

Public projects – theory X praxis

David Póč Department of Public Economics





Public projects

- 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)

- 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.)



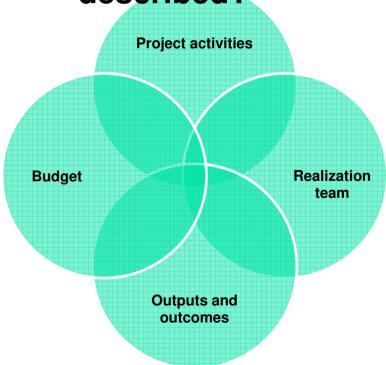
Project cycle

- 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



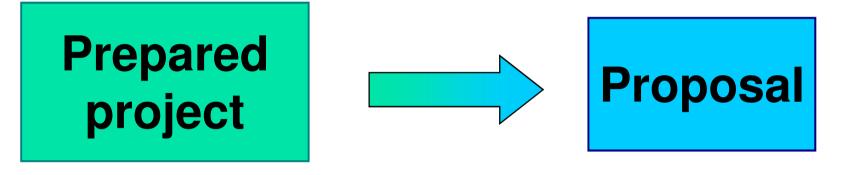
Project proposal – first step to get funded

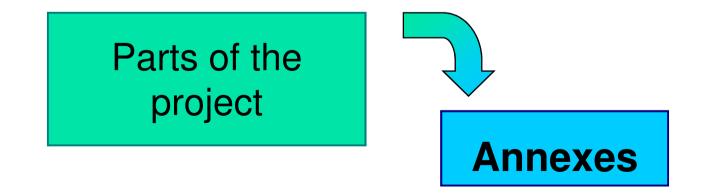
To what detail the project proposal is being described?





Idea is completed and what to do next?







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



Thanks for your attention!

Sources:

- Dočkal, V: Strukturální fondy EU projektový cyklus a projektové řízení. Brno: Masarykova univerzita, 2007. ISBN 978-80-210-4390-9
- Information from <u>www.struktralni-fondy.cz</u>