

Main Achievements in Hungarian Development Policy & Outlook Beyond 2014



HUNGARY'S RENEWAL

Annual Conference of Competitiveness Operational Programmes 2011

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1. Conference to facilitate the regions' convergence and development



- Opportunity to discuss achievements in economy development operational programmes at the level of EU and Hungary
- Sharing international experiences can contribute to the success of the Polish presidency

Undertaking the presidency duties by Hungary and Poland to represent Central European considerations in the EU



2. Challenged by factors influencing fast fund allocation after the change of government



- Deficiencies of the previous administration remedied
- Development policy system screened
- Inherited incomprehensible and overcomplicated regulatory environment and institutional system transformed
- Still struggling with decade-old bureaucratic habits

**Considerable results achieved despite
having less available resources than
the previous administration**



3. New Széchenyi Plan: clear strategic considerations to identify potential breakthrough points



- A consistent platform for treating European Union and domestic development funds in a **uniform framework**.
- **National Programmes:** priority investment projects aimed at the realisation of national objectives

Principal objectives: improvement in competitiveness, increasing employment, job creation, opportunities to SME's.

4. European Commission's acknowledgement of the Hungarian emphasis on SME support



- During the eight years preceding 2010, decision-makers **turned a blind eye to the considerations of SME's.**
- Development policy reform serves the purpose of allocating increasing amounts SME's **within the shortest time.**

Reinforcement of Hungarian SME's is a significant factor in improving competitiveness.

5. Considerably faster fund disbursement since the change of government



- Payments per week: HUF 5.5 billion → **HUF 35,1 billion**
- Projects contracted per week: 103 → **174**
- Last week: **264 applications** received

Special attention to the lawfulness of funds allocation and disbursement scheduling

6. Short decision-making and contracting deadlines



- During the past 12 months, **11,133** applications were granted more than **HUF 1,000** billion.
- **3,815** projects were granted **HUF 173** billion.
- Support contracts were concluded for **2,697** projects for **HUF 93** billion.

7. Simpler and faster tendering



- Support contracts for projects increased **2.5** times
- Unprocessed invoices reduced from 13,000 to **2,700** during 18 months
- Late decisions and contracts cut from 2,300 to **600**
- Electronic tendering extended
- Simpler declaration
- **760** large and priority projects screened

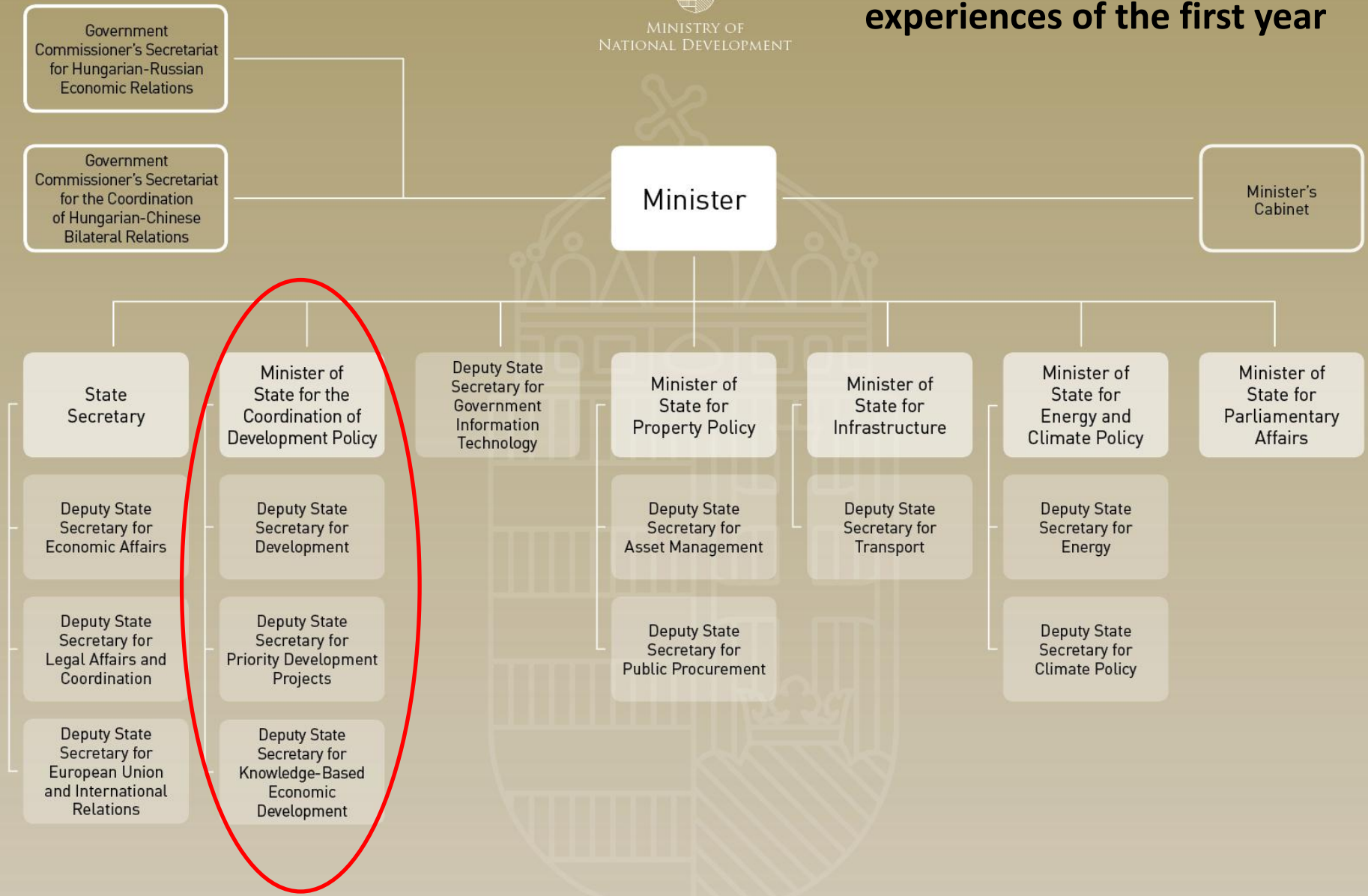
8. Clean public procurement

- **Centralised public procurement system introduced to prevent irregularities and the loss of funds**
- **An independent division with embedded internal audit set up at the National Development Agency**
- **Simpler procedures introduced**
- **Opportunity of electronic tender procedures**

Lawfulness of procedural actions verified and prompt measures taken



9. More efficient ministry organisation based on the experiences of the first year



10. EU's positive evaluation of our efforts



Jean-Marie Seyler, Director in charge of Hungary at the Directorate General of Regional Policy of the European Commission (October 2011)

- The current **70** percent project approval ratio could be considered good
- The **20** percent disbursement ratio meets the EU average.

11. Reinvestment of EU funds into the economy with actual profit



Government action plan summarising the tasks:

- Project planning and management
- Verification control
- IT development to further reduce administration
- Streamlining licensing and financing procedures and the rules of support allocation
- Cooperation between the government and project managers

Complex acceleration package of improvement solutions for each payment condition



12. Acceleration tools

- Connect the tender supporting IT system to public databases
- Electronic public tendering: easier settlement methods
- Streamlining document-based checks in the case of the central budgetary organisations
- Electronic approval in public procurement

About HUF 1,400 billion available in 2012 under the New Széchenyi Plan

13. Preparation for the post-2014 EU budgetary period



- Flexible and efficient organisational structure and processes
- Drafting a feasible regulation possible to comply with
- The number of control organizations must be reduced
- Financing should be subject to programme completion
- Favourable changes must be felt by clients

Joint discussion of the regulation with the Member States of our region is highly instrumental

14. Joint action for a powerful cohesion policy



- EU's external competitiveness inseparable from internal cohesion
- Visegrád Countries' cooperation to be extended to a wider circle
- CEE countries have shared interests and common experiences

Mutual support is important in the efficient representation of national interests



Thank you for your kind attention!