

# ADMINISTRATIVE CAPACITY AS PREREQUISITE FOR ABSORPTION OF ESI FUNDS IN CROATIA

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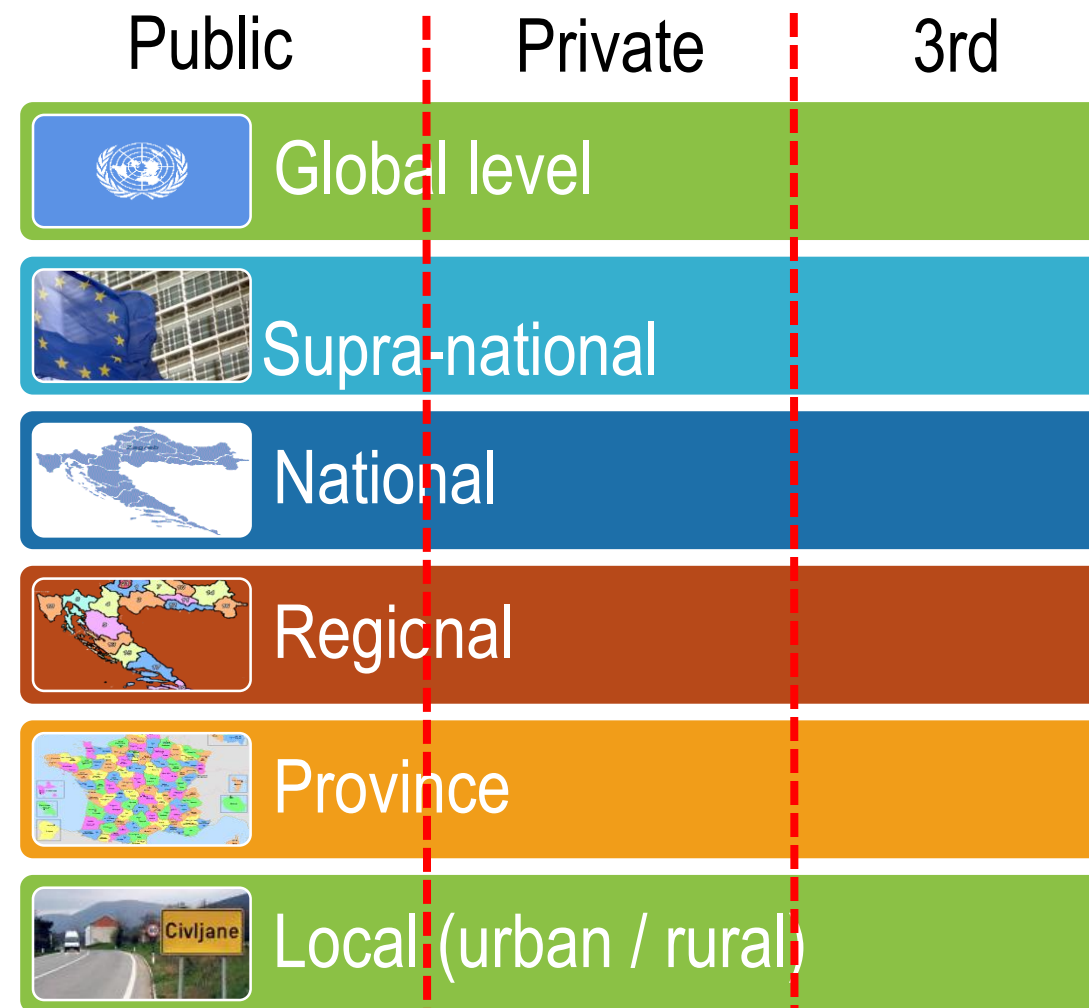
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# CONTENT

- Multi-level Governance Policy Setting
- Absorption capacity
- Institutional Arrangements for ESI funds implementation in Croatia
- Success factors

# MULTI-LEVEL GOVERNANCE

- Test for quality of public administration
- Dispersion of authority
  - Vertically
  - Horizontally
- New methods of work
  - Partnership
  - Collaboration
  - Consultation
- New structural forms
  - Network vs. Hierarchy



# ABSORPTION CAPACITY

Ability of a country to effectively absorb EU funds

- Wisely, Timely, Correctly

Components

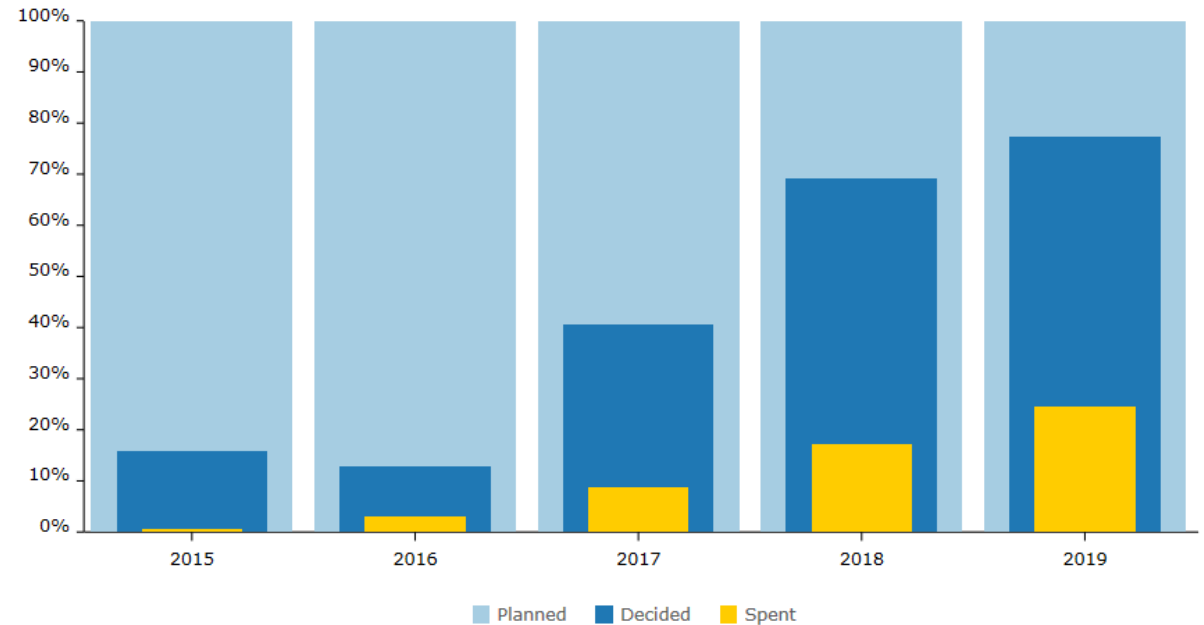
- *Macro-economic* – 4% GDP
- *Financial* – co-financing
- *Administrative*
  - Institutional setting
  - Civil service (national / local)
  - Additional tools (documents, guidelines)



Implementation Progress (total cost) for Croatia

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Period Covered: up to 30/6/2019

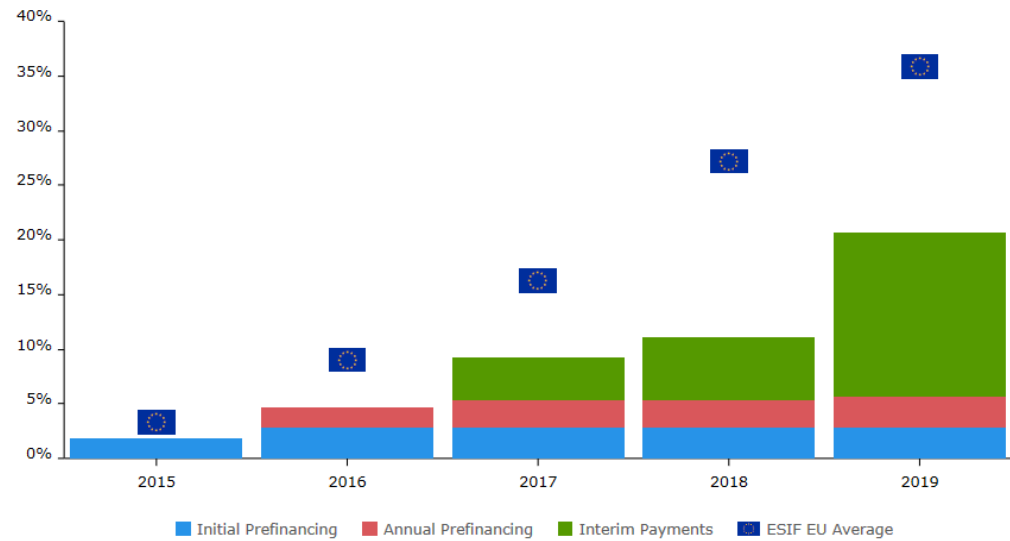
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1<sup>st</sup> International conference on practical and theoretical implications of LEADER/CLLD in South-East Europe  
November 20/22, 2019, Opatija, Croatia

Total EU payments - time series cumulated to the end of each year (daily update): Competitiveness and Cohesion - HR - ERDF/CF, EUR million

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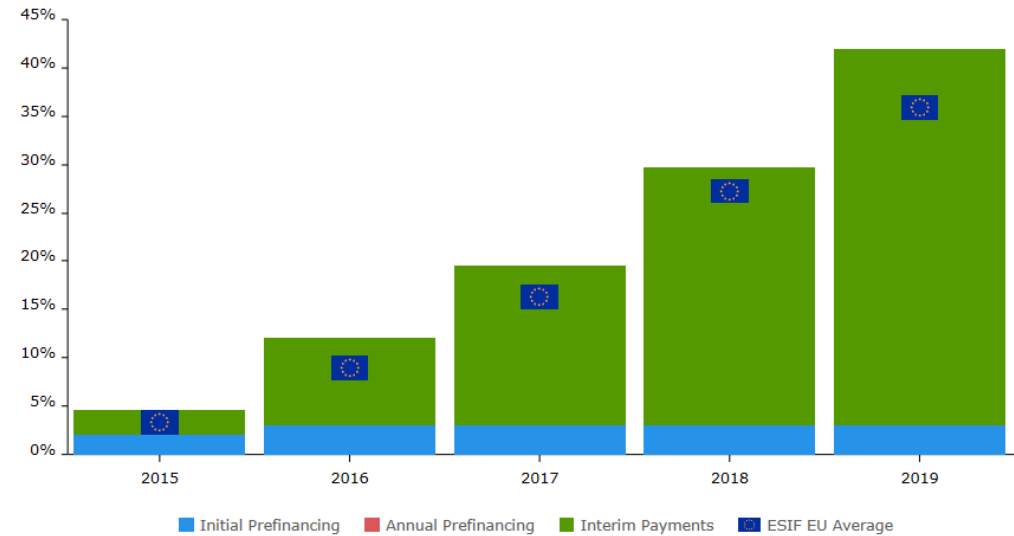


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Total EU payments - time series cumulated to the end of each year (daily update): Croatia - National Rural Development, EUR million

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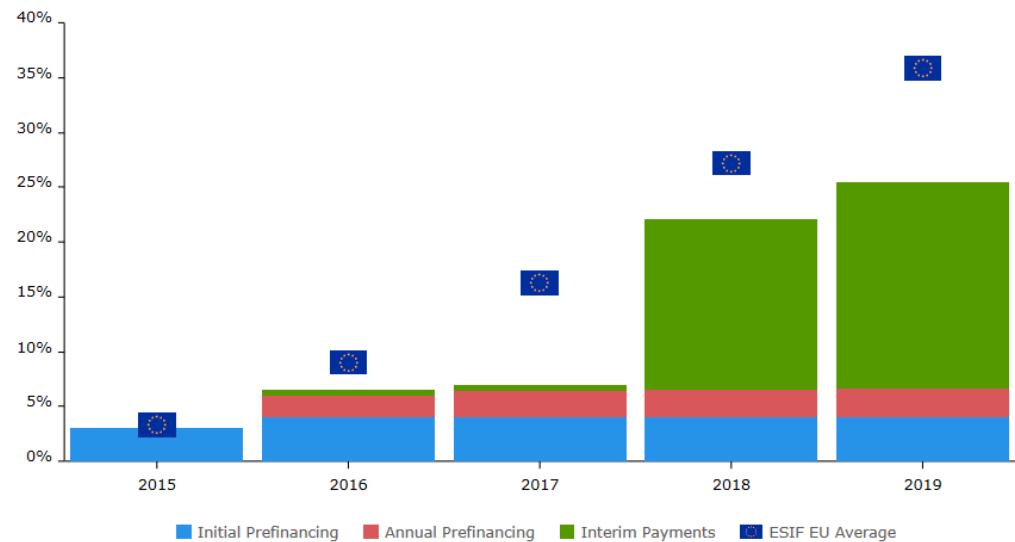


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Total EU payments - time series cumulated to the end of each year (daily update): Efficient Human Resources - HR - ESF/YEI, EUR million

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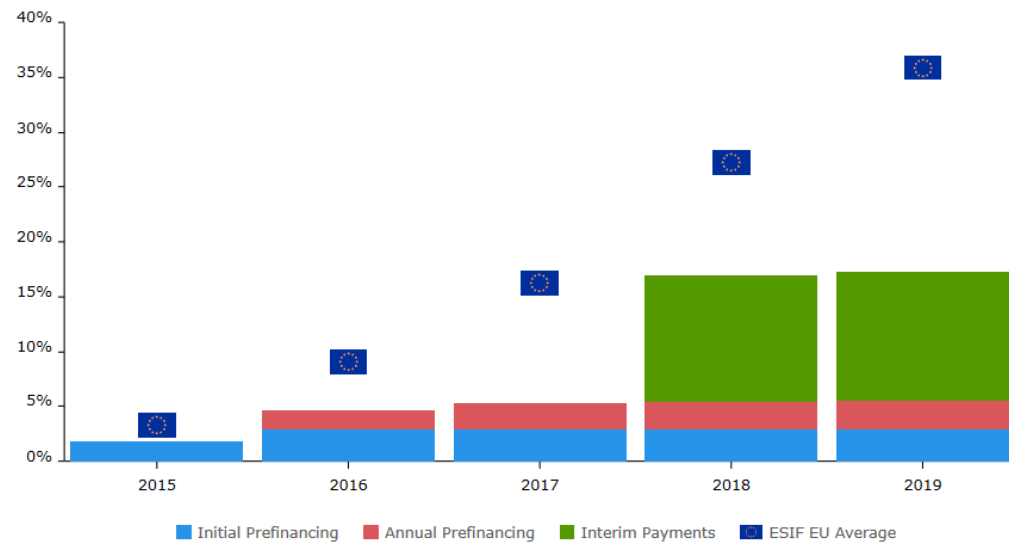


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Total EU payments - time series cumulated to the end of each year (daily update): Maritime and Fisheries - Croatia, EUR million

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# INSTITUTIONAL ARRANGEMENTS

- Policy capacity
  - Strategic planning (not just documents!)
  - Problem of heavy bureaucracy (problem of *gold-plating*)
- Coordination and cooperation of various actors
  - Multi-level governance setting, network, partnership, etc.
  - Real role in decision-making
- Local and regional government
  - Fragmentation, capacity, cooperation

# LESSONS

- Realization of MLG is very much dependent on the general administrative context
- Politicization of regional policy is still very dominant
- Decision-making is very much centralized
- Strategic planning is mostly on paper
- The role of local and regional actors as well as social and economic partners limited
- General quality of public administration should be improved in order to improve level of ESIF absorption



# FINAL WORD

„The quality of government matters for regional development across the EU. The institutional dimension, therefore, needs to become an integral element in development strategies. Along with strengthening infrastructure endowment and human capital, it is important that there are improvements in administrative capacity and the effectiveness of government as well as reductions in the incidence of corruption, which erodes trust in governments and their policies.

...

Institutional capacity affects the ability of government to attain long-term policy objectives and to make structural reforms which have significant potential to boost growth and employment.”

(EC, 7th report on economic, social and territorial cohesion, 2017, p. 161)

Thank you very much for your attention!

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