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## INSTITUTIONAL COOPERATION IN PROJECTS INITIATION – AN INSTRUMENT DECREASING REGIONAL DEVELOPMENT PROBLEMS

### Abstract

*EU programs are oriented to the social profit (use) creation. This profit should correspond to the region's needs and guarantee even development and long lasting effect for the subjects of that region's economies. However, it is obvious that problem lies in the fact that usually projects that are presented for the EU financing do not correspond to the needs of the regions or target groups and that complicates the accomplishment of these projects, diminishes total result of the project and causes some difficulties to gain objects of the program. This article presents model, which could be used for solving above-mentioned problems or at least soften them.*

### Introduction/Problem analyses

The purpose of the EU regional politics is to diminish differences between economic and social development of different regions by using financial incentives and coordination of national regional politics. Lithuania get it's so called Joining Structural Support through three instruments: PHARE (fund of technical and financial support from the countries – donors), ISPA (a tool of joining and structural support for the environment defense and transport) and SAPARD (special program for agriculture and rural development). [2] Although the problem analyzed in this article is a nature of the projects that are oriented to any of these programs, but most often it is met in the preparation of the PHARE oriented projects.

There are two ways for identification of the projects:

- Simple (according to the subsidies programs, stakes);
- Difficult (Analyzes of the problems, establishment of the problems, choice). [2]

When projects are identified with help of the *simple way*, the main attention is applied to the documentation of the subsidy where you can find: program goals, problems, activities that are financed.

Usually documents present general program objectives and specific goals of the program. For example, the general objectives of the PHARE 2000 Economic and Social Cohesion initiative, Human Resource Development Fund is: "to promote human resource development in order to address regional development disparities between target region and the national average." And there are specific objectives: "to promote employment in the target region; to make the local labour market more responsive to the local and regional needs; to improve the level of skills and entrepreneurship of the labour force". [3];

Guidelines for applicants provide possible target groups that all the activities must be oriented to and which must be the direct recipient of the use.

Ignoring the fact that this information is not sufficient, very often project organizers select the easy way of project identification and initiate the projects by using program settled goals and presented stakes. Main causes of this fact may be:

- Applicants often present projects for the financing that they can accomplish with the least efforts;
- Information of the real region needs is not sufficient. These needs are the base for the making project goals;
- Solitary applicants are not able to make comprehensive analysis of the region needs

and initiate project with help of the difficult way;

•If a project is not financed by one program it is presented for the other one.

In that case if the simply way of the project identification is chosen very often results of the project are quite poor, activity realization is complicated and project preparation is complicated as well as possibility of getting financing is diminished.

Project identification using "Difficult" way lies upon the problem analysis (analysis of the interested groups, identification of the most important problems, problem tree formation), problem making into the goals. [2] The main causes of the difficult project identification way non-popularity could be that this process is:

More difficult and insist for more effort;

"PHARE does not compensate expenses that aroused during the project preparation" [3]

In spite of disadvantages of the difficult identification way there are some advantages that should be mentioned:

It's easier to ground (base) the need of the project and to get financing for its implementation;

It's easier to form logic structure of the project and to describe its content;

It is possible to avoid some problems during the project accomplishment if the of interested sides are examined.

**Work objective:** to present a model that could be a base for making project initiation simpler using a difficult way by stimulating partnership in the region and to guarantee growth of the project value as well as create long lasting collaboration in the region.

**Close and long lasting cooperation between regional actors stimulation through Initiation of the projects**

Project initiation by using a difficult way could be long and expensive. So deciding on this method it is purposeful to set not only short-period goals – analysis of the problem, initiation of the project – but also to provide long-term goals such as stimulation of the long

lasting partnership in the region. Below we present the region problem areas and problem resolution identification principal scheme that was started to accomplish at one of Lithuania's regions.

There two groups are implementing activities. The first one is a group of four experts and it is initiated by consulting organization. The second group (of 15 persons) consists of representatives from municipalities, County Governor's Administration, non-governmental and business companies.

The expert group will introduce the methodic of the activities fulfillment to the work group, will work as moderators and will coordinate how the work group works.

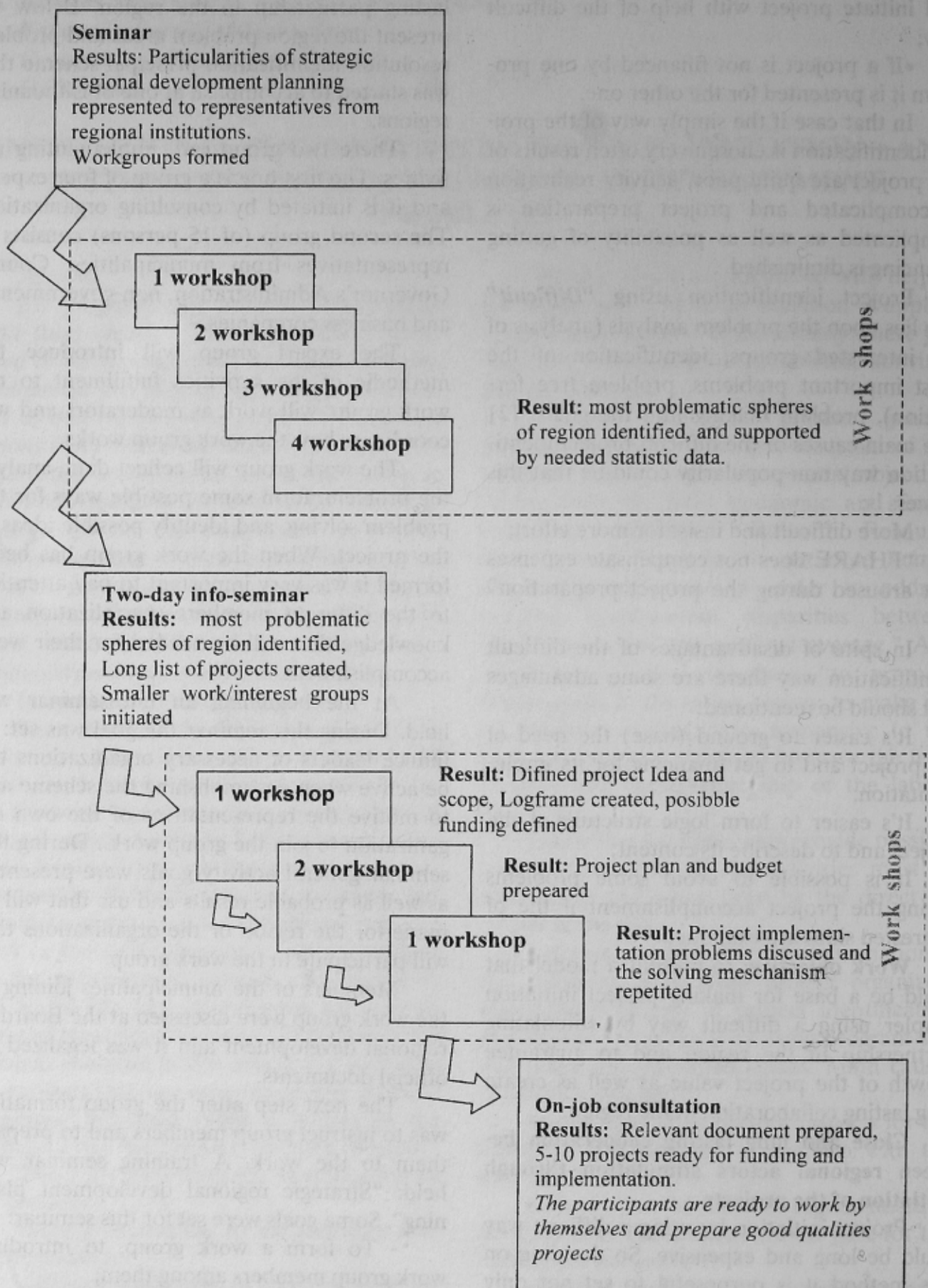
The work group will collect data, analyze the problem, form some possible ways for the problem solving, and identify possible ideas of the project. When the work group has being formed it was very important to pay attention to the different members specialization and knowledge that will be needed for their work accomplishment.

At the beginning an info-seminar was held. During this seminar the goal was set: to induce leaders of necessary organizations too be active when accomplishing the scheme and to motive the representatives of the own organization to join the group work.. During this seminar general activity goals were presented as well as probable results and use that will be made for the region or the organizations that will participate in the work group.

Members of the municipalities joining to the work group were discussed at the Board of regional development and it was legalized by official documents.

The next step after the group formation was to instruct group members and to prepare them to the work. A training seminar was held: "Strategic regional development planning". Some goals were set for this seminar:

- To form a work group, to introduce work group members among them;
- To become acquainted with the goals of the work and possible results;



Picture 1. Region problem areas and problem resolution identification principal scheme

- To divide responsibility for different jobs accomplishment;
- To introduce a work methodic to the work group.

During the seminar a work plan was discussed and the date for the data gathering was planned.

When data is gathered there will be organized 3 or 5 workshops each of which duration is planned for three days with the interval of three weeks. During the workshops the most problematic spheres, weaknesses of the region, problem solving instruments and priorities will be identified. In order to dissociate with every-day problems and jobs, work in the groups will be organized at the aloof country tourism area.

An Info-seminar will be organized in the region to discuss the results of the working groups' activities. Representatives from County Governor's administration, municipalities, NGO's, vocational trainings institutions, etc. will take part in this seminar. The purpose of this info-seminar is to present group work results and to make sure that there is no problem areas that must be discussed left. Using the brainstorming methodology up to 30 possible preliminary projects ideas will be identified during the workshops and info-seminar

A work group from the scientists will provide a matrix for he prioritization of the projects. For prioritization there will be used such criteria's:

- Linkages to identified problems,
- Availability of funding, and
- State of readiness of the project.

Using prepared methodology Experts group (formed of Local beneficiaries) will create long prioritized list of projects proposed.

After the long list will be created and most prioritized projects identified, the smaller work/interest groups will be initiated according to the specific/problematic areas, in order to mentor and elaborate 5-10 good quality detailed project proposals.

The teamwork should facilitate the close and long lasting cooperation between regional actors, assure sustainable catalyzing impact on future development of the region.

**Results of the proposed scheme implementation**

Fulfillment of the scheme will give tangible results such as:

- A database for the planning of strategic regional development;
- Long prioritized list of the projects that are the most important ones for the region;
- Main projects will be set for financing and fulfillment.

Besides, use of this scheme will allow achieving long-period indirect goal: to induce long lasting cooperation between regional actors.

A logic scheme of the activity and the stream af the created value and result is shown in the 1 picture.

**Possible problems in activity fulfillment**

Fulfillment of the activity is based on the human capital, thus lots of arising and possible problems are related with the human resources. Met and possible problems and possible reciprocal actions are given below.

Met or foreseen problems	Reciprocal actions
1	2
Unwillingness to join the work group	Info-seminar organized for the organization leaders, official decisions.
Insufficient competence of the work group members	Specific training of the work group members. Division of the jobs accordingly to the persons specialization in daily works.

1	2
Interest conflicts and undone entrusted job	A local expert should be integrated into the work group. His function is to agitate the work group to do its job, to induce and control non-formally done job and to solve arising conflicts. The outer expert group will solve arising conflicts.
A coming up institution of local government election that will determine personnel change.	We're going to use this danger as an advantage by quickening group work and by giving a fact that it will be proclaimed to the society like a motive.
Insufficient motivation	If financial motivation is not possible then alternative decision might be departure sessions, creation of the benevolent work surrounding, and creation of the group identity.

**Table 2.** Possible problems and reciprocal actions

### Conclusions

In many cases projects presented for the EU financing do not meet region or target group needs. That's what complicates fulfillment of the project and diminish total result of the project as well as it hardens possibility to gain program goals.

In spite of the fact that a selection of a simple project identification way will possibly complicate further fulfillment of the project and gaining of the project goals, this way becomes more and more popular among the applicants.

A selection of the difficult project identification way by including main regional actors into the process would allow gaining short-period goals as well as to induce long lasting partnership in that region.

Project initiation accordingly to the given scheme is quite long and expensive process. Organizations rarely go for this kind of decision without outer financing initiative of local authorities;

Main problems that arise during activity fulfillment are related with human resources and possible changes in the work group.

### References

- [1] Clifford F.Gray, Erik W.Larson.: Project Management, the Managerial Process. Irwin McGraw-Hill Book Co, Singapore 2000.
- [2] National Regional Development Agency. PHARE Grant management, Practical guide. Lithuania 1998.
- [3] <http://www.PHARE2000ESS.lt>.
- [4] [http://europa.eu.int/comm/europeaid/tender/gestion/index\\_en.htm](http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm)

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