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**GRANT PROJECT APPROACH IN PUBLIC ADMINISTRATION:  
PRACTICAL ASPECTS OF THE EUROPEAN UNION**

**WYKORZYSTANIE PROJEKTÓW GRANTOWYCH W ADMINISTRACJI  
PAŃSTWOWEJ: PRAKTYCZNY ASPEKTY UNII EUROPEJSKIEJ**

**ИСПОЛЬЗОВАНИЕ ГРАНТОВЫХ ПРОЕКТОВ В ГОСУДАРСТВЕННОМ УПРАВ-  
ЛЕНИИ: ПРАКТИЧЕСКИЕ АСПЕКТЫ ЕВРОПЕЙСКОГО СОЮЗА**

**Abstract**

*Today grant funding in the world has become very popular. Gradually public institutions are finally making use of project management to implement regional strategies and programmes. Through the training at various European public institutions, at local, regional and national levels, it becomes evident that Ukrainian public managers to a substantial degree fail to pervade project approach as part of the respected functional operations, processes and structure of the institutions. Moreover, there is an apparent lack of understanding on how to use project approach on an on-going basis for the operationalization of regional strategies and programmes. This article suggests a procedure to address this issue. The main recommendation is that senior public management should establish a project approach whereby all or at least the majority of functional activities for regional programmes' implementation is seen as projects. The authors offer the guidelines to implement this approach in Ukrainian public institutions.*

**Keywords:** *grant project, public administration, regional strategy, regional programmes.*

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### **Streszczenie**

*Dziś grantowe finansowanie na świecie stało się bardzo popularne. Stopniowo, agencje rządowe zaczynają korzystać z zarządzania projektami do realizacji regionalnych strategii i programów. Dzięki szkoleniom przeprowadzanym w różnych europejskich instytucjach rządowych na poziomie lokalnym, regionalnym i krajowym, należy stwierdzić, że ukraińscy przywódcy rządu często nie stosują podejścia projektowego w ramach poszczególnych procesów operacyjnych i funkcjonalnych w strukturze instytucji. Co więcej, istnieje wyraźny brak zrozumienia tego, jak korzystać z podejścia opartego na projektach na bieżąco w celu praktycznej realizacji regionalnych strategii i programów. W tym artykule opisano procedurę rozwiązania tego problemu. Głównym zaleceniem jest to, że zarząd powinien ustanowić podejście do zarządzania projektami, w których wszystkie lub przynajmniej większość działań w zakresie wdrażania programów regionalnych są uważane za projekty. Autorzy dają praktyczne wskazówki dla realizacji tego podejścia w ukraińskich instytucjach państwowych.*

**Słowa kluczowe:** grantowy projekt, zarządzanie, strategia regionalna, program regionalny.

### **Аннотация**

*На сегодня финансирование грантовых проектов стало очень популярным. Постепенно государственные учреждения начинают использовать управление проектами для реализации региональных стратегий и программ. Благодаря тренингам в различных европейских государственных учреждениях на местном, региональном и национальном уровнях, становится очевидным, что украинские государственные руководители в значительной степени не используют проектный подход в рамках соответствующих функциональных операций, процессов и в структуре учреждений. Более того, существует явная нехватка понимания того, как следует использовать проектный подход на постоянной основе для практической реализации региональных стратегий и программ. Данная статья предлагает процедуру для решения этой проблемы. Основная рекомендация состоит в том, что высшее руководство должно установить проектный подход к управлению, при котором все или, по крайней мере, большинство функциональных мероприятий по реализации региональных программ рассматриваются в качестве проектов. Авторы предлагают практическое руководство для реализации этого подхода в украинских государственных учреждениях.*

**Ключевые слова:** гранты, проект, государственное управление, региональная стратегия, региональные программы.

**Introduction.** Today grants are non-repayable funds or products disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a nonprofit entity, educational institution, business or an individual. In order to receive a grant, some form of "Grant Writing" often referred to as either a proposal or an application is required.

Most grants are made to fund a specific project and require some level of compliance and reporting. The grant writing process involves an applicant submitting a proposal (or submission) to a potential funder, either on the applicant's own initiative or in response to a Request for Proposal from the funder. Other grants can be given to individuals, such as victims of natural disasters or individuals who

seek to open a small business. Sometimes grant makers require grant seekers to have some form of tax-exempt status, be a registered nonprofit organization or a local government. Grants today are very popular not only in Europe but worldwide.

For example, tiered funding for a freeway are very large grants negotiated at government policy level. However smaller grants may be provided by a government agency (e.g. municipal government).

Project-related funding involving business, communities, and individuals is often arranged by application either in writing or online.

Thus, there is no need to further use traditional approaches. Projects have to co-ordinate the efforts of multiple cross-functional teams possibly operating in different functional areas and sometimes even geographic locations.

Therefore, we can state that public administration in the 21<sup>st</sup> century is undergoing dramatic change, especially in advanced economies of the world. This paper argues that public sector reform efforts in Ukraine need to embrace these changes selectively, in particular with regard to project approach.

**Objectives.** The purpose of the research is to study the project approach and the possibility of its use in public administration.

**Literature Review.** From 2000 there was a discernible trend towards an emerging model variously termed the “new public service”, the “new public governance” or the “post-new public management” (Dunleavy and Hood, 1994; Denhardt and Denhardt, 2000; Osborne, 2006).

Projects in public management are also of increasing interest to researchers. Entire books describe how to manage the projects (e.g., Kassel 2010; Wirick 2009). The differences between project management in the public and private sectors are examined (e.g., Olateju et al. 2011; Nagadevara 2012; Arnaboldi et al. 2004).

The EU provides funding for a broad range of projects and programmes covering areas such as:

- regional & urban development;
- employment & social inclusion;
- agriculture & rural development;

- maritime & fisheries policies;
- research & innovation;
- humanitarian aid.

In literature on project management, a project is understood as “a time bounded task to create a specific outcome”, and task as “a broad series of work activities” (Paletz, 2012). Project management in public administration is consequently defined as “carefully planning and monitoring of scope, cost, risk, and quality, with particular attention to internal and external stakeholders” (Paletz, 2012).

It is commonly acknowledged that the project management approach has a broad impact on the success of state and regional projects (for a summary, see Fernandez and Fernandez, 2008). Kraft and Steenkamp (2012).

In this paper we confine our focus to the broader shift in approach argued by Prof dr Gerrit van der Waldt (2001) who advocates establishing a management by projects approach in public service delivery.

**Results.** Funding is managed according to strict rules to ensure there is tight control over how funds are used and that the money is spent in a transparent, accountable manner. As a group, the 28 EU Commissioners have the ultimate political responsibility for ensuring that EU funds are spent properly. But because most of the funding is managed within the beneficiary countries, responsibility for conducting checks and annual audits lies with national governments.

Over 76% of the EU budget is managed in partnership with national and regional authorities through a system of «shared management», largely through 5 big funds – the Structural & Investment Funds. Collectively, these help to implement the Europe 2020 strategy.

Project approach encompasses the entire institution, and, thus, the methodology should span across multiple levels and departments. Institutions that have used this approach find that there are still barriers to succeeding with their managerial processes (Maylor, 1996; Meredith, 1985). Particularly for Ukraine, these barriers may be both structural and cultural. In project approach, organizations begin to view all changes to their processes and activities as “project-oriented”. In this case the

given institutions start categorising all their activities as "projects" with the further division into "change projects" or "operational projects" (Stacey, 1993). The project approach concept affects all features of an organization, starting with the corporate strategy development and finishing through the strategic and operational planning cycles (Common, Flynn & Mellon, 1992). Any institution by means of this approach views all its functional activities as projects, evaluating them against the corporate strategy. The managers prepare project-oriented operational plans for all functional groups and review them afterwards. In the long run, the output of the whole process is a set of projects (programmes) and resource plans aligned with the corporate strategy. Figure 1 below illustrates this approach.

This figure illustrates the significance of the fact that the staff who will implement the projects should be aware of their personal contribution towards the project implementation in particular and strategy application in general. In other words, they have to understand: (1) what the project is about; (2) where the project will be executed (geographical locations); (3) who will be involved (units, departments, executives, etc.); (4) when to start with the individual tasks of the project and when to complete them (time); (5) how they must perform a specific activity and how they will be evaluated (quality) (Van der Waldt, 2001).

According to Burke (1993) and Kerzner (1984), project approach in public administration, has the following advantages:

- Assigning and managing rare resources across the multiple projects ensuring that the high priority projects are receiving precise attention.
- Recapping early successes achieved by top management's focus and attention on early implementations.
- Effective communication between the project and the structural departments /

officials.

- Disseminating, reiterating and sustaining successes across all projects.

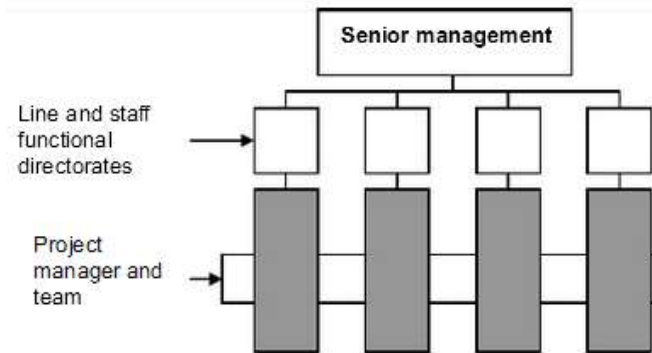
While compelling grant writing skills are essential, grant prospecting is a first and important step to finding the "best fits" for your funding needs. Effective grant prospecting takes time, but following these steps can help you search for and win more money from government sources.

Grant prospecting is the act of using database tools, professional networks, and personal contacts to identify and cultivate the most appropriate potential funding partners.

Competition for all grant funding has intensified significantly since the recession began in 2009. But all nonprofits face challenges in seeking grants, namely a lack of time, lack of staff, lack of money for database subscriptions, and lack of understanding of what makes the best fit for funding.

Why all the competition? There are billions of dollars in grant dollars available every year. In the federal government alone there are 26 federal grant-making agencies and more than 900 federal programs. These include the Departments of Agriculture, Commerce, Defense, Education, Energy and others.

Creating a project-oriented approach does not require dedicated, professional project managers as it used to be in traditional public management structures. The reality of today's public sector environment requires individuals to be both managers and individual contributors on a variety of projects. This genuineness means that public management requires a more casual and frequent use of project management tools and methods. Launching a successful project-based public structure requires an individual approach designed for each specific institution. Nevertheless, the key challenge for Ukrainian public institutions remains: to infuse a project with the existing bureaucratic hierarchical structure. Fig. 1 provides a basis for addressing this challenge.



Source: Adapted from Van der Waladt, 2001.

Figure 1: Project-Oriented Organizational Structure Integrated into a Hierarchical Structure

Further we would like to consider this model in public administration. We'd like to underline in this context that according to the model the level of the project management development in public administration can substantially differ from the business of the analysed country. As a rule the level of the project management development in business is higher than in public administration. In addition to that, different countries can be related to one level, but there necessarily exists a difference between countries.

The first level towards achieving project management excellence is *common language*. At this stage the public institution actively recognizes the importance of project management and promotes the sharing of the project management basics and associated terminology.

The common characteristics of public institutions at Level 1 of Project Management Maturity Model (PM<sup>3</sup>) are: (1) inconsistent use of project management; (2) few people interested in project management; and (3) no serious commitment by the organization to recognize the importance of project management.

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The second level in the model is *common processes*. Here the public institution makes a sincere effort to use project management methodology and establish standard processes to be replicated in future projects to ensure the repetition of success.

The common characteristics of public organizations at Level 2 of PM<sup>3</sup> are: (1) an understanding of the benefits of project management; (2) support to project management across various levels; and (3) a defined process and methodology for managing projects.

*Singular Methodology* is the third level of the Project Management Maturity Model. The Level 3 public institution understands the value of combining corporate methodologies into one singular methodology for project management.

The common characteristics of public organizations at Level 3 of PM<sup>3</sup> are: (1) integrated processes, whole-hearted support by the organization to the singular project management methodology, and (2) less paperwork for rigid policies and procedures.

*Benchmarking* is the fourth level of the PM<sup>3</sup>. Level 4 public institutions understand the essence of continuous process improvement for maintaining competitiveness in the market. These organizations continuously compare their project management with those of the leaders in the market to set benchmarks.

The common characteristics of organizations at Level 4 of PM<sup>3</sup> are: (1) existence of a project management office (PMO) dedicated

to improving processes and (2) performance of both quantitative and qualitative benchmarking. Finally, *Continuous Improvement* is the fifth level of the PM<sup>3</sup>. Level 5 public institutions continuously analyze the information obtained from benchmarking and implement it to improve their project management process. Such organizations constantly strive towards project management excellence.

The common characteristics of organizations at Level 5 of PM<sup>3</sup> are: (1) creation of lessons learned after each project and (2) application of lessons learned from previous projects into subsequent projects.

We believe that all CIS countries, including Ukraine, are at the Level 1 of PM<sup>3</sup>. In general business in these countries has already recognized the importance of project management and begun to develop and implement relevant project methodologies. Governments tend to be behind the business in this field. Moreover, there is a tendency of the distinct development of project management in business, i.e. project management is used mostly in project-driven companies. Even though many experts view such countries as Ukraine, Kazakhstan and Russia as leaders in this field, there doesn't seem to be any tendency of shifting toward the next level of the maturity.

Thus, we suppose Ukrainian public authorities as Level 1 organizations should take the

following steps to graduate to a higher level of project management maturity:

- Provide training in project management and hire certified project managers.
- Support the use of project management terminology in projects.
- Encourage the use of various project management tools, templates, checklists, and forms.

**Conclusions.** A grant is one of the ways the government funds ideas and projects to provide public services and stimulate the economy. Grants support critical recovery initiatives, innovative research, and many other programs. The use of project management in government results in a new implementation "toolkit" for public service managers. From this article it should, however, be clear that structural, systemic, cultural and procedural adjustments need to be made to inculcate a new reality and to incorporate processes and procedures to support project applications. The resulting project approach in public administration will add significant benefits to both public servants and citizens. However, shifting from traditional public service to project-oriented public management does not only involve the restructuring of existing management procedures and systems, but also requires a conscientious mind set change.

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