

PROCESS AND PROJECT EXCELLENCE

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Abstract

The article uses the content analysis to answer questions about the use of external consultants or internal personal sources to lead the pre-project documentation and whole project process which are financed by EU structural funds. The article mentions further financing of projects, use of Local Action Groups, answer the question about the previous experience of actors with similar projects. An implementer of the case study projects could be an individual, a nonprofit organization, a public entity, a small or middle enterprise (up to 250 employees) and a big company (more than 250 employees). The conclusion is different for individual types of the implementers. The conclusion of the qualitative study is that projects which are in cooperation with Local Action Groups do not need other external consultants (Local Action Groups helps like consultant themselves). The limitation of the article is a small sample of examples that cannot be generalized. The result is used by implementers and external consultants to consider cooperation on projects burdened by grant applications and management of these projects.

Key words: Project case study, Local Action Groups, EU structural fund

JEL Code: M0, M1, R0

Introduction

EU funding is essential to finance projects that are financially expensive but bring benefits to the entire European community. Projects can be defined by similar features and then included in specific groups (in EU terminology “programs”). The financial intensity of these projects varies, as does their contribution to the territory. Pointing out the common features of projects automatically leads to the definition of the diversity of individual projects for a given group. Project goals must be named, they have a structure that can be monitored. The fulfillment of the conditions of the project application is a necessary for the allocation of the financial support and subsequent drawing of resources from EU funds.

Powęska (2018) divided the projects that successfully fulfill the conditions for the allocation of resources monitored the common factors of projects in these groups: thematic

scope, total value and amount of EU funding, as well as the area of the project implementation. Based on the thematic scope of projects, the categories of drawing EU funds were distinguished. The division of projects and the amount of drawing resources can be divided from the territorial point of view, the size of the city, municipality or region and the impact of the project's contribution on the given territory. The most important conclusions are: (1) Dependencies between the territories in which the projects took place did not affect the amount of resources drawn. (2) The impact of the projects increasing the positive impact on the communities affected by the projects. (3) Projects that were able to pursue their project goals achieved a higher drawdown. (4) The experience with previous project management is the way to successfully meet the goal.

Based on this, an attention will be focused on: (a) Factors of project preparation and implementation; (b) Previous experience with similar applications and project implementation; and (c) Use of external assistance in the project phases.

1 Supported Projects from European funds

The European policy is limited to regional disparities and increases a competitiveness and an economic growth in less developed countries/members (Pisár & Varga, 2018). Over the decades, projects have gained great support from the southern periphery (Greece, Italy, Ireland, Spain and Portugal), focus on enlargement and growth in 2004 moved to the eastern members including the Czech Republic. The categories targeted by projects are EU synergy policy (European infrastructure, human capital, R&D and information technology, business support and institution building). These five dimensions represent the key areas within which the EU assesses the development needs of the member states (Medve-Bálint, 2018) and in which the focus of this research projects is moving. Lewicki (2018) said that is important to unify the common elements of projects so that projects can be used effectively and meet the conditions for the allocation of funds from European project management funds. The developed level of regional administrative capacity and the transparency of the management of project conditions contribute to the success of the project. Developed knowledge of project management helps to successfully complete the project (Bloom & Petrovova, 2013; Medve-Bálint, 2017; Medve-Bálint, 2018).

According to Hájek, Novosák, Jurčík, Spiesová and Novosáková (2019), the Czech Republic does not know how to make full use of the possibility of drawing on the structural funds of the European Union. Compared to the disadvantages of micro-regions, there is a

more even spatial distribution of structural funds, regardless of the type of beneficiary. We cannot talk about compensating for the disadvantages of the micro-regions of the Czech Republic through the Structural Funds, both in the case of interventions carried out by public beneficiaries and in the case of interventions carried out by non-public beneficiaries. The assessment of the absorption capacity of the actors of the territories of disadvantaged micro-regions emphasizes the lower ability of non-public actors of these territories to prepare a larger number of project applications or the lower ability of public actors of these territories to prepare more financially demanding projects. (Hájek, Novosák, Jurčík, Spiesová, & Novosáková, 2019). This raises questions about the use of external guides to project management and the use of standards to facilitate management repeatability (Mukhtar-Landgren & Fred, 2018).

Kováč, & Kučerová (2006) stated that in (rural) project preparation and realization is used many actors who are interested in project and participation inside and in the project surrounding. They can be internal and external. They spoke about fundraisers, volunteers in many roles (Zárubová, & Švecová, 2019a; 2019b; 2020), project preparation helpers, project realizations helpers (paid and volunteers), designers, administrators etc.

Project groups are formed for easier projects actions (Kováč, & Kučerová, 2006). Growth of 'project class' and on the new social/power positions is see in the Local Action Groups in this article. A Local Action Group (LAG) like non profit-making composition made up of public and private organizations from rural villages having a broad representation from different socio-economic sectors (Zárubová, & Švecová, 2020) can through the European Agricultural Fund for Rural Development (EAFRD), LAGs can apply for financial assistance in the form of grants to implement the Local Development Strategy of their respective territory (Kováč, & Kučerová, 2006).

2 Data and Research Methodology

2.1 Data

The research uses data from 51 case studies on projects realized with support of operational program Human Resources and Employment between years 2007 and 2013 and operational program Employment between years 2014 and 2020 in the Czech Republic. The case studies have been elaborated as a part of two evaluations in which one of the authors took active participation:

- Elaboration of case studies of projects financed from Operational Program Employment within the calls of Local Action Groups. This evaluation was conducted between years 2018 and 2019 (by IREAS Centrum s.r.o.) with an aim to show good practice in ten case studies on projects supported via Local Action Groups (LAGs). Czech Republic is very well covered by active LAGs, however, the concept and possibilities of projects realized in calls of LAGs as a part of Strategy of Community Lead Local Development (SCLLD) is still unknown to wide public. For more information on Czech LAGs see for example (Potluka & Fanta, 2020).
- Totally 41 case studies of projects realized by businesses to increase qualification of their own employees. The studies were elaborated as a part of Evaluation of the impacts of the area of support 1.1 of the Operational Programme Human Resources and Employment applying qualitative methods (HaskoningDHV Czech Republic, IREAS Centrum, 2015).

As the above stated overview shows, the case studies used as a base of data for further research cover projects realized between years 2012 and 2019 and two programming periods of the EU. All case studies use projects supported from Operational Program Employment and its predecessor Operational Program Human Resources and Employment.

2.2 Methodology

The methodology used to analyze the extent and form of project management in the projects supported from the structural funds of the EU was limited by the fact that the case studies have already been elaborated and the research finished. Therefore, the content analysis of the case studies was used as a primary research method. Based on the content analysis the following research questions have been answered:

- 1 Are the projects prepared and realized directly by the support recipients or do they use external companies?
- 2 Do the project realizers have previous experience with similar projects?

The qualitative information from the 51 case studies have been quantified using a table showing number of cases when the projects have been prepared and realized by the company directly and the number of cases when external consultants have been used. The research distinguished between project preparation (preparation of project application) and project realization and management.

3 Research results

As stated in the previous chapter, in total 51 case studies of the projects were analyzed in terms of project preparation and project management. The following table shows division of project realizers by their legal status, as not all of them were of the same type.

Tab. 1: Project realizers by type

<i>Type of realizer</i>	<i>Number of projects</i>
Individual	2
Nonprofit organization	6
Public entity	2
Small and middle enterprise (up to 250 employees)	30
Big company (more than 250 employees)	11
<i>Total</i>	<i>51</i>

Source: own elaboration based on the case studies

Dominance of business companies is given by the fact that one of the evaluations has been focused on educational activities in business enterprises. The case studies have more or less equally covered the whole territory of the Czech Republic excluding the region of the capital city of Prague.

3.1 Project preparation

One of the very first steps in projects co-financed from the Structural funds of the EU is a preparation of an application. This is rather administrative process requiring other skills than ordinary project planning. The research shows that the applicants widely use external consultancy companies that specialize in preparation of project applications. Totally 20 from 51 companies used external companies to prepare grant applications. It means that about 40% of companies rely on an external supplier.

The results become more interesting if we distinguish between the two evaluation studies. One study comprised from 41 projects (case studies) realized solemnly by business enterprises within the national calls. All projects using an external consultant for preparing project application come form this group. It means that 20 companies from 51 (i.e. almost 50%) uses external consultants.

The second study focused on projects realized within calls of LAGs shows that only one project used an external consultant to prepare a project application. Qualitative research of the case studies revealed that it is given by two facts. Firstly, the type of project realizers is different and include public bodies and nonprofit organizations that are used to apply for financing more often than businesses. The second fact is a specific position of LAGs in the region where LAGs act partly as a consulting company to the applicants.

If previous experience with similar projects preparation is taken into the consideration, the results show a significant difference in using external consultants. From the analyzed case studies there was evident that 19 companies had previous experience with preparation and realization of projects financed from the EU structural funds. Out of these 19 companies only 3 (16%) used external consultants for preparation of project application. On the other hand, 13 companies stated that they did not have previous experience with similar projects. Out of those 13 companies 10 used external consultants (77%).

The analysis also shows that big companies tend to use internal resources for project preparation, however, a clear conclusion is not evident from the research. The results of the analysis show that previous experience with similar projects and type of call organization are the key factors for decision on using external consultants for preparing project applications.

3.2 Project realization

While during the project application process the business companies to the great extent rely on external consultants, the project realization most of the companies realize by themselves. Only 6 out of the 51 case studies used external companies for project realization and administration which represents only some 12%. In 8 case studies it was not evident if they used external companies for project realization. There is no significant difference in fact if the external project management was used by small or big companies.

The results of this analysis show that companies tend to use internal project management for realization of projects financed from the EU structural funds. There was not a single case where a company would prepare project application by internal resources and used an external company for project realization.

All project supported within the calls of LAGs have been managed directly by project realizers. We assume that it is predominantly caused by the type of realizers (public bodies and NGOa), however, this assumption should be confirmed by further research.

Conclusion

Results of the analysis shows that companies are more willing to use external consultants for project preparation (40% of applicants) while project realization is predominantly realized by the companies' internal resources.

Using external consultants for projects preparation is also dependent on type of applicant and type of calls. Public bodies and nonprofit organizations do not use external consultants for creation of project application while business companies are more open to use of external consultants. Qualitative analysis of the case studies show that it is given by more experience of non-business applicants with similar projects. The case studies on projects realized within the calls of LAGs mentioned that LAGs have been acting more like a consultant in project preparation, therefore there was not much need for external consultant.

The limitation of this analysis is in the fact that it used previously elaborated case studies, however, the primary research was not focused on the research questions. The above mentioned results and conclusions should be therefore confirmed by further research focused directly on the research questions.

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