

Evaluation “Preliminary study on the possibilities of EU funds management system simplification”

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Expert interviews, focus group discussions, and document analysis present evidence that European Union structural fund management system advances towards simplification; nevertheless, fairly many aspects of fund assignment can be improved.

This pre-research report presents seventy one recommendation for simplification of structural fund system management. Problems found and their relevant recommendations can be divided into several larger blocks:

- It is essential to harmonize the procedures that fund management institutions perform. There are lots of best practice examples within the cooperation institutions (intermediate bodies), however the information about best practice is poorly disseminated. Due to the lack of communication among cooperation institutions, the best processes and procedures remain within the walls of specific institutions and are not broadly applied.

- Communication and cooperation among EU fund management institutions should be improved considerably. Interviews and discussions during this pre-research revealed that final beneficiaries face large amount of different requirements; overlapping of audits on the same project; the support recipients are required to submit documents that the cooperation institutions could easily obtain from public registers themselves; the same information with minor adjustments has to be submitted to various institutions, or what is more alarming, even to various departments of the same institution.

- EU structural fund programming (planning) is isolated from long-term state development planning, from industry focus or prioritization, and from financial planning that municipalities and businesses carry out. Support applicants have trouble planning their development in the context of structural funds available; delays in support program introduction create substantial losses to the support applicant because of e.g. cancelled orders or cost increases.

- The service quality shall be paid major attention to. Interviewees have pointed out that the administrative culture of fund management institutions is at times unacceptable; reportedly, the institutions see the support applicant as an unreliable suppliant rather than as a valuable partner whose activities actually contribute to the country development. Procedures and acts of cooperation institutions indicate they are controlling rather than cooperating. Such attitude is demonstrated by formal, at times excessive requirements regarding quantity and desing of documents for submission. It also shows in lack of enthusiasm to reconcile project amendments quickly, even if those amendments do not materially affect the project substance, do not impede achieving project goals and do not increase support requested. In order to improve the situation, it is recommended, inter alia, to revise draft agreements between a support applicant and a cooperation institution by introducing responsibility of cooperation institutions to perform their share of the duties properly. What is more, these standard agreements could also include specific quality measures with regard to the services provided to the support recipient.

Speed of EU funds administration. Although much has been done to speed up the EU fund absorption, room for improvement remains. For example, letters sent by post instead of e-mails, lengthy turn-over time for endorsement of procurement plans, slow project application processing and late answers, or no answers at all, to support applicant letters, and slow processing of requests for re-imbursment increase project management costs and diminish the attractiveness of EU fund support. Strictly enforced single implementation schedule would considerably speed up the absorption of the EU Funds. Also, the „grey zones” (legally defined turn-over time extended to allow extra information requests) should be addressed.