



# Hungary

## Implementation structure

The Hungarian ESIF implementation model is, in comparison to other sampled countries, closest to the Czech system. Five Managing Authorities incorporated into the structures of individual ministries manage nine Operational Programmes. The Hungarian State Treasury is the designated intermediate body, though only for three specific Operational Programmes. Still, the Office of the Prime Minister plays a strong role, possessing controlling powers while housing one of the Managing Authorities. The concentrated nature of the system is rooted in the experience from previous programming periods, when a high number of Intermediate Bodies (up to 22) was deemed ineffective. In this context, the Hungarian implementation structure has gone through many substantial reforms over a relatively short period of time, most recent of which was carried out in spring 2018. Fluidity is therefore a characteristic feature of the Hungarian system.



### Positive aspects

- ▶ Uniform legislative framework across individual funds
- ▶ High interoperability of the IT system with other public administration registers and systems
- ▶ Up to 100% pre-financing for public sector beneficiaries and non-governmental non-profit organizations

### Negative aspects

- ▶ Relatively large number and frequency of changes to the implementation architecture
- ▶ High administrative burden perceived by stakeholders
- ▶ Weaker position of regional authorities
- ▶ Occasionally unclear division of competencies and possible overlaps of activities

## Key aspects of the implementation structure

1

### High frequency of changes

There were many substantial reforms of the implementation structure. The high degree of volatility can cause confusion for beneficiaries and also appears to have negative implications for the volatility of the implementation structure's workforce.

2

### IT system

The new single IT system (FAIR) is praised for a high degree of interconnectivity with other public administration systems. Its continuous development is guided by the principle "one data only one time." At the same time, though, FAIR falls behind in user-friendliness.

3

### SMEs and the red tape

Small and medium-sized enterprises, as beneficiaries, are burdened with excessive administrative tasks. Their representatives often argue that the way funds are implemented does not reflect the nature and needs of the private sector.

4

### Standardisation of processes

The transfer of Intermediate Bodies to the Managing Authorities and their incorporation under individual ministries brought greater synergy between the various processes of the implementation structure. Thus, ESIF administration has become less fragmented.



EUROPEAN UNION  
Cohesion Fund  
Operational Programme Technical Assistance



MINISTRY  
OF REGIONAL  
DEVELOPMENT CZ



Building a better  
working world