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# EU FUNDS

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*(A look into the EU funds and their importance)*

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## 1. EU FUNDS

The funds are part of the material or financial resources designated for specific purposes. However, it is necessary to look at funds in terms of the European Union, which means that we are talking about the allocation of financial resources towards development of member states and candidate countries of the European Union. Studying funding programs is very important because in this way Croatia is learning to use the budget of the European Union on the one hand, and need to adapt to the new system on the other. So, it is good to have knowledge of what awaits us in the near future.

For the use of EU funds resources are allocated from the EU budget, which is defined in Article 272 of the Treaty establishing the European Community, and by bringing the two most important institutions of the European Union: Council (adopts the proposal) and the Parliament (concludes the budget). Institution which provides a solid legal framework within which the Council and Parliament work is European Court of Auditors. The Court's job is to check that the funds are properly collected and spent specifically on the legal and economic way and that revenues and expenses are legally acquired, consumed and recorded, also ensuring sound financial management. The amount of funds determined by the above mentioned institutions recently used towards improving the development policy that makes the EU more attractive community of countries for PCC (potential candidate countries), but also maintaining a certain status and rating at the global level on the other side.

Implementation of European funds is done through a variety of programs to ensure the achievement of the goals of the European Union. There are several different ways for managing EU funds. Management can be centralized or decentralized. Centralized management means that funds are managed directly by the European Commission, and the decentralized management of these funds is left to the countries where the funds are allocated to manage.<sup>1</sup> Currently there are programs of the Union pre-accession programs and Structural Funds.

European Union through the EU funds provides assistance in several forms:

- Through programs or funds for all members of the European Union
- Through the pre-accession programs or funds for countries that are in a state of EU accession
- Through programs or funds for the third countries

Of these forms of assistance, Croatia uses all three forms. From the first group it uses the programs of Union (such as the 7th Framework Programme for Science and Research, a program for young people, etc.), in the second group it uses IPA, and from the third other programs (for example, the South East Europe, to invite tenders

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<sup>1</sup> Belić M., Ćorić G., Peurača B., Stojanović G. i Tonč A.: „Guide through EU funds 2008.-2013.“, Folpa d.o.o. 2010.g., pg.9.

offices of the European Commission and others). Since 2005 European Union publishes all information exclusively on the official website. To see the users of EU funds, the European Commission has established a system called "Financia Transparency System"<sup>2</sup>. Through this service it is possible to review all who have received funds from the third group. Examination performed 17.5.2012. found that a total of 53 users from Croatia received financing from the EU funds, which are not under the IPA program, nor from the Union. Thus, for example, shows that the Center for Peace Studies received € 49,500 in 2010 for the project for coordination of platform for human rights by the European Commission's cooperation.

## 2. EU – CROATIA COOPERATION

European Union exists for more than 50 years and now has 27 members with a total of 500 million inhabitants. It represents a community of nations that are integrated bellow a common policy and budget with a tendency to spread to the neighboring countries and those located in the territory of the European Union. The organizational scheme from 16.3.2012. of the European Commissioner for Enlargement, Croatia belongs to the B<sup>3</sup> Division with Montenegro. This information is important because the Croatian companies may turn to them for issues that are of greater importance. For all other issues and communication with the European Commission, interested persons may contact the Delegation of the European Commission, which is located in the City of Zagreb on Square of Victims of Fascism. Communication is done via e-mail. The European Union emphasizes the importance of communication through its promotional messages during various campaigns, so I think it's important to note that it is possible to accomplish the communication easily. Communication with the EU is conducted "from 1 January 2007. on the 23 official and working languages of the European Commission under the regulations of European Commission."<sup>4</sup> So, there are two paths, one at home and one in Brussels, where the European Commission is located. We must say something about the institution that is the subject of our discussion here, and that is the European Commission.

The European Commission has a mission to promote the general interest of the Union. It accomplishes that by participating in processes that are crucial in making important decisions, more accurately by presenting proposals for European laws, overseeing the implementation of the same regularity and financial management and implementation of common policies. In order to function properly in accordance with the regulations, the European Commission has a very complex institution divided as a modern enterprise. That way we can look at the structure of the Office of General Director, Head of Department, the accounting officer, the central financial services, internal checks, the office against actions that would be

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<sup>2</sup> [http://ec.europa.eu/budget/contracts\\_grants/fts/fts\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/fts/fts_en.cfm) , accessed on 22.02.2013.

<sup>3</sup> Uprava Europske komisije za proširenje, DG Enlargement, [http://ec.europa.eu/enlargement/pdf/who\\_does\\_what/dgelarg\\_org\\_en.pdf](http://ec.europa.eu/enlargement/pdf/who_does_what/dgelarg_org_en.pdf) (17.05.2012.)

<sup>4</sup> Wikipedia, [http://hr.wikipedia.org/wiki/Slu%C5%BEbeni\\_jezici\\_Europske\\_unije](http://hr.wikipedia.org/wiki/Slu%C5%BEbeni_jezici_Europske_unije) (25.5.2012.)

considered fraud, disciplinary office and many other offices who all together constitute one of the strongest institutions of the European Union. Putting an emphasis on strategic planning and programming, which is carried out through annual strategic policy, legislation and working on commission programs. All strategic features are described in detail and made for five years.

The European Union provides financial assistance for Member States and countries that are candidates for membership via financial instruments called funds or programs. Croatia is in a candidate country status from the confirmation of the Council of the European Union on 8 June 2004. since it opened the possibility of using these funds. The European Union has opened up funds for Croatia according to its development needs and depending on the degree of preparation for full entry into the community, as is evident from the table below:

Table 1.: EU Funds in which participated and participates Croatia

Reconstruction (1996. – 2000.)
CARDS (2000. – 2004. / 2006.)
+ Community Programs
PHARE / ISPA / SAPARD (2005. / 2006.)
IPA (2007. – 2013.)
Croatia as full EU member 01.07.2013.

Source: Central Office for Strategy and Coordination of EU Funds

### 3. PROJECT EXAMPLE

#### *Preserving the historical heritage (Bastion - Cities along the Drava River open their fortresses)*

Each visitor who wishes to walk and enjoy the beauty of the city of Varaždin will eventually find himself in front of - the Old Town! This fort, the town's main stronghold in the Renaissance, captures its beauty, size, and perhaps most historic aura that emanates from every part of it! However, much of that history still remains hidden within the Old City and its surroundings, but also in the archives at home and abroad.



Varaždin City Museum in collaboration with the Regional Museum Maribor worked together on the project, which was partly financed by the European Union's Neighborly program: Slovenia - Hungary - Croatia. The goal of the project is to gather, process and present the popular and professional information on the defense system of Renaissance works in Varaždin. The fort was built in the Middle Ages, at the intersection of old roads near the river Drava. The project is worth € 184,416, of which the EU co-financed € 162,416, which lasted from 2006. - 2008.

The results of the project are as follows:

- Cultural and tourism connection between the regions of Slovenia, Hungary and Croatia
- Increasing the number of tourists from neighboring regions by about 50 percent
- Enriching the context of cultural tourism
- Better recognition of the region
- Historical, archaeological and art historical research<sup>5</sup>

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<sup>5</sup> „Zajedno za europsko danas i sutra 1“, Delegacija Europske unije u Republici Hrvatskoj, 2011., pg. 36

## 4. HORIZON 2020

"Horizon 2020" is the latest framework that will be put in action in the period from 2014. to 2020. and with 80-billion-euros it will fund research and technological innovation projects. This will be the first time for projects of development and commercialization to meet under one roof, which has not been the case. It is expected that the program will achieve several important goals:

- Strengthen the scientific position of the EU by encouraging the highest level of research, allocating resources of nearly 24.6 billion euros,
- With nearly 18 billion Euros to strengthen the role and lead of the industry in innovation with the help of large investments in key technologies and facilitating access to finance for small and medium-sized enterprises, and
- With 31, 8 billion Euros provide the solution to most important problems of European citizens concerning climate change, cheaper renewable energy, food security, sustainable agriculture, health, solving the problems associated with the transportation and traffic.

The name "Horizon 2020" was chosen in a public tender "You name it" which was issued in March by the European Commission. This name was proposed by two Polish teachers and won the competition of 1600 name proposals. This program laid the foundation for the strengthening of cooperation between the scientific and business sectors in achieving concrete results. With the innovative and agile small and medium-sized businesses they have many opportunities for additional funding of their projects in early 2014th, when the first callings get announced. The Framework Programme 7 in mid 2012 will call new tenders, whose role will be to create a bypass to the new program, while at the end of 2013. complete legislative framework to regulate the legal and technical aspects of its implementation will be adopted. It is important to note that users can expect significantly simplification of the rules for participation in the project "Horizon 2020" in relation to the existing framework programs. This is particularly true for the Framework Programme 7 which has, so far, created several administrative and financial problems in the implementation of projects.<sup>6</sup>

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<sup>6</sup> <http://www.eu-projekti.info/horizon-2020>, access: 05.03.2013.