

Interdepartmental cooperation – synergic effect of financing projects from ESF and ERDF

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1.) Basic principles and outlets of interdepartmental cooperation.

ESF

non-investment fund aimed at
Human resources
development

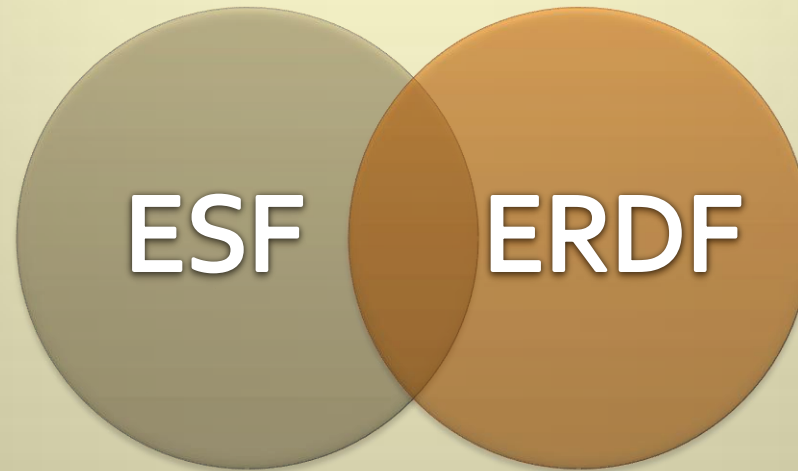
- education
- requalification
- employment fees
- analysis, studies and reviews

ERDF

investment fund aimed at
creation of capital

- take charge of machines and tool
- infrastructure building
- reconstruction of buildings, infrastr.
- development of industrial parks

Precondition for a successful implementation of projects (both financed from two diametrically different structural funds – ESF and ERDF), is a development of a mechanism so called “interdepartmental cooperation” (later on IDC).

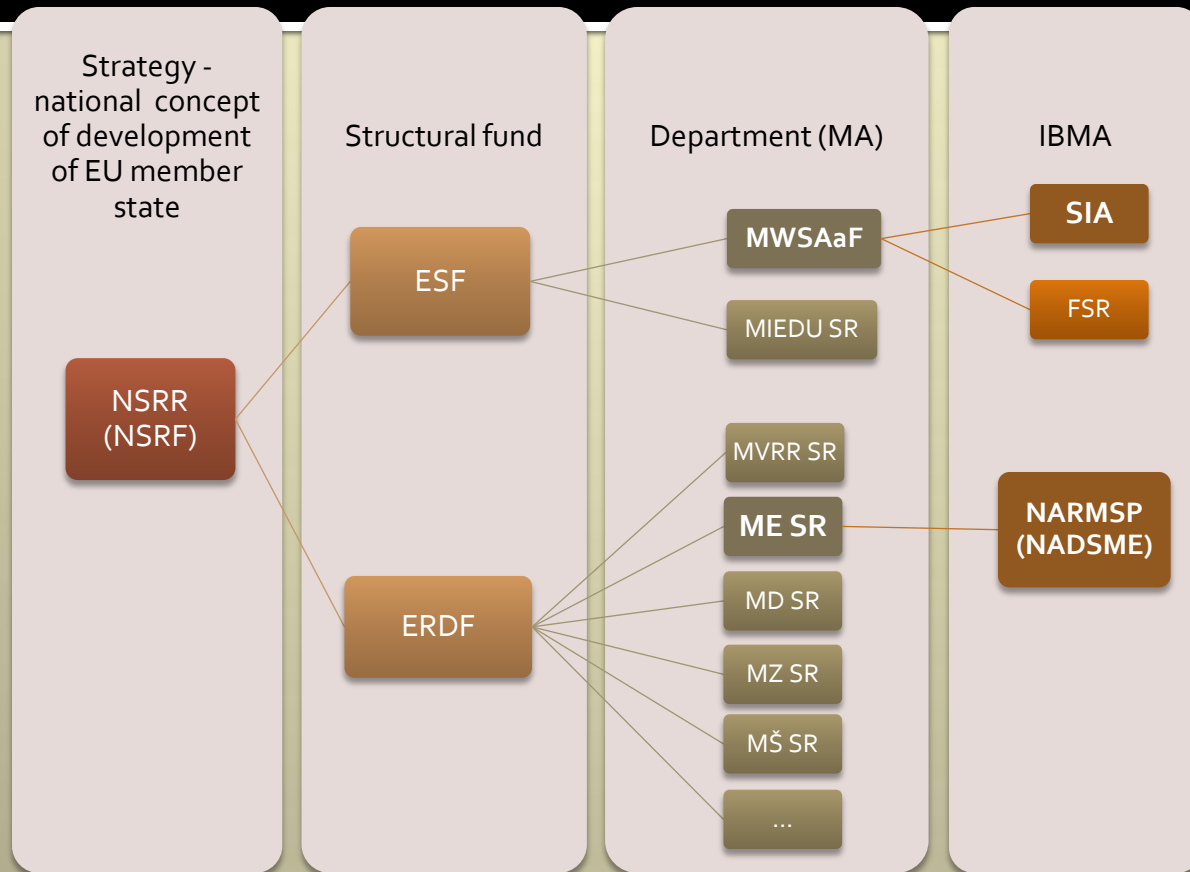


Interdepartmental cooperation is based on a so called “synergic effect”. Due to combining several interventions comes to faster, more effective and much more efficient help to beneficiary. By synergic approach is achieved increased (added) value of project results as well as

Function of **IDC**:

- Searching for intersection between both funds (ESF and ERDF)
- Providing the cooperation among concerned parties (Departments, IBMA, wide public,..)
- Setting-up processes, which will lead to successful implementation

2.) IDC between *Social implementation agency (SIA)* and *National agency for development of small and middle enterprises (NADSME)*



- Structure of **Intermediary body of managing administration/Departments (IBMA)** in field of implementation of National strategic reference frame (NSRF)

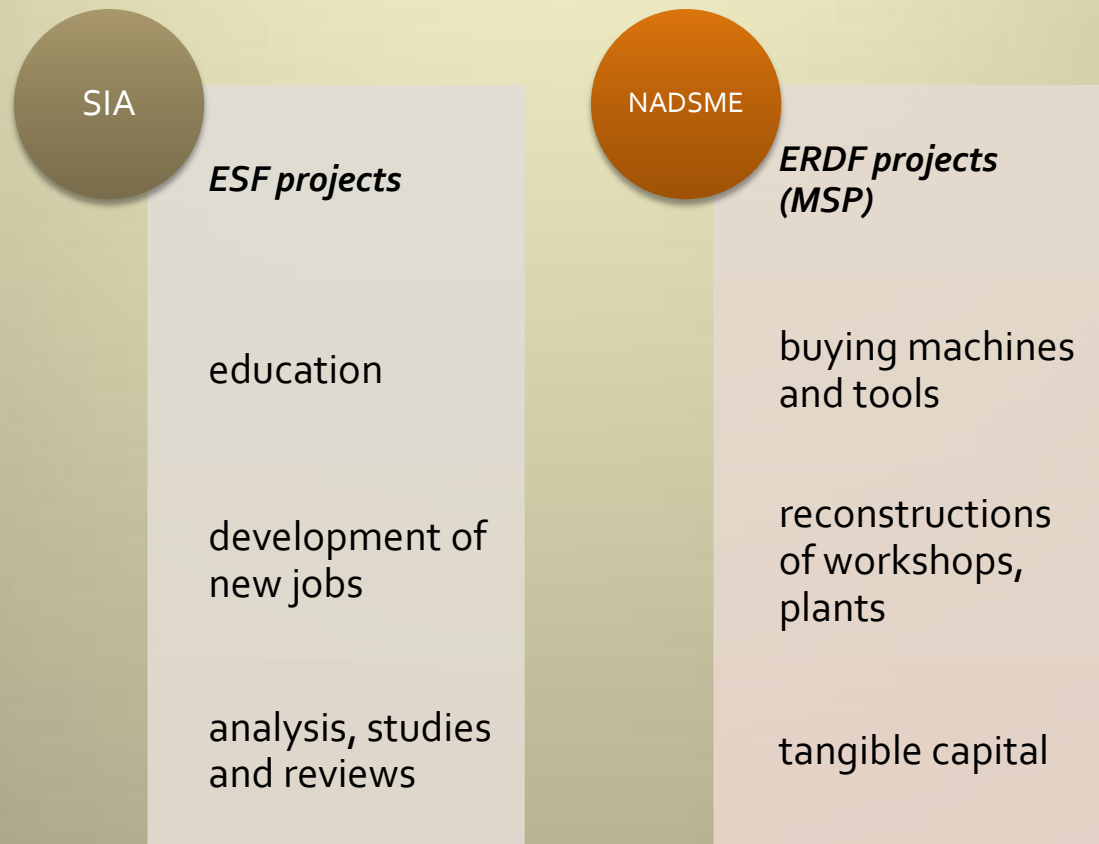
Social implementation agency (SIA)

- was found in 2007, as a managing administration under the Department of Ministry of work, social affairs and family (MWSAaF).
- SIA prepares calls for proposals in the line with **Operational Program Employment and social inclusion** (OP EaSI or OP ZaSI).
- Calls are orientated towards the development of professional skills, language skills, interpersonal skills, communication skills and many others, as well as the development of new jobs.
- SIA finances ESF projects only.

National agency for development of small and middle enterprises (NADSME)

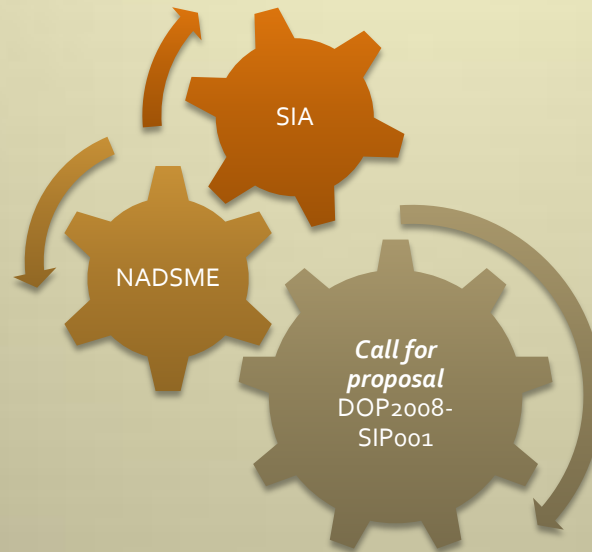
- was found in 2004, as a managing administration under the Ministry of Economy (ME SR).
- NADSME prepares calls for proposals in the line with **Competitiveness and economic growth** (OP CaEG or OP KaHR).
- Calls are orientated for middle sized and small enterprises.
- NADSME finances ERDF project only.

SIA has initiated creation of IDC in 2008. Organization structure of SIA was changed and there was formed a new department. Also, there was a new functional classification for project managers – *coordinator of IDC*.



3.) The first task of IDC between SIA and NADSME

- The first real task of IDC was to prepare to elaborate a *joint call for proposal* with the use of **Scheme of support for start-up businesses**. To complete this task there followed negotiations between general directors of both agencies.



- N.B.: Each mechanism needs for its perfect functioning correctly adjusted system of maintenance; otherwise the mechanism can take damages. As we can see on the picture above, the gear-wheels represent the mechanism of cooperation between SIA and NADSME, which leads to successful statement of call for proposals named DOP2008-SIP001. Metaphorically meant, gear-wheels need to be oiled very often, in order to work properly. In other way, sand or dust can damage the whole machine. Let's define, what "oil" and "sand" can mean:

„Oil“

- Setting up clearly competences and responsibilities for coordination group;
- Adequate support from each involved party with human resources, maintenance and supply;
- Involving regular employees (on bottom line of organization structure) in discussions, processes of creation and declaration of call for proposals;
- Regular, bidirectional communications about the project implementation (amendments to **“Agreement about irretrievably financial contribution”** (AaIFC); time table changes, etc.;
- Regular meetings of coordination group with presence of general managers and employees of all involved parties.

„Sand“

- Disunity of concerned parties relating to interpretation of methodology, law standards and acts;
- Not clearly defined competences and duties of regular employees, or coordination group;
- Increased administrative difficulty of implementation process (more than one AaIFC, but only one project ;)
- Increased technical difficulty with archiving and back-upping document dates in internal databases (for example complexity of ITMS in Slovakia)

4.) How does it work in praxis?

JOINT CALL FOR PROPOSALS Code: DOP2008-SIP001

- **OP: Competitiveness and economic growth**
- Priority axe: 1. Innovation and growth of competitiveness
- Measure: 1.1 Innovation and technology transfers

and

- **OP: Employment and social inclusion**
- Priority axe: 1. Support of employment
- Measure: 1.2 Support of creation the sustainable jobs through increased adaptability of employees, enterprises and support of entrepreneurship

JOINT CALL FOR PROPOSALS

Code: DOP2008-SIP001

- **Indicative allocation for both IBMA together : 20 000 000. – EUR**

Purpose :

- Increased support of start-up business;
- Increased job creation;
- Increased competitiveness of entrepreneurs;
- Increased employment;
- Increased adaptability of employees.

Eligible activities:

- Establishment or reconstruction of premises aimed at industrial production, craft or development of services;
- Tangible or intangible investment, i.e. purchasing of Technologies, devices, machines aimed at production or services;

JOINT CALL FOR PROPOSALS

Code: DOP2008-SIP001

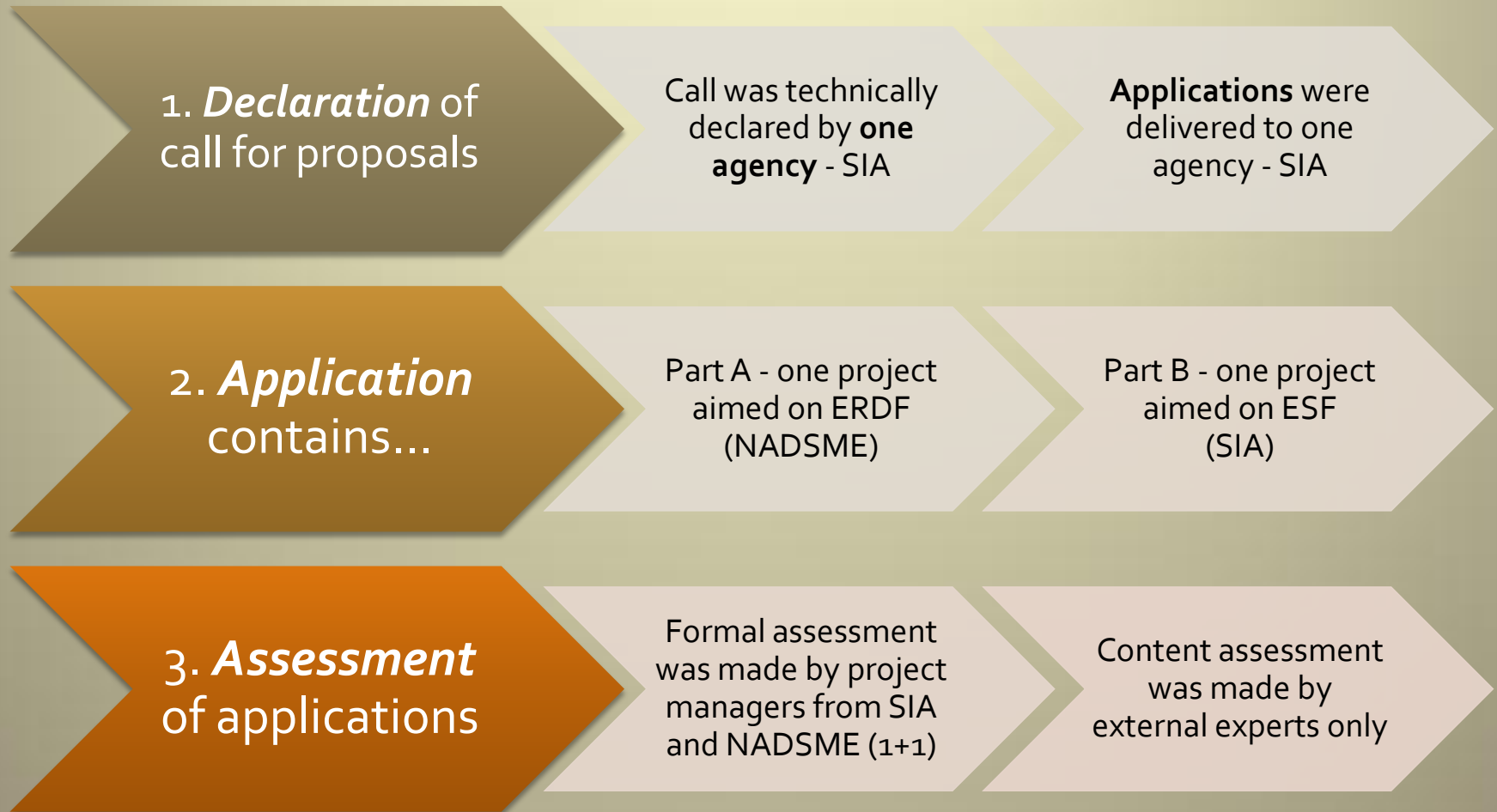
Eligible beneficiaries:

- Entrepreneurs starting new business not in the business more than 3 y before submitting the request for structural funds financing and are eligible as per the definition of micro, small or medium business (EC Regulation no. 364/2004)

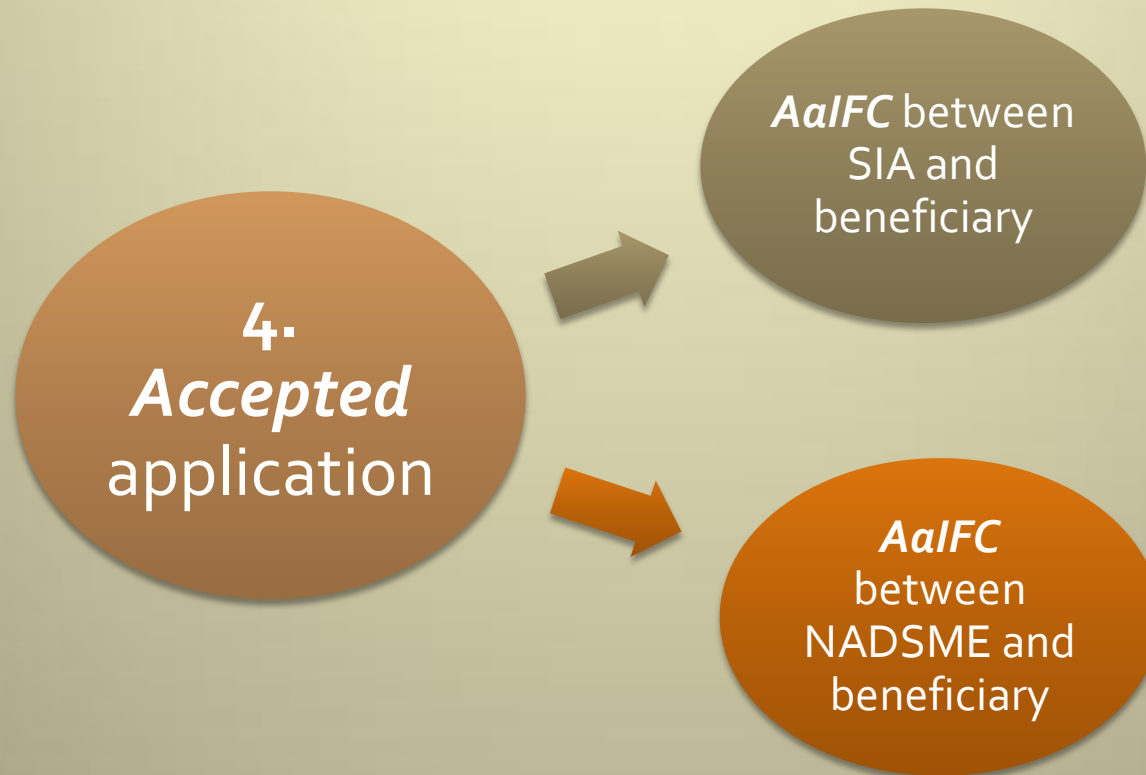
Eligible target group :

- micro, small, medium entrepreneurs, self-employed persons,
- employees or self-employed to be trained,
- employees to be placed within newly created jobs or self-employed, **job seekers, job changers, vulnerable persons at LM, graduates, persons aged 50+, handicapped and persons taking care of children etc**

SIA had developed new system, which is described in shown picture:



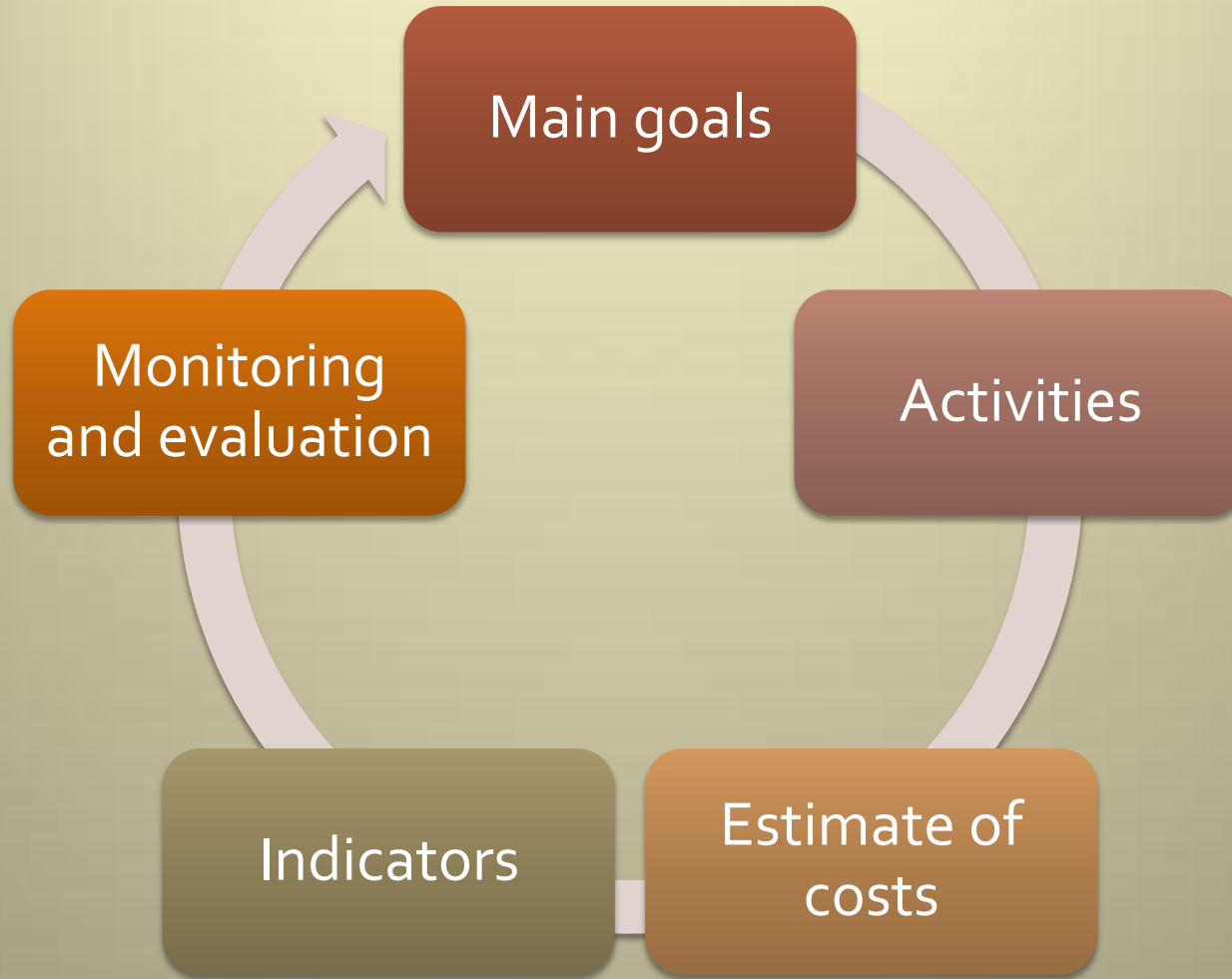
When the assessment processes were finished, both agencies came up to creation of two different AaIFC's. These agreements are valid only together. Withdrawal or cancelation of one agreement leads to cancelation of the other one.



5.) Best practice

- **Company name :** ALUPRO, Ltd.
- **Name of project:** „Investments in production process of a company ALUPRO“
- **Short description of company:**
ALUPRO, Ltd., was found on *12th of September 2006* with its focus on production of goods from plastic materials – plastic window frames, doors. Location of company is in Ziar nad Hronom district, which is a home town for a lot of other producing companies, in plenty of different types of productions.

Basic description of processes



1.) Main goals:

- Creation of four new jobs and training for newly hired job-seekers (ESF)
- Increase of quality and range of goods (ERDF)

2.) Activities:

- Purchase of new machines for production – more than 20 different machines with additions, for example vehicle, drill press, grinding machine, routing automat, double circle saw, hack sawing machine, etc.;
- Hiring four job-seekers for 12 months (employer has to keep the jobs for three more years after the project is finished)
- Training of newly hired job-seekers.

3.) Total costs

- Part A – ERDF: 76 428,96 €, IFC = 50 percent (38 214,48 €)
- Part B – ESF : 35 004,98 €, IFC = 50 percent (17 502,49 €)

4.) Indicators:

- Increase of revenues: from 273 185,95€ in 2008 to 464 714,86 € in December 2010;
- Number of created new job positions: 4
- Number of persons, who were trained: 4

5.) Monitoring and evaluation:

- Project finishes up this month (October 2010). During the implementation there have been no serious mistakes on beneficiary side, or in both IBMA sides
- The call for proposal targeted also employees to be placed within newly created jobs or self-employed: **job seekers, job changers, vulnerable persons at LM, graduates, persons aged 50+, handicapped and persons taking care of children** etc.
- Thank to this project and with cooperation with regional job centers, company ALUPRO, ltd. has employed two disadvantaged job seekers. See photo documentation for better understanding.

Employee of ALUPRO ltd., at work

Newly hired disadvantaged
job-seeker – (more than 55
years old, long term
unemployed) working on newly
purchased double radial saw



*Employee of ALUPRO
ltd., at work*

Newly hired job-seeker
working on newly purchased
drill press.



***Employee of ALUPRO
ltd., at work***

Newly hired job-seeker –
graduate of vocational school
working on finalization of
plastic window frame.



**Thank you for your attention and
enjoy the rest of your stay.**