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# External EU Funding – a tool for strengthening regional and institutional development

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Regional or cross-border international community building can be successfully achieved through the implementation of various community development actions. The practice shows that joint effort and collaborative projects at local or international level can bring significant benefits that is almost impossible to achieve by single organisations or individuals. Collective actions undertaken for solving regional problems or international challenges often require a lot of resources. External EU funding can be a good solution for organisations and regions to acquire additional resource for solving the problems that go beyond the scope of a single organisation. Tackling different issues in different spheres and industries, from small scale business development to education, digitalisation, climate change, social issues and many more for Lapland as a region this is an important time to consider more active use of external funding for the projects in particular in the new EU programme period 2021-2027, where we can find variety of suitable funding opportunities. However, for one who is not involved on a daily bases with EU funded programmes it might be a mysterious world that exists out there, while actual access to EU funds is possible to a wide range of actors in the Lapland regional community. Sometimes the EU jargon and information “jungle” make it feel unattainable, however, with better understanding on external funding context, it might open so many new opportunities to the regional communities.

## What is project external EU funding

External funding is a term used to describe funds that organisations obtain from outside of the institutional internal resources. Project external funding means that organisation obtains

external financing for the implementation of a particular development task carried out in a mode of project with a specific goal, scope and timeframe. There is a variety of external financing possibilities, however, for the purposes of the article specific attention is given to EU Programme funding. Offered in the form of grants or loans EU provides direct financial contribution to support a specific action through a project. Usually these projects are expected to contribute to furthering of EU policies, but they are also supposed to support organisation's own strategic aims as well as local, regional and national strategies.

## Origins and operations of EU funding

EU funding programmes are defined through the multiannual financial framework programming by European Commission. Currently in new programming period of EU long-term budget 2021-2027 (called also as NextGenerationEU) there is secured a provision of about 211 billion Euros for grants and about 133 billion Euros for loans (EU Budget 2021).

EU offers direct and indirect funding. Direct funding is managed by the European institutions offering grants and contracts. Indirect funding is operated through national and regional authorities. For example, European Structural and Investment funds are accessible through European Regional Development Funding programme and European Social Fund operated through Finnish authorities. To access EU grants for indirect funding organization and its project consortium should apply through national authorities, and these projects are mostly implemented at the national, regional or local level. While direct funding can offer more possibilities for international cooperation projects and in this case the organization will apply for the funding through designated European institution (EC Directorate General or executive agency) who are responsible for managing the funding schemes.

At the moment one will find more than fifty different EU Funding programmes when searching at EC website (Overview of Funding programmes, 2021). EU provides funding in the form of loans or grants for very wide spectrum of projects in the areas such as education, regional and structural development, agriculture, maritime and fisheries, democracy and human rights, youth, entrepreneurship, digitalization, socioeconomic development, cross-border cooperation and many other.

## Call for proposals

EC provides funding for the projects which primarily contribute to the implementation of EU policies and strategies through specifically defined programme priorities. EU project grants can be obtained through calls of proposals. The term “calls of proposals” means that funding authority is publishing an announcement inviting the submission of the project ideas in the form of a project proposal in the specific application format. Thus an organisation on behalf of its consortium prepares a project application known in general terms as a project plan, but with its own specific requirements. Why it is called a proposal? EU programmes usually have a specific thematic framework with clearly defined aims of the programme. Particular project idea becomes a proposal to tackle specific aims or problems that EU programme intends to solve at a general level, while set of proposed projects will create an aggregate response to overall challenges as defined by EU programme. Calls of proposals (CofP) define thematic and financial framework and indicate specific priorities and actions financed under particular programme funding. Calls of proposals are published usually on the website of the managing authority of EU Funding programme and provide application packages, guidelines, define eligibility criteria and timetables. To navigate and find suitable call of proposals can be a challenging task and it requires a knowledge and time to search through the options. If a project idea seems to be well defined, applicant should follow the updates on CofP. Calls of proposals are found under thematic budget lines and the frequency of CofP can vary by different programmes, often ones or twice a year. Therefore applicants are advised to begin the project idea, preliminary project plan and consortium (partnership) development well in time. Once the CofP is open, it might be rather short time for applicants to finalise the project application before application submission deadline.

## National and International EU Project Management

Having project management knowledge, skills and experience can be very beneficial when beginning the work with EU funded projects. However, EU projects have its own specifics and requirements and therefore require additional qualification to successfully develop and manage EU programme funded project. In addition to typical project cycles and processes, one needs to be acquainted with the pre-grant, project implementation and post-grant processes as well as very specific financial management requirements.

Even more specific qualifcators are needed if the organisation decides to participate in an international project or create one. International context requires good understanding of cross-cultural and diversity management matters. Good understanding of a PEST (political, economical, social, technological) environment context is necessary.

Just to understand the scope of the work, hereby are few questions that the organisation needs to answer at the pre-grant stage, when the project is at its very initial stage.

Where and how to find suitable funding programme? Where and how to find calls for proposals?

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- Eligibility criteria and other preconditions – is the organisation eligible to receive EU funds? Most calls are focused towards a specific form of legal entity, or require partnerships with certain legal entities
  - Is the financial capability of the organisation sufficient? EU funding programmes often only co-finance projects (it can be up to 80% of eligible project costs) and therefore the organisation has to secure own additional funding to cover the costs that are not funded by EU programme.
  - Does the project idea fit the thematic focus of EU programme and at the same time contribute to the strategic goals of the institution?
  - Is there project partnership established? Most EU programmes support collaborative projects and therefore require specific partnerships for a project proposal. For example, most of Erasmus+ programme funding (education field) expects that there are at least three partners involved from at least three partner countries.
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Now, when the core questions seemed to be clarified the organisations tend to directly start by so called “filing the application form”. Typical project management practice that is applied in small single organisation project addressing internal development issue do not apply in the international projects. In the case of international projects where variety of partners are from different countries and different regional contexts and different institutional strategy, there is a need for specific tools on how to manage such complex relations with one clear goal and scope. For EU funded programmes and projects the application of Project Cycle Management (PCM) and Logical Framework approach (LFA) can be very useful set of project design and management tools that helps the applicant and project consortium to create a winning application and help efficient project implementation and post-grant stage activities. Understanding PCM and LFA will help to understand better the logic of EU programmes and

helps to write a project application that fits this logic, eventually it helps efficiently implement international projects (Toolkit on European Funding, 2016; Project Cycle Management Guidelines 2004)

## Have a strategy to fully benefit from EU funding

When the organisation begins considering and searching external funding possibilities for their development objectives, it is essential to create an organisation wide strategy aiming to benefit from EU Funding. The entire project cycle requires significant resources starting from project idea development to building a project consortium and writing the project application for submitting to the external funding instrument for the approval, and later for actual project management, once the project is financed. Having a strategy will allow organisations to allocate specific resources and financing of project application specific activities. Today, there is increasing competition among organisations for sustaining the financing through EU programmes. The complexity of entire process of applying for the funding goes far beyond just general view of filling in the application form. Depending on the scope of the project, the entire cycle of the pre-grant phase, from idea to project application can take long time, in general between half a year and entire year, depending on the stage of the project idea development and specific EU programme operations. It requires specific qualifications, knowledge and expertise to deal with the particularities of the project application and EU funded project management. However, it can be rather beneficial for an organisation, with the external money it can strengthen implementation and the basic task as well as advance the organization's strategy goals.

Lapland UAS among other is implementing such a strategic approach through KATOS project that aims to support more intensive application of EU funding for international projects. KATOS (Kansainvälisen TKI- osaamisen kehittäminen Lapissa/International RDI competence building in Lapland ) project develops a 15 ECTS pilot training on International Project Management during 2021. With built EU project management competence among regional actors in Lapland , it is expected that in the future there will be better understanding about EU external funding and how organisations can apply for it. KATOS is financed by European Social Fund programme and runs until 2022. (KATOS 2021)

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