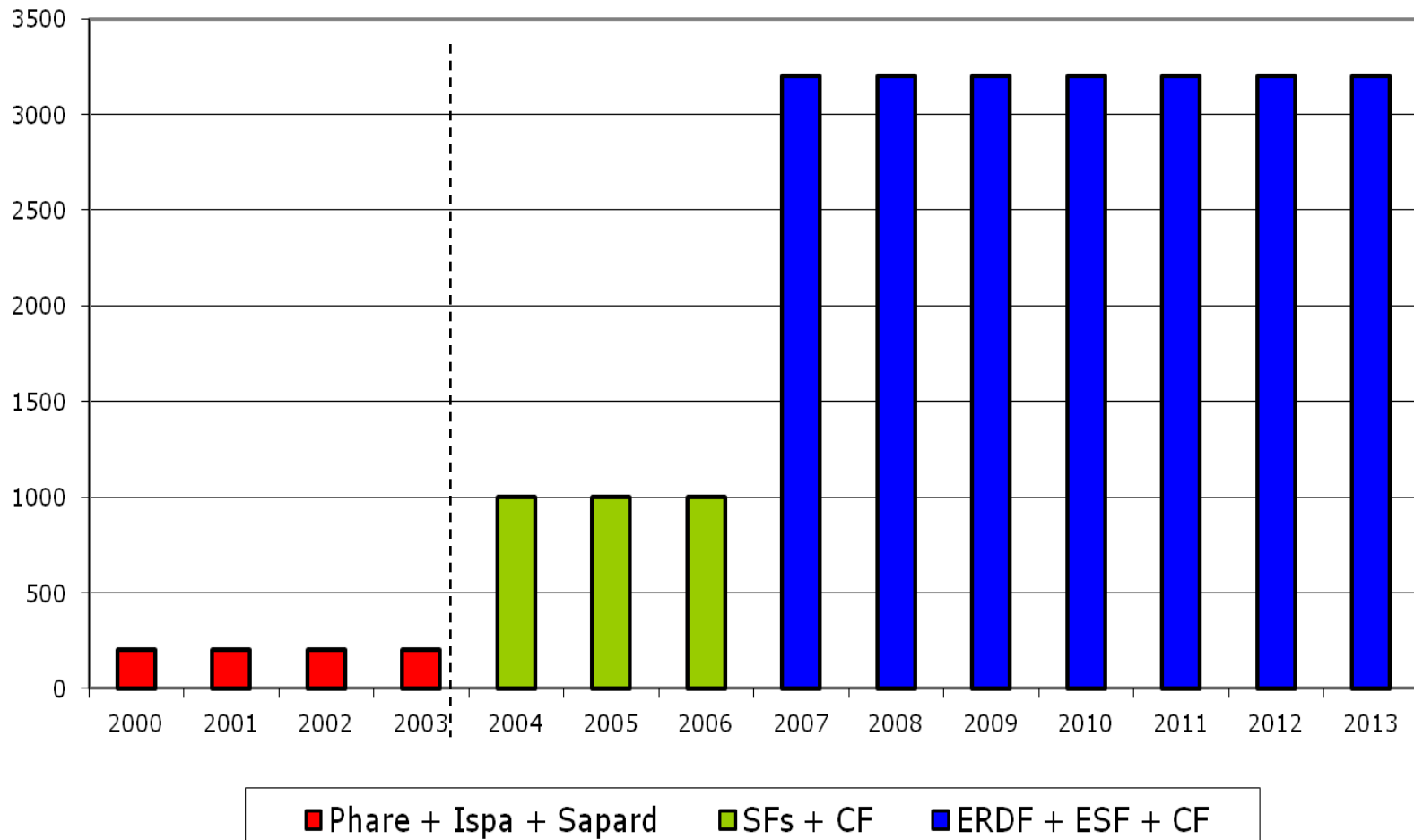
- **Substantially more funds than before**
- **ARE proper administration/management capacities at disposal to absorb the potential funds?**
- **ARE the beneficiaries in picture about their future opportunities and procedural requirements?**
- **ARE there enough mature projects for succesful Operational Programmes and for adequate absorption?**
- **ARE there anough resources at beneficiaries for covering own contribution? And for prefinancing?**



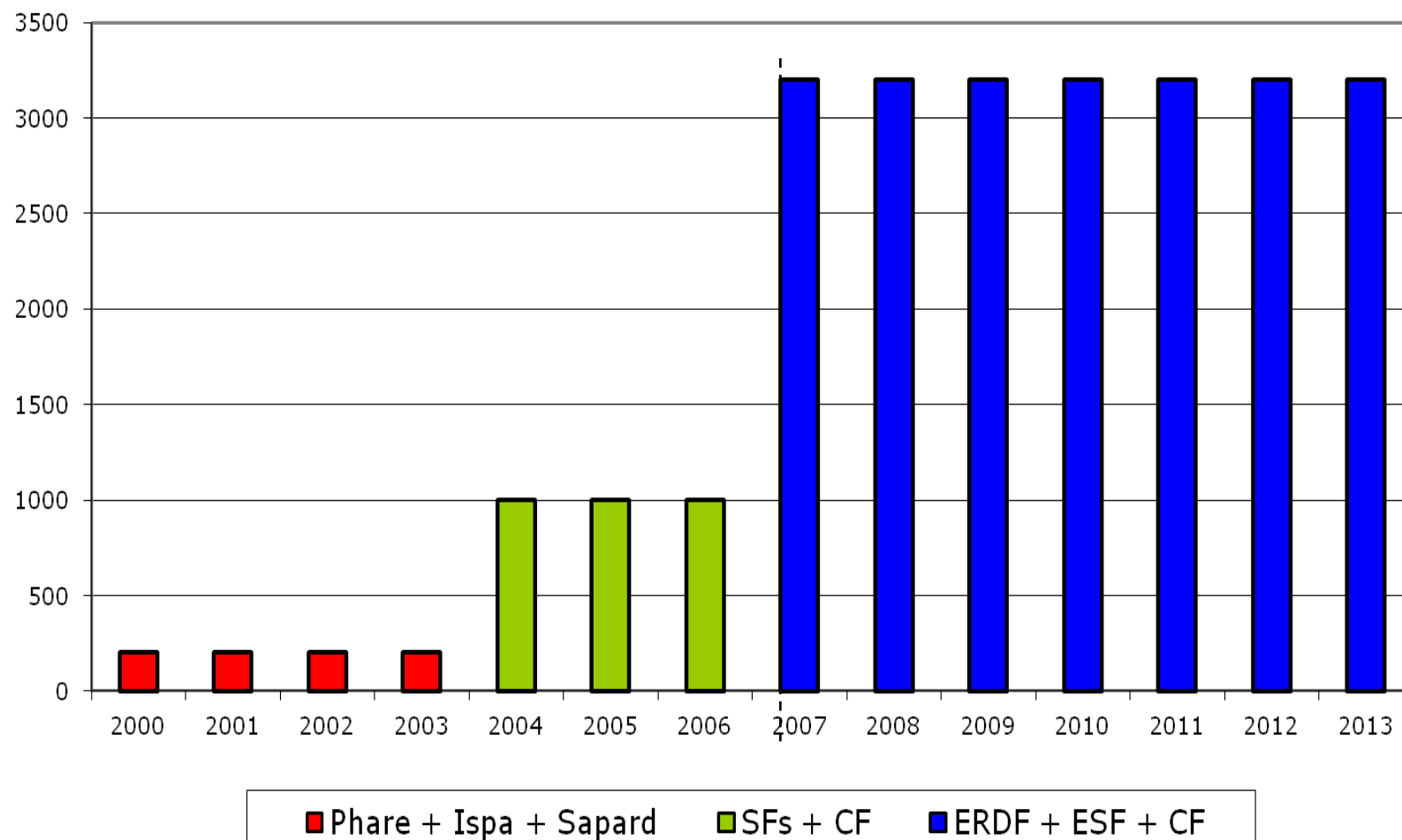
EU funds, 2000-06 (meur)



EU funds, 2000-2013 (meur)

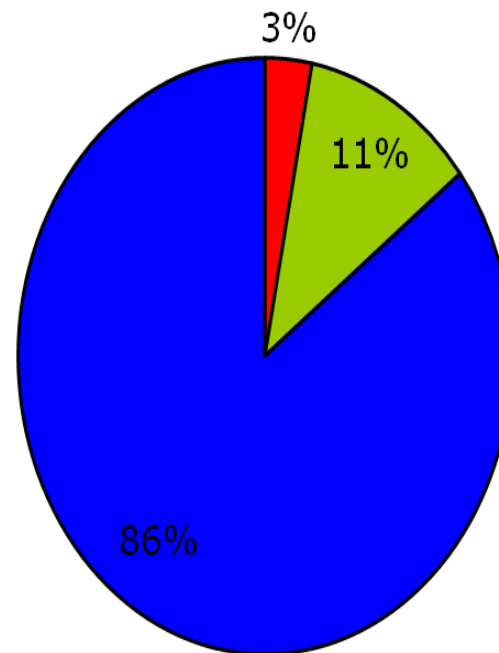


EU funds, 2000-2013 (meur)



EU funds, 2000-2013

STARTED 3 YEARS LATER (2007)



■ Phare + Ispa + Sapard

■ SFs + CF

■ ERDF + ESF + CF

BUDGETARY LESSONS LEARNT

- EU funds: almost unique source of development (Hungary: 97 %!!)**
- Only potential resources, not guaranteed ones**
- Competition among member states, sectors, regions, beneficiaries**
- Possibility (and also need) of future reallocation**
- Still heavy financial burden on national budget**
- Political preference of refundable financial schemes (interest rate subsidies, guarantees, capital investments) – with limited success so far**



WHAT IS IN THE FOCUS OF POLITICS?

- **absorption**
- **correctness**
- **efficiency**
- **effectiveness**



4 DIFFERENT OBJECTIVES

- **absorption: use funds**
- **correctness: use them without repayment**
- **efficiency: use them without additional costs**
- **effectiveness: use them with an impact**
- ***there are trade-offs between the 4 objectives***



4 OBJECTIVES – OUR PRIORITIES

- absorption: MSs use 95-100%
- correctness: MSs repay 5-10%
- efficiency: MSs pay additional 10-15% (+co-fin.)
- effectiveness: this is where the gap is the largest
- *we should possibly focus on effectiveness*



4 OBJECTIVES – OTHERS' PRIORITIES

- absorption: easy to measure and compare
- correctness: easy to measure
- efficiency: relatively easy to measure
- effectiveness: difficult to measure
- *pressure to focus on absorption, (correctness and efficiency), instead of effectiveness*



INSTITUTIONAL EXPERIENCES

Centralised system ?

- limited number of OPs
- limited number of institutions involved in program and project management
- limited commitment of public institutions and public officers
- consequently sharp division (and permanent conflict) between EU public institutions (with development resources!!) and the „traditional” ministerial structures (with just regulatory and other secondary tasks)



INSTITUTIONAL EXPERIENCES

... Or more decentralised system?

- the bulk of public administration is involved in EU program/project management issues
- development and regulatory functions are integrated
- there will be no separate national and EU rules!!

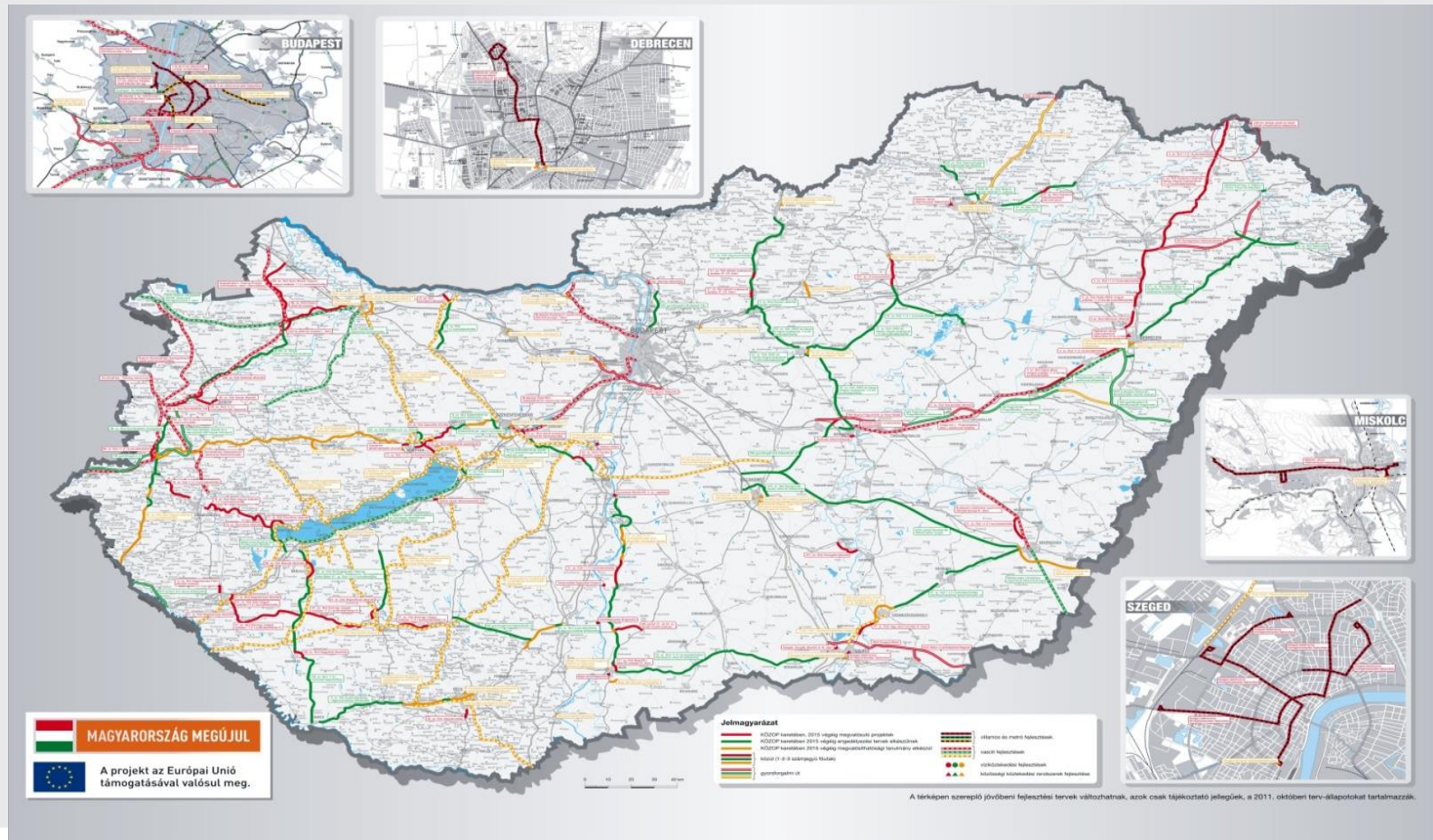


AND THE GENERAL PRACTICE:

- short term political considerations determining the above issues
- giving preference to politically more „profitable“ priorities and issues
- focusing exclusively on absorption
- permanent fight between various public administration bodies for competences, uncertainty not just in election periods



Still, the progress is enormous...



Road, railway and urban traffic network developing in Hungary, 2007-2015

HUNGARY BEFORE THE ACCESSION:

- **strategies**
- **serious environmental considerations**
- **adequate public procurements**
- **clear structure of OPs and involved institutions**
- **enough capacities at the involved public institutions and main beneficiaries**
- **clear view on the new NATIONAL rules, new NATIONAL procedures, new NATIONAL DEVELOPMENT resources, new preconditions**



AND CROATIA ?



THANK YOU FOR YOUR ATTENTION!

