



DUNICOP
Deepening UNiversity Cooperation Osijek-Pécs

LAW – REGIONS – DEVELOPMENT
International Conference
14-15 June, 2013



Project is co-financed by European Union



POSSIBILITIES TO USE STRUCTURAL FUNDS FOR REGIONAL DEVELOPMENT IN CROATIA AND HUNGARY

Jelena Dujmović, mag.iur.

Ana Đanić, mag.iur.

Dr. Eszter Rózsás, associate professor

CONTENT:

- 
- **1. The Instruments of Implementing the European Regional Policy**
 - **2. The Cohesion Policy Objectives**
 - **3. The European Regional Development Fund (ERDF)**
 - **4. In which way can one participate in the Cohesion Policy?**
 - **5. What actions is the Republic of Croatia taking as a way of preparing for the Structural Funds application?**

THE INSTRUMENTS OF IMPLEMENTING THE EUROPEAN REGIONAL POLICY

- **The accession of the Republic of Croatia in the European Union**
- **the possibilities of using and financially benefiting from Structural and Cohesion Funds (their main goal set on achieving economic and social cohesion on the unified European market).**

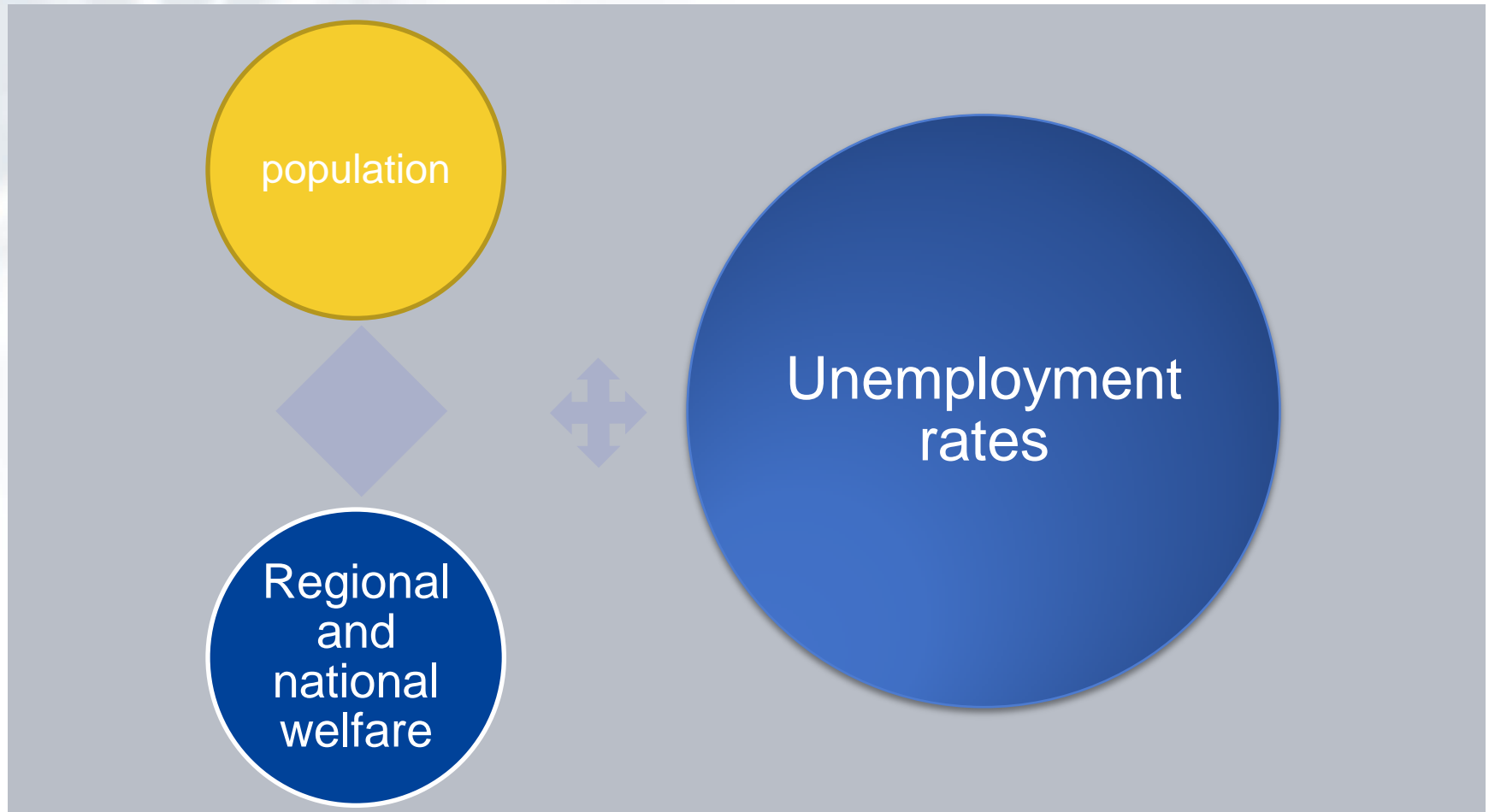


WHY SUPPORT THE COHESION POLICY?



The fundamental instruments promoting both the European Regional as well as the European Cohesion Policy are: the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

CRITERIA USED FOR THE EUROPEAN FUNDS RESOURCES DISTRIBUTION ARE THE:





Regions whose gross domestic is under the 75% of the European gross domestic product fall in the category of underdeveloped regions, whereas countries whose gross national income (GNI) is less than 90% of the European average belong in the group of underdeveloped countries.



THE COHESION POLICY OBJECTIVES

Objectives, Structural Funds and instruments

2007-2013

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		

IN WHICH WAY CAN REPUBLIC OF CROATIA PARTICIPATE IN THE COHESION POLICY?

- It is good to know that the main rule when it comes to spending EU resources is n+2: financial resources planned for the n-year (financial resources planned to be used in 2010 are to be spent by the end of 2012). For the new member states there is a so called “transition” rule n+3 (due to the lack of necessary experience for implementing the complicated EU programs procedures.)



THE EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

- The main reason for establishing ERDF is to deal with regional imbalance within the EU in order to reduce and partially restore balance between differently developed European regions and at the same time to offer financial support to the underdeveloped EU regions.



ERDF

- *The convergence objectives:* research and technological development, developing business networks, information based society, developing the electronic communication infrastructure, developing on-line public services, risk prevention, tourism, investment in culture, cultural infrastructure development, transport investment, investing in education, investing in medical and social infrastructure.

- *The regional competitiveness and employment objectives:* innovation and knowledge based society, ecology and risk prevention and access to traffic and telecommunication services.
- *The territorial cooperation and collaboration:* development of cross-border economic, social and ecological activities and establishing transnational collaboration.

**WHAT ACTIONS IS THE REPUBLIC OF CROATIA TAKING
AS A WAY OF PREPARING FOR THE STRUCTURAL FUNDS
APPLICATION?**

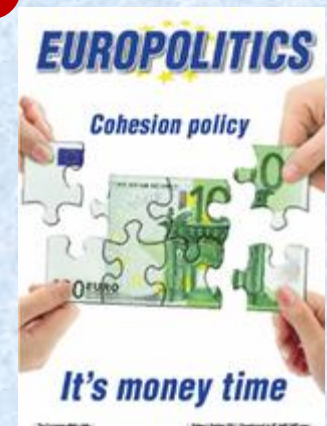
- **Some of the basic advantages of the EU Regional Policy implementation and the Structural Funds application are to be summarized as it follows: extensive administration education programs for quality Regional Policy management, regional involvement in the development policy activities.**

**“When it is a question of
money, everybody is of the
same religion”**

Voltaire



THANK YOU!!!



❖ **A SHORT OVERVIEW OF THE PREPARATION FOR THE STRUCTURAL FUNDS AND COHESION FUND**

§ THE ESTABLISHMENT AND DEVELOPMENT OF THE INSTITUTIONAL FRAMEWORK FOR MANAGING OF EU FUNDS

** POSITIVE ASSESSMENT OF COMPLIANCE MANAGEMENT AND CONTROL SYSTEMS*

§ PREPARATION OF PROGRAMMING DOCUMENTS, WHICH DEFINE THE STRATEGIC FRAMEWORK FOR THE USE OF EU FUNDS

§ PREPARATION OF PROJECTS FOR FINANCING FROM EU FUNDS

§ STRENGTHENING INSTITUTIONAL CAPACITY TO PREPARE AND IMPLEMENT EU PROJECTS

- 1) PROGRAMMING
- 2) IDENTIFICATION
- 3) FORMALIZATION
- 4) IMPLEMENTATION
- 5) EVALUATION
- 6) AUDIT

- + **Centralized Implementation System** -European Commission, Directorate General →control
- + solid partnership, good prepared projects, experience (as “junior” partner in project),
- + **education** for EU funds
- + **great challenge**→administration structure of certain country is one of the most powerful criteria
- + **Revision Control System** -responsibility of member states-participation with EC (implementing EU funds)∞ monitoring



LEGALITY AND REGULARITY OF USING EU BUDGET
PREVENTION, DETECTING AND CORRECTING

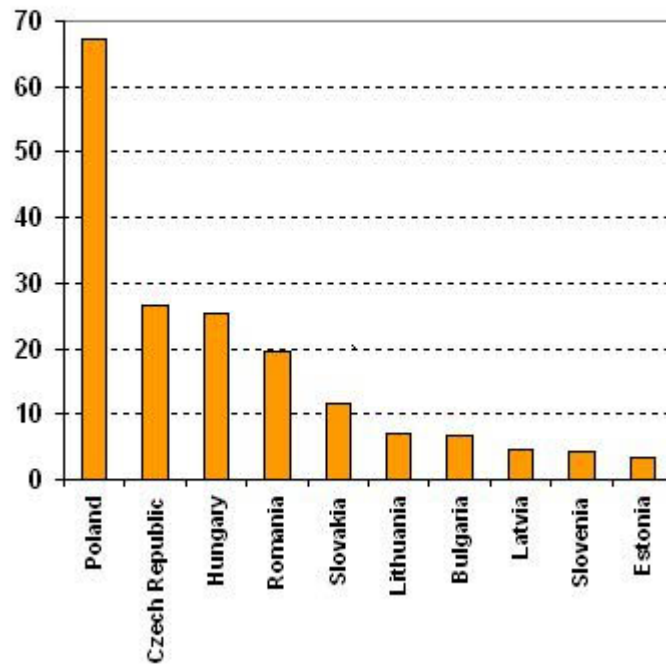
Major problems with financial impact

- Failure to comply with the N+3/N+2 rule
- Financial corrections
- Low public co-financing capacity

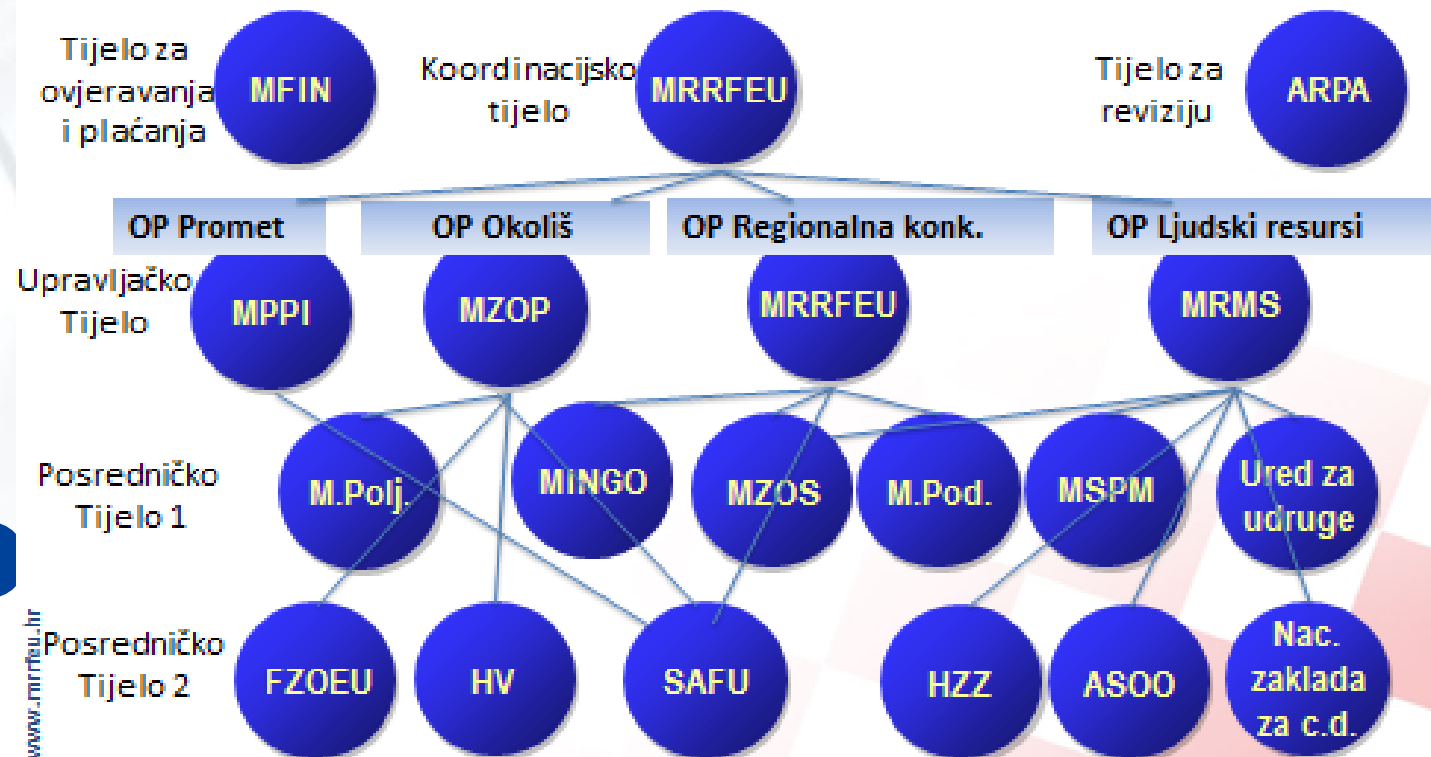
Major problems in the implementation of EU funds

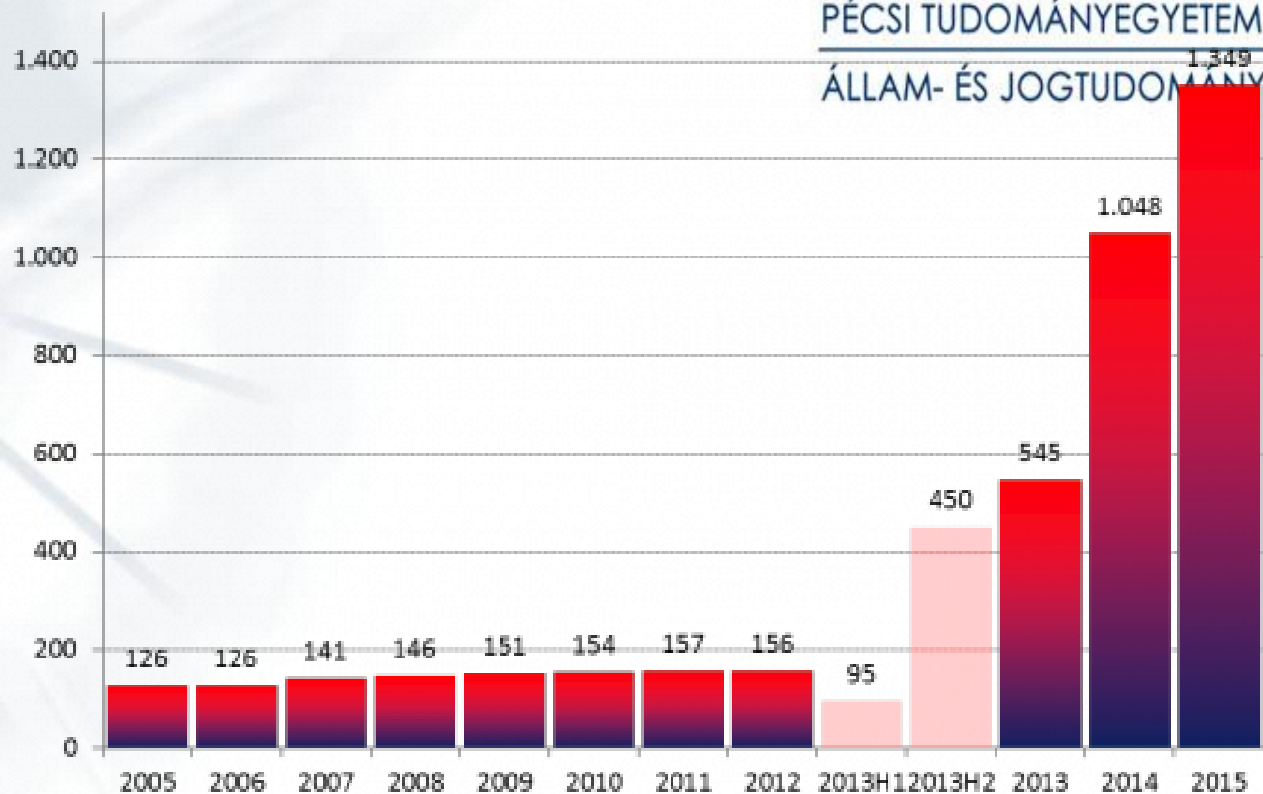
- Errors in the management and control system
- Problems related to the implementation of major projects
- Problems in the area of administrative capacity
- Problems in the area of public procurement
- Problems with the absorption capacity

Allocations of EU funds for CEE countries in 2007-2013 (€ billions)



Sustav upravljanja i kontrole korištenja strukturnih instrumenata EU u RH 2007-2013





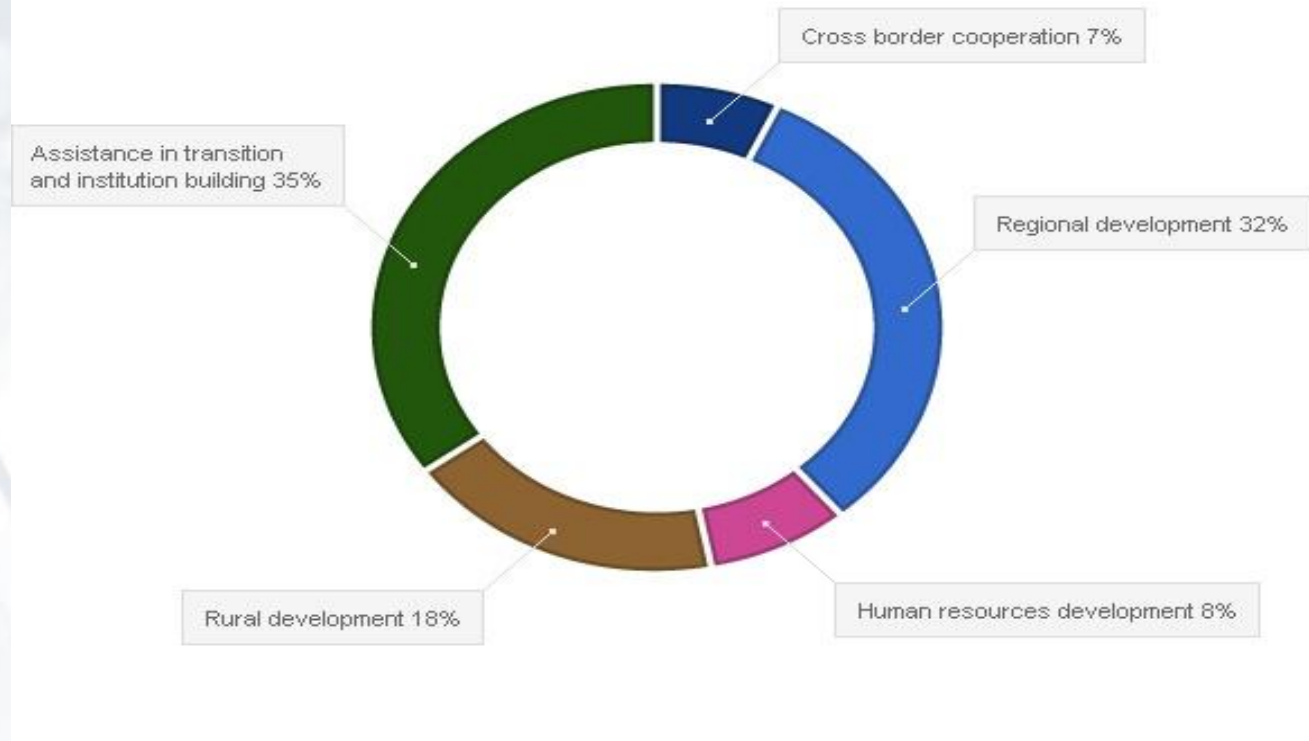
** ALLOCATION FROM EU FUNDS, DATA FOR CROATIA

** **absorption capacity?** (3 factors)-**administration capacity-**
"fluid category"

****The right to assistance from the three structural funds of the European Union have statistical regions whose GDP per capita is below 75 percent of the European average.**

Total financial allocation **→ € 350 billion**

Council Regulation (EC) No 1083/2006; Commission Regulation (EC) No 1828/2006



Successfully running European projects requires the reform of local self-government and a change in mentality. As long as we perceived the EU as another instance from which we draw from social transfers, division on statistic regions will not be essential

Regional politic is **“main investment tool”**



PERIOD 2014.-2020.

§ PREPARATION FOR USING EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

§ EU FUNDS WILL BE THE MAIN DRIVER OF PUBLIC INVESTMENT (€1,4 BILLION EACH YEAR)

§ 9 MAJOR PROJECTS

§ MINISTRY OF REGIONAL DEVELOPMENT AND EU FUNDS + CENTRAL FINANCE AND CONTRACTING AGENCY

★ PRIORITY OF EK:

TO WHICH EXTENT THEY CONTRIBUTE TO INCREASING THE COMPETITIVENESS OF THE CROATIAN EACH AREA

*** European Commission- 11 thematic objectives-"menu"**

*** DIS-Croatian institutions independently continue contracting of IPA funds---abolished the *ex ante* control**

WHAT CAN WE LEARN? WHAT IS THE MAIN PURPOSE FOR FINANCING DEVELOPMENT FROM EU FUNDS?

