
E-MANUAL

**GUIDE TO PLANNING EU PROJECTS IN THE HEALTH AND SOCIAL HEALTH SECTOR
1.3 EUROPEAN FUNDS**

European funds are divided into **resources managed directly by the European Commission** and **resources whose management is delegated to member states** (indirect funding) through central and peripheral administrations.

Directly managed funds

- The European Commission provides the funds and sets the criteria and principles for the operation of the various programmes, which are **managed directly by the Commission** using the methodology of EU calls for tenders. In contrast to Structural Funds, the use of this funding is governed by a **direct relationship between the European Commission and the final beneficiary**.

Indirectly managed funds

- Financial resources from the EU budget are **transferred from the European Commission to the Member States, in particular to the regions**, which, based on planning that must be approved by the Commission, provides for the use of said funding through methods and procedures that respect national regulation and approaches. These resources are mainly composed of **Structural funds** and **Cohesion funds**.

Regional Development



EUROPEAN UNION

European Regional Development Fund

Support for regional development plays an essential role in the stability of the European Union.

GOAL: To promote **competitiveness** and **employment** by helping less prosperous

regions, or those with structural difficulties, to generate sustainable development through adjustment to new labour market conditions and global competition.

European regional policy is an **instrument of financial solidarity** and a powerful **engine of economic integration**, enabling the transfer of more than a third of the EU budget (consisting largely of the contribution of the richest member states) to the least developed regions. This mechanism not only benefits the beneficiary countries, but also those countries that make the greatest contribution, as their companies benefit from considerable opportunities for investment and transfer of economic and technological know-how, especially in regions where certain types of activities have not yet been launched.

Through regional policy, the European Union aims to **help reabsorb the lack of development of the most disadvantaged regions**, as well as to encourage the redevelopment of industrial areas in crisis, the economic diversification of the countryside penalized by the decline of agricultural activities, and the redevelopment of city neighbourhoods in a state of abandonment and decay. In short, it is about **strengthening the economic and social cohesion of the European Union**.

More than a third of the community budget is devoted to regional development and economic and social cohesion and is disbursed under various European funds.

The direct management of community resources

In the case of directly managed funding, community resources are disbursed directly and centrally by the European Commission:

- **Directly**, as funds are transferred without further steps from the European Commission, or its representative body (Agencies), to the beneficiaries;
- **Centrally**, in that selection, allocation, control and audit procedures are managed by the European Commission, or its representative body.

Therefore, it is the **European Commission that disburses the funds and independently sets the criteria for the operation of the various community programmes**. Based on the goals that are set, it *prepares programmes pertaining to different areas*, generally with a multi-year duration and implemented by the various Directorate-Generals (DGs) of the Commission.

The DGs, each in their own area, directly manage the allocations provided for by the various programmes through the periodic publication of EU calls for proposals in the

Official ***Journal of the European Union*** (OJEU). The Official Journal of the European Union is the official source, it is available in all EU languages and is divided into three series: the C series (information and notices), the L series (legislation) and the S series (supplement).

Community calls published in the OJEU contain:

- the *description of the programmes* and its *funding allocation*
- the *procedure* and *deadlines for submitting proposals*
- *The amount of the European Union's financial contribution*
- the *minimum requirements* to be eligible to participate, the *selection criteria*, and the addresses where information documents (such as the work programmes, proposal forms, etc.) can be obtained.

Almost all of the projects that can be funded, if they are not aimed at cooperation programmes with third countries, can be identified in one of the internal policies, which include research and technological development in almost all areas, training programmes, programmes and actions for the promotion of culture, development programmes for audio-visual projects, wide-ranging information and communication, plans to strengthen employment, studies and actions that promote goals deemed socially important, development plans and programmes in the areas of health, environment, energy, consumer protection, Trans-European Networks, etc.

The resources managed directly by the European Commission using the methodology of EU calls for proposals follow two separate awarding procedures with different modes of participation: "*call for tenders*" and "*call for proposals*".

"*Calls for tenders*," or requests for specific services, supplies and works, put out to tender and awarded according to market parameters through "calls for expressions of interest" with respect to specific programmes. Their publication does not follow predefined calendars.

"*Calls for proposals*" have clear deadlines and well-defined themes and actions to meet. The programmes, designed and structured according to participatory logic, ("calls for proposals") never fully fund an action: the underlying philosophy is that the European Commission facilitates initiatives and project proposals from the various eligible parties, and then contributes to their funding when it shares their aims and goals. Indeed, the European Commission supports the implementation of projects with contributions of up to 100 percent.

These contributions (grants) are direct payments of a non-commercial nature, made by the European Commission with the intention of achieving a goal that is part of European Union policy. Direct funding contributions are from the community budget, given as a donation to external beneficiaries (public and private organizations such as universities, companies, NGOs) who submit project proposals to promote the implementation of community policies in the areas of research and technological development, education, training, environment, consumer protection, information, etc.

Community co-financing can cover considerable portions of actual project costs because, while the European Commission intervenes only financially, the contribution to be borne by the proponent is usually enhanced in terms of material resources and labour employed. This mechanism, on the one hand, allows the applicant an easy management of the project, with possible recovery of expenses inherent to the enhanced part and related to the project actions that otherwise would not be economically viable, and on the other hand, it allows the Commission control over the technical and financial reports of the project, which guarantee it an evaluation of the project's effectiveness and efficiency, and a general control over its relevance to the aims of the Community programme.

The indirect management of community resources

Structural aid is not allocated to projects chosen directly by the European Commission. The latter **negotiates major development programme priorities with member states** and adopts plans and programmes based on its thematic guidelines. However, **project selection and management are the sole responsibility of national and regional authorities.**

This decentralization process has been further strengthened since 2000 and ensures a streamlining of regulations governing the Structural Funds. The programmes are subsidized partly with European funds and partly with national funds (public and private), and once selected, projects receive mixed funding: national and community. Through this co-funding mechanism, EU funds supplement the resources of individual states so as to overcome, as needed, the limits imposed by their respective financial capacities.

However, the purpose of EU funds is not to enable member states to make savings in their national budgets. Individual states continue, in fact, to be the main development actors, of their own less developed areas.

Structural Funds (or indirect funds) are the preferred instrument of the European Union's regional policy aimed at strengthening the economic development of member states by *reducing the disparities between different European regions and the lack of development of the least favoured ones.*

By funding programmes that reflect European challenges and promote the transfer of experiences conducted in other countries and regions, the European Union helps member states do better and more than they would be able to accomplish on their own. Therein lies the added value of European aid. The managing authority for structural funds is normally the region, as far as Italy is concerned.