

# SUMMARY REPORT



COOPERATION FUND  
Foundation



**EUROPEAN CONFERENCE**  
**Effective management of programmes and projects**  
**under the European Social Fund 2007-2013**



# **SUMMARY REPORT**

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under the European Social Fund 2007-2013**

**1 June 2007, Warsaw**

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# 1. Introduction

In the new programming period of the European Social Fund (ESF) a special emphasis has been put on good project management. One of the most relevant objectives is the extension and popularisation of competence in planning and implementing resolutions, as well as in the application of methods enabling the engagement of project partners and beneficiaries. Other relevant points are: exchange of opinions, analysis of difficulties that project and program managers may encounter, providing practical methods for resolving problems and improving the relevant skills for persons responsible for project management and implementation.

European Commission has appointed the “Capacity Building Group” within the EQUAL Community Initiative Programme. The Group has been appointed in order to train European ESF project and programme managers in applying good management practices with special consideration of Project Cycle Management – PCM. The Group’s objective is to support persons preparing and implementing ESF programmes, in the scope of programme and project realisation, in accordance with the most relevant rules of the new programming period. The Group strives to expand the knowledge about PCM benefits observed by persons who have not used this approach before. It also helps potential users to adapt PCM tools and solutions to their individual needs. In the longer perspective, the Group plans to increase the quality of management and implementation of the new operational programmes, by preparing an integrated set of successfully tested tools designed for project defining, planning, selecting, implementing, monitoring and evaluating.

In June 2006 members of the Group (representatives of Italy, Poland and Belgium) started the realisation of “A European Community of Practice on Sound Planning and Management” project financed by the European Commission. The objective of the project is to support people creating and implementing European Social Fund projects in the proper management of new generation programmes (2007-2013).

A European Conference “Effective management of programmes and projects under the European Social Fund 2007-2013” was one of the initiatives taken up within the framework of the project, and took place on 1 June 2007 in Warsaw. It was organised by three co-operating institutions: the Ministry of Regional Development, the “Co-operation Fund” Foundation, and the working group appointed by the European Commission – Capacity Building Group. The Conference was attended by the representatives of the European Commission and institutions involved in implementing projects financed by the European Union funds in Poland, Latvia, Italy, Sweden and Ireland. The initiative was addressed to major institutions responsible for ESF programmes and projects implementation, such as ministries, institutions implementing ESF projects in regions (voivodship and marshal’s offices), social partners organisations, and organisations realising the EQUAL Community Initiative projects. The total number of participants of this event amounted to 140, including a number of independent experts in the field of management.

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The conference's main aim was, on the one hand, to create an opportunity to exchange opinions on the current management practices of the programmes and projects financed from the ESF funds, and on the other hand, to develop guidelines on increasing the efficiency and effectiveness of management of projects realised in the new programming period of the ESF, worked out co-operatively by decision-makers, representatives of the implementing institutions, and project initiators.

The ideas presented at the conference included:

- solutions implemented and successfully tested in Europe within ESF programme management structures at the regional level,
- proposals of solutions, and positive examples of implementing methods and tools supporting the management processes in cases of project initiators and executors, and managing and implementing institutions,
- objectives of common perspective combining the experiences of project managers, persons evaluating resolutions, local and international experts, employees and managers of institutions engaged in the ESF management system,
- most recent solutions in project management, recommended by the European Commission and the international community for the programming period of 2007-2013,
- plans of support for programmes and projects financed by ESF in 2007-2013.

## 2. Plenary session: Management of project (experiences and challenges). Speakers' statements

During the plenary session, which was led by the representatives of the European Commission, the Ministry of Regional Development, the "Co-operation Fund" Foundation and the experts, the European Commission presented its assumptions about the role and importance of effective management of projects financed from the ESF funds, in respect of the objectives set by the European Commission, as well as the planned solutions in project and programme implementation in the new programming period in Poland. The results of the evaluation assessments, carried out among Development Partnerships realising projects within the EQUAL Community Initiative, in the scope of using the managing methods in the EQUAL Community Initiative projects, were also presented.

**Lech Witecki, the president of the "Co-operation Fund" Foundation**, acknowledged the present co-operation of the Foundation, the Ministry of Regional Development and the European Commission, which have undertaken many joint activities for the purpose of building knowledge and skills capacity of the partnerships realising the projects. *This conference has a particular significance. It opens a new era in project management in the new perspective of ESF for 2007-2013, and constitutes a summary of the actions undertaken so far with regard to the implementation of new quality in managing the new European projects. In the period of about 2 years of the EQUAL projects realisation, the institutions involved in the implementation of this initiative have been offered various means of substantial support. One of them consisted in organising trainings concerned with the usage of project managing methods. The experience of the EQUAL Community Initiative implementation in the field shows that, at the level of projects and programmes, the Project Cycle Management tool is used more and more frequently. We know today that approximately 70% of the organisations taking part in the programme have used the PCM methodology. The use of experience gained by the EQUAL partnerships – approximately 650 institutions – may in the long term perspective affect the quality of management, and implementation of the new operational programmes financed from the European Social Fund funds.*

The representative of the European Commission, **Gehard Braeunling** discussed the effective planning and implementation of the European Social Fund activities. *Firstly, we shall ensure that the project aims are consistent with the aims of community programmes. Secondly, we shall adapt projects to the needs of particular social groups. Thirdly, we shall decrease the projects' administration costs by introducing a unified management structure. Lastly, we shall provide better efficiency by means*

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of effective monitoring. Braeunling also assured that the European Commission will support Poland in the realisation of the projects financed from EU funds.

Among the issues discussed during the plenary session was the use of the Project Cycle Management method in the new programme perspective of the European Social Fund for 2007-2013. *We ask ourselves how we should use the PCM methodology in the project realisation, and to what extent it should be obligatory for the project initiators – says Piotr Stronkowski, Deputy Director of the European Social Fund Management Department at the Ministry of Regional Development We also wonder to what extent we should focus on the training of persons working on the implementation of the structural funds, and on training project initiators. This conference provides a perfect opportunity to try to answer those questions. It is also organised in a crucial moment, while we are finishing the process of negotiation concerning the Human Capital Operational Programme, which will be co-financed by the European Social Fund. This means that the final decisions concerning the way of using the European Social Fund for the next 9 years are being made now. Let me remind you that at the moment we have about 2 billion Euro from the European Social Fund at our disposal, and in the “New perspective” this sum will amount to about 10 billion Euro. It is a great opportunity for Poland, but at the same time, we see that the situation on the Polish labour market is difficult. This situation is, however, constantly improving and makes a great challenge for all of us. The European Social Fund provides an opportunity to solve this problem, therefore we are interested in not only spending those 10 billion, but also in doing it wisely, so that the effects on the labour market are visible and long lasting. By using these funds, we would like to provide a solid ground for the long term development of the Polish economy, and help Poland make a civilisation leap, especially in the field of human resources – that is the field we are most interested in. We ask ourselves: how to reinforce this process, how to ensure that the investments financed from the European Social Fund are of truly high quality and bring the intended effects. We would like to share our experience gained within the EQUAL programme during 2 years of its implementation. I was wondering how to reinforce project management and quality within the EQUAL programme. Inspired by the opinions and experience of other countries, and also of the European Commission, we decided to use significant founding to support Partnerships in Project Cycle Management.*

The results of the research concerning the use of PCM methodology in project management were discussed by **Bartosz Grucza**. *The first phase of the EQUAL programme was executed outside of our reach, and I guess this is why it was difficult to start co-operation with organisations which achieved good results during the course of the programme. It can be surely stated now that we are using this experience, and that is why it is very important that, along with the participants from Italy and Belgium, we also host guests from Sweden, the Netherlands, Ireland, Lithuania and the Czech Republic. These countries have expressed similar needs and ideas concerning the necessary changes in the European Social Fund in the new programming period. I am glad that Poland’s achievements in the realisation of the projects are significant enough to be shown to all of Europe. We have also worked out good techniques which are worthy of promoting in other countries, and I know*

*that they are already used. I am also happy that we are able to face together the difficulties and challenges we are encountering in the European community. I have a lot of experience in the field of using PCM methodology, and I think that the most important is to achieve a certain level of project maturity and responsibility, which is more and more often presented by Polish partnerships.*

**Erik Kijne** pointed out the importance of planning in project management. *It is important to verify whether the project fulfils the quality requirements, if the groups targeted had any influence over its creation, and if it meets their needs so that the project's results may be used when it is finished. The PCM methodology, which requires the beneficiaries' participation, is one of the effective tools of identifying the planning needs. The essence of this methodology is that we do not start our actions from defining a solution. The methodology facilitates a different approach to the problem. The project planning starts from problem identification. It is the problem that is real, not the perspective of aims set in the plan, which is only an illusion. Fascinating – the problem is real, and we call it the project's anchor. The anchor consists of what people experience emotionally: pain, suffering, frustration – all of those are hardly predictable. At the beginning, we focus on them, and only after careful analysis we plan our further proceedings.*

### 3. Working groups' activities – “How to improve project management?”

The workshops aimed at working out recommendations for project and programme realisation were the key part of the conference. They ended with an opinion poll of all of the participants, in which they had a possibility to express their opinions concerning the worked-out proposals, and a discussion panel with the representatives of the European Commission, the Ministry of Regional Development, the Ministry of National Education, and the invited experts.

Four workshops were organised, during which problems and solutions in the scope of project management were discussed from various perspectives.

Working group I: Project Management Experience from the Regions' Perspective.

Working group II: Project Management Experience from the Programme's Perspective.

Working group III: Project Management Experience from the Beneficiaries Perspective.

Working group IV: Project Management Experience from the Perspective of Experts (support or appraisal of projects).

#### 3.1. Working Group I: Project Management Experience from the Regions' Perspective.

Moderator: Monica Puel (Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori, ISFOL, Italy)

Co-moderators: Valentina Benni (EQUAL National Support Structure, Italy), Anna Jawor (IBM), Izabela Laskowska (Foundation for the Development of the Education System), Emil Bukłaha and Michał Zalewski (Main School of Economics in Warsaw)

### Session aims

- Identification of the main problems in ESF project management at the regional level.
- Exchange of Polish and foreign experiences in project management at the regional level in the programming period for 2004–2006.
- Working out solutions to diagnosed problems, in order to avoid possible mistakes and improve regional project and programme realisation.

### Participants

Over 20 persons participated in the session. They were representatives of public administration bodies, from the local (representatives of Marshall's Offices) as well as the central level (representatives of the Ministry of Regional Development), representatives of self governments and beneficiaries (organisations realising ESF financed projects or intending to use such support in 2007–2013).

### Session programme

The first objective addressed by the participants divided into two groups was to jointly identify the three major challenges or problems appearing when managing ESF projects at the regional level. Then, Erica Giordano presented the specifics of the EQUAL Community Initiative programme management in the region of Piedmont. She discussed the problems which occurred during the implementation of the programme, and means used to prevent these difficulties.

A short discussion about the solutions used in Italy was followed by the third stage of the working session – working out recommendations and solution suggestions to the main project management problems at the regional level.

### Problems identified by the participants and suggested solutions

**Group of problems 1.** Complicated and difficult to understand procedures constitute a significant obstacle for program beneficiaries. Difficulties in understanding formalities related to the acquisition of ESF funds discourage the potential applicants from submitting their projects' proposals. At the same time, officials working in the local authorities encounter difficulties with understanding the procedures of subsidising, which means setting higher requirements for project initiators in order to avoid possible irregularities.

*Proposed solution.* Facilitating financial procedures may significantly improve the absorption of the EU funds. Rules of obtaining subsidies should be clear to beneficiaries with no expertise, and at the same time to officials assigned to manage the programme at the voivodship level. Additionally, simplified financial procedures will help in preventing delays in the payout of single tranches of the subsidy.

**Group of problems 2.** Vocabulary and terminology used in the programme documentation, procedures and required documents are often difficult to understand for persons with no professional background. Since the ESF applicants

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are often members of NGOs, unfamiliar with the official language, the understanding of the basic concepts of the programme is often a challenge. The problem of the comprehension of the terminology appears at higher levels of management as well, e.g. during the communication process between local authorities and the Financing Institution.

*Proposed solution.* It is necessary to introduce common – simplified and understandable – terminology in ESF projects' documentation and procedures. This would enhance the number of organisations willing to use UE funds, and communication between applicants and regional authorities, as well as between regional and central authorities, will be improved.

**Group of problems 3.** It can happen that actions of various entities implementing EU programmes are inconsistent. Each institution uses a different approach to projects it manages, requires different sets of documents, and pays attention to different elements of the initiatives. A cohesive approach to project management is needed.

*Proposed solution.* Strategic documents defining specific direction of activities in the new financial perspective should be compiled. This solution enables a standardisation of the approach to project management in various institutions involved in EU programmes implementation. Organisations of beneficiaries will be able to use their previous experience, gained during the implementation of projects of different nature, to a greater extent.

**Group of problems 4.** Poor communication between the Implementing Institutions and project initiators constitutes a major impediment. There is a need of a possibility to clarify any doubts and solve problems appearing during the projects' realisation processes. The promotion of ESF subsidising is also insufficient.

*Proposed solution.* It is necessary to create an information exchange and communication system functioning among the involved parties, and introduce a mechanism of day-to-day consultations of beneficiaries with Implementing Institutions. An exchange of information, and best practice among various organisations realising projects within the same programmes, should also be enabled. A greater emphasis should be put to ESF advertising and promotion.

**Group of problems 5.** Local authorities are often unable to adjust programmes to the specifics of their region or voivodship. Low decisiveness of the authorities at the regional level impede flexible approach to citizens' problems.

*Proposed solution.* In the new programming period ESF should enable greater decisiveness at the regional level, so that local authorities may adjust EU programmes to the needs of the given voivodship to a greater extent. It should be reminded, that some social problems are common for all of the voivodships, other may have their specific character. Thus, it may be difficult, for example, to use the same solutions in the mining region of Silesia and in the rural Podlasie.

### 3.2. Working Group II: Project Management Experience from the Programme's Perspective.

Moderator: Lidia Kuczmierowska (LK Konsulting, Poland)

Co-moderators: Agnieszka Siekiera, Aleksander Wasiak-Radoszewski ("Cooperation Fund" Foundation)

#### Session aims

- Familiarise participants with experiences associated with implementing the project cycle management methodology while implementing the EQUAL Community Initiative in French-speaking Belgium and in Lithuania.
- Conduct a joint analysis of the most frequent and most serious problems associated with project management of the programmes and projects financed from the ESF funds.
- Suggest solutions to the selected problems in project management.

#### Participants

Over 30 persons participated in the session. They were representatives of public administration bodies at the central (the Ministry of National Education, the Ministry of Regional Development, the Ministry of Finance) and local (representatives of voivodships) level, as well as the representatives of self governments and NGOs. Among the members of the group taking part in the works were guests from Lithuania, Belgium, the Czech Republic and representatives of the European Commission.

#### Session programme

In the first part of the meeting two presentations dedicated to foreign experience in project management were delivered.

- "Project Cycle Management Method: Key To Success?", Jenny Charlier, French-speaking Belgium.
- "Using PCM to improve the effectiveness and coherence of the Lithuanian EQUAL Programme", Neringa Poskute, Lithuania.

The second part of the session was of workshop character. The participants jointly created a list of the most frequent problems they encounter in managing projects financed from ESF. Almost 50 problems were displayed on several flipcharts. They were subsequently sorted and put in groups of similar issues, so that 5 most important could be selected. Then, a list of solutions to each of the priority problems was formulated.

#### Problems identified by the participants and their suggested solutions

**Group of problems 1.** Excessive procedures and formal requirements constitute a significant obstacle in using funds for many entities. They are the cause of ineffectiveness in management, as well as in the use of subsidies. This includes funds expenditure control system, which is inconsistent and often allows control functions to double.

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*Proposed solution.* It is necessary to review currently applying procedures, and the division of responsibilities and competence, among various institutions and, then, eliminate the unnecessary or repeating ones. No additional regulations above those set by the EU structures should be created.

**Group of problems 2.** In general, the currently applicable legal regulations fail to provide necessary clarification of the requirements of using structural funds. The requirements of using funds and legal regulations are often inconsistent.

*Proposed solution.* It is necessary to focus the attention of legislators and entities having influence over the local law to the need of creating such laws which would encourage a rational and efficient usage of the structural funds. Regular activities in this field should be undertaken (there is a necessity to start the so-called legal mainstreaming, which consists in the inclusion of issues associated with the structural funds use in the legislating processes).

**Group of problems 3.** Current procedures and modes of taking decisions substantially hinder the introduction of changes in projects, which is inevitable in the case of longer and more complex undertakings.

*Proposed solution.* It is necessary to introduce elements of change and risk management into management standards of projects financed from EU funds. These should include not only subsidy application forms and their verification procedures, but also standard procedures of managing and implementing institutions.

**Group of problems 4.** The emphasis put on spending all of the obtained funds results in a situation where the aims of programmes and projects, that is the reasons for the undertakings, become secondary.

*Proposed solution.* It is necessary to popularise the use of Project Cycle Management methodology (PCM), which forces a focus on intervention logics – social and economic change in the first place, while project activities and procedural requirements should be subordinated to it.

**Group of problems 5.** Insufficient knowledge and skills in the project management among employees of project initiators, managing institutions, and others who have influence over the realisation of undertakings financed from the structural funds, causes various problems. These include, for example, faulty schedules, wrongly constructed aim and result obtaining indicators, over- or underestimated budgets.

*Proposed solution.* It is necessary to ensure wide accessibility to high quality trainings, consultancy, information and educational materials in the field of project management. Such trainings should cover project leaders, managing institutions representatives, and other stakeholders.

### 3.3. Working Group III: Project Management Experience from the Beneficiaries Perspective

Moderator: Bartosz Grucza (Main School of Economics in Warsaw, Poland)

Co-moderators: Olga Nadskakuła (Main School of Economics in Warsaw), Paweł Wyrozębski (Main School of Economics in Warsaw)

#### Session aims

- Presentation of experiences connected with using the Project Cycle Management method from the perspective of project's beneficiaries.
- Comparison of various project management methods used by the EQUAL Community Initiative beneficiaries.
- Evaluation of PCM usage and usefulness in the EQUAL Community Initiative project management.
- Joint analysis of problems that beneficiaries managing projects financed from ESF funds approach.
- Suggestion of solutions to diagnosed problems.

#### Participants

The session was attended mainly by the direct beneficiaries of the projects financed from ESF funds, that is representatives of public administration bodies at the local level (self governments) and NGOs representatives. Additionally, representatives of three EQUAL Community Initiative Development Partnerships took part in the group work.

#### Session programme

Experiences of three EQUAL Community Initiative Development Partnerships concerning project management methods were presented during the session. The presentation was prepared by the EQUAL Community Initiative Development Partnerships' representatives who use Project Cycle Management (Poland):

- "The role of self-evaluation and monitoring in project management. Experiences of the "Szansa bez munduru" partnership (Partnership for Vocational Activisation of Residents of Post Military Territories), Maria Darowska, Grupa Antares, Warsaw;
- "The use of the Project Cycle Management method for the preparation and implementation of the EQUAL Community Initiative Programme project ", Kamila Jeżowska, UNDP, Warsaw;
- "The Partnership of Chances Alignment – project realisation", Jerzy Pilimon, NSZZ Solidarność of the Warmińsko-Mazurski Region, Olsztyn.

The workshop part of the meeting was focused on finding common and most frequent problems encountered by the beneficiaries realising the projects. The problems raised were assigned to broader categories. In this way, the group worked out five problem groups which underwent thorough analysis, and solutions were suggested for them.

### Problems identified by the participants and suggested solutions

**Group of problems 1.** Procedures of financing and settlement of projects are too complicated. There are no consistent project management guidelines or a common management standard for different programmes financed from the ESF funds.

*Proposed solution.* It is necessary to simplify procedures through preparation of a common management standard, which could apply to all undertakings financed from the ESF funds. Beneficiaries applying for subsidies under various programmes could incorporate the same methodological assumptions, focusing on the essence of the project to a greater extent.

**Group of problems 2.** The system of project initiators and teams realising projects support is unsatisfactory.

*Proposed solution.* It is necessary to extend the scope of available trainings at all stages of project preparation and realisation, and to prepare an organisation certification system in the field of the knowledge of Project Cycle Management methodology. A PCM community and a best practice database ("Community of Practice") should be created, which would provide opportunities for using the already successfully tested solutions.

**Group of problems 3.** Projects do not satisfy the real beneficiaries' problems, do not solve them and often focus on secondary issues.

*Proposed solution.* The beneficiary's point of view should be taken into consideration through his participation in the project preparation process. The project should be preceded by thorough problem analysis, taking into consideration various points of view and perspectives, so that the situation diagnosis resembles the factual needs of beneficiaries.

**Group of problems 4.** It is necessary to develop very detailed and extensive application forms for project support with the use of own, often insufficient, funds.

*Proposed solution.* It is necessary to differentiate between the initial and final decision on project co-financing. The first phase would consist of a selection of ideas for the project and preparing their initial concept, and only after their acceptance detailed studies, requiring significant expenditures and time, would be prepared.

**Group of problems 5.** Project documentation system is very extensive, over-formalised and bureaucratic, often detached from the logical project construction.

*Proposed solution.* An application for project co-financing should be identical with the documentation describing project strategy and its basic assumptions. It is necessary to harmonise the standard used for preparing project documentation for the purposes of the project initiators and institutions evaluating and financing ESF undertakings.

### 3.4. Working Group IV: Project Management Experience from the Perspective of Experts (support or appraisal of projects).

Moderator: Erik Kijne (PCM Group Process Consultants and Moderators)

Co-moderator: Kamila Mitrofaniuk (Main School of Economics in Warsaw)

#### Session aims

- Familiarising participants with experience connected with the use of Project Cycle Management methodology in project evaluation.
- Familiarising participants with project management methods used in Ireland and Sweden.
- Undertaking joint analysis of problems connected with the expert work in ESF.
- Suggesting solutions to diagnosed problems.

#### Participants

Over 30 persons participated in the session. They were representatives of public administration bodies at the central (the Ministry of National Education, the Ministry of Regional Development, the Ministry of Finance) and local (representatives of voivodships) level, as well as the representatives of organisations responsible for substantive project support – universities and training institutions. Among the members of the group taking part in the works were guests from Ireland, Sweden and the Czech Republic.

#### Session programme

In the first part of the meeting, the participants – divided into groups of 5-8 persons – were asked to diagnose three problems they encounter in everyday work. These problems were then categorised thematically and displayed in a visible place.

In the second part of the meeting, three presentations dedicated to various problems associated with project management were delivered. Their authors were:

- Jan Anderasik, The College of Management and Public Administration in Zamość;
- Ciara Monaghan, WRC Social & Economic Consultants – EQUAL NSS, Ireland;
- Torsten Thunberg, Equal Co-ordinator, Swedish ESF Council, Sweden.

The second part of the session had a workshop character. Each of the groups worked out solution proposals for a different problem category.

#### Problems identified by the participants and suggested solutions

**Group of problems 1.** Transfer of the experience gained during the realisation (evaluation) of one project to subsequent programmes creates many difficulties. Session participants drew attention to the movement of staff involved in the project realisation and substantive support.

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*Proposed solution.* It is necessary to create a “knowledge database” accumulating experiences from realised projects, which would accelerate the process of the induction of new employees.

**Group of problems 2.** Different methods are used at different stages of project implementation, which hinders the smooth execution of given undertakings.

*Proposed solution.* It is necessary to create a cohesive process of programme management considering all of the participants. Workshop session participants enthusiastically supported the Irish, own model of “intelligent project management”, based to a great extent on “common sense”.

**Group of problems 3.** Transferring good ideas and visions to high quality project applications is troublesome, and thus decreases the quality of the realised projects and discriminates less effective organisations.

*Proposed solution.* Workshop participants drew attention to the necessity of extending the scope of substantive support in the first phase of project planning (at the stage of the preparation of forms or initial project proposals). Support was given to the Swedish model, in which persons preparing application forms may use the help of “PCM advisors”, who assist in the skilful transfer of visions to quality projects.

**Group of problems 4.** The attitude towards the work of experts is inappropriate – they are expected to provide ready solutions.

*Proposed solution.* The function of expert-lecturer should be abandoned in favour of adviser-moderator. It is necessary to propagate professional facilitation.

**Group of problems 5.** Maintaining financial liquidity during the realisation of the project causes major difficulties, which significantly limits the opportunities of small organisations.

*Proposed solution.* It is necessary to apply project pre-financing, and improve the financial process.

## 4. Panel discussion

### 4.1. Presentation of the group work results

#### Discussion participants:

- Jerzy Kwieciński – Under-Secretary of State, Ministry of Regional Development;
- Gerhard Braeunling – Director, European Commission;
- Lech Witecki – President, “Co-operation Fund” Foundation
- Witold Witowski – Director, ESF Implementation Department, Ministry of National Education;
- Prof. Michał Trocki – expert, Warsaw School of Economics;
- Bartosz Grucza – expert, Warsaw School of Economics;
- Monica Puel – expert, ISFOL Italy;
- Erik Kijne – expert, PCM Group Process Consultants and Moderators;
- Lidia Kuczmierowska – expert, LK Konsulting;
- Jacek Ostrowski – Head of Department, Ministry of Regional Development.

Panel discussion started with moderators’ presentations of each of workshop groups’ results, described in details in point 3 hereinabove. Recommendations formulated by the conference’s participants, concerning project management in the new programming period from the point of view of region, programme, beneficiaries and experts, are presented below:

#### Conclusions of working group I – regional perspective

- Facilitating financial procedures.
- Introduction of common understandable terminology in ESF documentation and procedures.
- Standardising the approach to project management in various institutions engaged in ESF financial programmes implementation.
- Creation of an information exchange and communication system, working among different parties involved in the programmes and projects implementation. Introduction of a mechanism of day-to-day consultations of beneficiaries with implementing institutions.

#### Conclusions of working group II – programme perspective

- Simplification of procedures and limiting the requirements posed in front of the applicants to those of the EU only, without additional obligations and restrictions created by national structures which manage the funds.
- Providing access to a greater number of high quality training, counselling, and materials in the field of project management. Change from the focus on maximum

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use of subsidies to the focus on aims (solving social problems). It may be achieved through the wide use of Project Cycle Management methodology.

- Introduction of risk management elements to the structural funds implementation system as one of means of making ESF project and programme management more flexible.
- Undertaking activities for synchronising legal regulations and rules of applying for structural funds and of using them at the central and local level. Inclusion of effective absorption of the EU funds issues into the mainstream of law making (legal mainstreaming)

### Conclusions of working group III – beneficiaries' perspective

- Introduction of a common management standard for all financial undertakings financed from ESF funds.
- Creation of an effective beneficiaries support system, including trainings, organisation certification system in the field of knowledge of Project Cycle Management methodology, best practice database in the field of project management, reciprocal exchange in the scope of the so called "good practice community".
- Consideration of the beneficiaries' perspective in the preparation process, so that the diagnosis of the situation reflects their actual needs, and the whole project is based on a thorough problem analysis.
- Introduction of two-stage grants competition. The full application form would be required only when the preliminary project's idea is accepted.
- Harmonisation of a standard used for preparing project documentation for the own purposes of the project initiators and institutions evaluating and financing ESF undertakings.

### Conclusions of working group IV – experts' perspective

- Creation of a "knowledge database" accumulating experiences from realised projects.
- Introduction of a consistent project and programme management system at all stages of implementation of the EU undertakings.
- Increase of substantive support in the first phase of project planning (at the phase of application forms planning or preliminary project proposals).
- Propagation of professional facilitation.
- Improvement of the financing process. Increase in project pre-financing.

## 4.2. Summary of the vote results

In the subsequent part of the discussion panel, each participant could express their opinion by voting for or against given proposals with the use of an electronic voting system.

Proposals with the greatest, over 90 per cent, support concerned the simplification of procedures, introduction of common terminology and project managing standards, as well as consideration of beneficiaries' perspective in the early stages of project planning. The greatest discrepancies in evaluation concerned proposals regarding

the need of working out strategic documents defining the specific direction of activities (71% votes for and 29% against) and increasing decisiveness at the regional level (75% for and 25% against). Differences in opinions also concerned the proposal of introducing two-stage competition procedures (58% votes for and 42% against).

#### 4.3. Statements of panel discussion participants

During the discussion panel, which closed the conference, conclusions for institutions administrating programmes at the national level were formulated. The most important ones include: simplification of financial procedures, introduction of risk management elements to the structural funds implementation system, training support.

According to the Undersecretary of State at the Ministry of Regional Development, **Jerzy Kwieciński**, who participated in the Warsaw's conference, experience gained recently by the EU project developers may be very useful in the coming years. *I hope that the staff who learn the effective use of EU funds in this way will contribute to a greater number of projects realised in the new financial perspective. We wish not for hundreds, but thousands of organisations to be able to realise projects from the European Social Fund – says the minister.* Jerzy Kwieciński also noted that problems and solutions raised by foreign and domestic participants of the conference were to a great extent identical. He assured that many of the suggestions are taken into consideration in the process of procedures creation in the new programming period of the ESF. The Minister added that it would be a valuable experience for the officials responsible for the programme management to go to the "other side" for several days – to the side of persons realising projects financed from ESF. Furthermore, he expressed his understanding of the fact that the lack of financial liquidity may be "lethal" for small-size organisations. According to his declarations: *not 1/4 but 2/3 of the funds in the new management programming period will be allocated at the local level. The preparation of the budget lies in the field of interests of people working in business. We would like to introduce a two-stage application evaluation system. We are creating best practice databases, issuing publication's and creating interactive means of information for those unwilling to "read".*

**Witold Witowski**, director of the ESF Implementation Department in the Ministry of National Education, pointed to project financing related issues. *The weak point is the lack of finance management capacity in the project presented by the project initiators and beneficiaries. Most of the projects lose their financial liquidity not due to the delays in the transfer of funds, but due to the beneficiaries who do not consider the expenses. The procedure seems to be widely known and accepted, many of the beneficiaries, however, are unaware of the fact that at a certain stage they will spend all the money and will be unable to apply for more. It is most common in situations where there are many partners: the project leader provides them with funds and they do not spend them immediately, as they might be, for example, preparing for a purchase. The leader has no funds for the remunerations for his staff, while his partners, who have not used the money yet, are unable to withdraw them.*

## SUMMARY REPORT

*It is really good that the act provides for “negotiating contracts” – declared Witowski. Projects are often under- or overestimated. Let us introduce financial ratios, and evaluate the financial curve for the whole cycle of the project. We pre-finance projects realised by small-size organisations. Within the framework of SOP HRD, we are testing the escrow account model, we shall, however, remember that this solution is more expensive from the perspective of the project administration.*

*Additionally I ask for the inclusion of a logic matrix into the application form – Dr Witold Witowski appealed. Using this tool we are able to quickly improve the quality of the projects that are being prepared.*

**Gerhard Braeunling (European Commission, Capacity Building Group)** – *Administrative procedures need to be rethought. Simplification cannot mean removing some of the procedures. I assure you, that we are paying careful attention to opinions coming from Poland, and are considering them thoroughly. I encourage everybody to join the Sound Planning Internet platform, where we may exchange current experiences.*

**Jacek Ostrowski (Ministry of Regional Development)** – *For a year now, we have been preparing for the task-oriented project evaluation system, working on the application forms simplification, continually consulting with the Polish society, carefully analysing requests. We are considering an introduction of a logic matrix into the application form, but it is not only intended for beneficiaries, but also the implementing institutions who are not yet ready to take this step. They are to be trained in the first place. We do not want to enforce PCM implementation, but to slowly familiarise Poles with this philosophy, so that they not feel discouraged. Basing the application for co-financing on the logic matrix model is planned for the second half of the new programming period.*

**Erik Kijne** – *PCM, as well as other project management support tools, cannot be implemented with force. More than new solutions, Poles need logic, which involves proper proceeding during project preparation. Do not follow the path of trainings and lectures, but go for effective moderation, which is more useful in your case.*

**Lidia Kuczmierowska** noted the necessity of a detailed analysis of the suggestions raised during the group work. Some of them may be difficult to realise (e.g. idea of simplifying managing procedures with an idea of engaging all of the interested parties at each stage of the programme and project implementation), others however, should undergo further consulting as the consequences of their possible implementation seem ambiguous.

**Lech Witecki, the president of the “Co-operation Fund” Foundation,** noted the issue of simplifying procedures, and active role of officials who have proper experience and knowledge in this field.

## 5. Conference summary

Warsaw's conference "Effective programme and project management in the new perspective of the European Social Fund for 2007-2013" has undoubtedly fulfilled both intended aims: it provided an opportunity to rethink the existing management practices of projects financed from ESF funds, as well as enabled the co-operation of decision makers, representatives of the implementing institutions, beneficiaries and experts on the guidelines on the management standards improvement in the new programming period.

Apart from the specific result in the list of 20 guidelines, the conference's value consisted in the possibility to confront points of view of various institutions and professionals involved in the implementation of structural funds in Poland. It was found that many of the problems, difficulties and restrictions are perceived similarly. It was commonly agreed that current requirements and procedures of applying for and using funds are excessive; the accepted way of financing causes serious problems with sustaining financial liquidity even for large entities; inability of professional management on the part of project executors, as well as on the part of officials from the implementing institutions, creates further difficulties.

Discussions and presentations from the individual sessions showed that all of the interested parties have drawn many valuable conclusions from the previous programming period – they are aware of their own mistakes, but also know what and how they should change in order to make the absorption process efficient and contribute to social development of the country. It will be achieved through specific changes in the ESF funds management system, which are planned by the Ministry of Regional Development, and a number of initiatives undertaken for the improvement of project management standards.

The key issue of the conference was the further development of professional project management. Management imperfections from the perspective for 2004-2006 were pointed out at many occasions. These resulted from both lack of knowledge and experience of various institutions, and inadequate support in this matter. Therefore, the presentations of Polish and foreign experience in the use of Project Cycle Management methodology (PCM) at the level of regions, programmes and individual projects were received with great interest.

The participants of the conference noted that the popularisation of the PCM methodology, which will be gradually introduced as binding in the new programming period, will allow for solving a number of problems in the field of management of undertakings financed from ESF funds. According to the participants, using the same standards by the implementing and managing institutions and beneficiaries will contribute to the facilitation of the management system and their mutual communication. The approach to planning used in PCM, which assumes an active

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participation of all of the most important groups of stakeholders, enables better diagnosis of needs, and well thought intervention logics ensures their efficient and effective satisfaction. On the other hand, aim orientation, which is enforced by the Project Cycle Management method, enables focus on long term social change, not on schedules of funds spending.

Seeing the advantages from the implementation of PCM method in the perspective for 2007-2013, the participants noted that the current level of knowledge and skills associated with the use of the method in Poland is rather low – on the part of potential beneficiaries, as well as institutions managing and implementing, or among experts. Therefore, it was considered necessary to provide professional and accessible support by means of trainings, consultancy, and various expertise and information, in order to propagate PCM. Issues concerning the development of professional management, including the use of PCM, appeared among many of the 20 demands, worked out by the participants of the conference, regarding the new ESF period. The list of demands formulated during the group work included 4 different perspectives: regional, programme, beneficiaries and experts. Despite differences in the perspectives it is possible to draw common conclusions. These are a list of guidelines concerning making the ESF funds implementation system simpler and more flexible (simplification of procedures and requirements, financing principles, terminology, facilitation of communication between applicants and implementing institutions, enabling faster and easier ways of introducing justified changes), and ensuring wider accessibility to various forms of support (high quality trainings and consultancy, best practice database, experience exchange, information systems). The conference showed that the first ESF programming period, which was used by Poland, in spite of being a difficult experience for all of the involved parties, allowed for gaining valuable knowledge and drawing many conclusions, important with respect to using funds in 2007-2013. This ability to reflect on own practice and ability to evaluate good and bad aspects of the ESF implementing process, as well as an openness to constructive dialogue and change presented by the participants of various institutions and professionals participating in the conference, allows us to hope that Poland will be successful in using this unique opportunity of the new programming period.

# Attachement 1.

## EUROPEAN CONFERENCE

Effective management of programmes and projects  
under the European Social Fund 2007-2013

The Sofitel-Victoria Hotel, Warsaw, Poland, 1 June 2007

### PROGRAMME

9.00 - 10.00 Registration, consultation points

#### **10.00 – 10.10 Welcome Addresses**

Lech Witecki, President of the "Cooperation Fund" Foundation

Piotr Stronkowski, Deputy Director, Department for European Social Fund Management, Ministry of Regional Development in Poland

#### **10.10 – 11.30 Plenary Session**

##### **Management of projects (experiences and challenges)**

*Chairwoman:* Beata Puszczewicz, Deputy Director, Task Force for Training and Human Resources, "Cooperation Fund" Foundation

Sound Planning and implementation of ESF activities – key to achieve programme objectives, Gerhard Braeunling, European Commission, DG Employment and Social Affairs

Introduction to the PCM method – basic approach to projects management, Erik Kijne, PCM Group, Process Consultants and Moderators

Presentation of the PCM method. Film

Managing successful projects with the PCM method by Partnerships for Development within Community Initiative Equal, Bartosz Grucza, Warsaw School of Economics in Warsaw

Project Cycle Management in new programming period of European Social Fund in Poland, Piotr Stronkowski, Deputy Director, Department for European Social Fund Management, the Ministry of Regional Development

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11.10 – 11.30 Coffee Break

**11.30-13.00 Parallel Working Groups**

**How can we manage projects better?**

### **Session 1: Project Management Experience from the Regions' Perspective**

Moderator: Monica Puel

Presentation:

- Erica Giordano, Director, Regional TA, the Piedmonte region, Italy

### **Session 2: Project Management Experience from the Programme's Perspective**

Moderator: Lidia Kuczmierowska

Presentations:

Representatives of ministries (Lithuania, French-speaking Community of Belgium)

- Nijole Mackeviciene, Director, Ministry of Social Security and Labour, EFS Division, Lithuania
- Jenny Charlier, Director, Agence EFS, French-speaking Community of Belgium

### **Session 3: Project Management Experience from the Beneficiaries Perspective**

Moderator: Bartosz Grucza

Presentations:

Representatives of Equal partnerships applying the PCM method in Poland

- Magdalena Darowska, Partnership for Vocational Activation of Residents of Post-military Territories, Antares Group Co.Ltd., Warsaw, Poland,
- Kamila Jeżowska, Alliance for Work, UNDP, Warsaw, Poland
- Jerzy Pilimon, the Partnership for Equalising Opportunities, "Solidarity" Trade Union of the Warmia and Mazury Region, Olsztyn, Poland

### **Session 4: Project Management Experience from the Perspective of Experts (support or appraisal of projects)**

Moderator: Erik Kijne

Presentations:

Experts from Poland, Sweden, Ireland

- Jan Anderasik, EQUAL Partnership "Unemployment prevention system in underdeveloped areas – stimulating the competitive capacity of the SME sector", the College of Management and Public Administration in Zamość, Poland

- Torsten Thunberg, Swedish ESF Council, Sweden
- Ciara Monaghan, WRC Social & Economic Consultants, EQUAL National Support Structure, Ireland

13.00 – 14.00 Lunch

14.00 – 15.00 Panel discussion. Outcomes of Parallel Working Groups

Moderator: prof. Michał Trocki

Participants of the panel: Jerzy Kwieciński, Under Secretary of State, Ministry of Regional Development, Gerhard Braeunling (European Commission), Jacek Ostrowski (Ministry of Regional Development), Witold Witowski (Ministry of National Education), Bartosz Grucza (Main School of Economics in Warsaw), Monica Puel (ISFOL, Italy), Erik Kijne (PCM Group, Belgium), Lidia Kuczmierowska (expert)

15.00 - 15.15 Conclusions from sessions (Bartosz Grucza)

15.15 – 15.30 Concluding remarks, Piotr Stronkowski, Deputy Director, Department for ESF Management, the Ministry of Regional Development

