

## **Developing Vienna City Administration's Municipal Department 27 „EU-Strategy and Economic development“ as a Project-oriented Organization (POO)**

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Project management is considered as an important field within the Vienna City Administration, a field to be further developed. Beginning of 2003 the Departments „EU-Promotion“ and “Development of the economy and technology” were merged to form the new Municipal Department 27 “EU-Strategy and Economic development”.

Since 1995 Vienna has developed to one of the core Cities of the European Regional Development Fund (ERDF) Programmes. Today hosting the INTERREG III C EAST Joint Technical Secretariat (JTS) and one Transnational INTERREG III B-CADSES Contact Point (CP). It is involved as Operative Assistance Authority (OAA) in 3 INTERREG III A PHARE-Cross Border Co-operation Programmes (AT-CZ, AT-H, AT-SK).

The Municipal Department 27 (MD 27) consists of three units “EU-Funding”, “Economic Development”, “Finance and ICT” and the Staff Groups “Public Services”, “Energy Affairs”, “Public relations” and “Quality Management”. Programme and Project Management is the common basis of The MD 27 seven organizational units.

Currently MD 27 manages 2 Intereg III B CADSES Projects ( “Urban Technologies II”, “Donau Hanse”), 2 strategic INTERREG III A Projects (“Building An European Region (BAER)”, “CENTRAL”) and the “INTERACT Project Managing Transition and External Cooperation”. The last is presented in another paper [1].

The “Energy Affairs Group” is Partner in the CADSES Project “CER<sup>2</sup>” and participated in the FP6-Concerto-Programme. It manages the regional Programme for “Alternative Energy Funding” and the project “Implementation of the EU-Buildings Directive” in Vienna. The Finance Unit acts as “First level Control” for INTERREG III A and B Projects and Monitoring Unit for the INTERREG III A Programmes. It is also involved in the financial management of the above mentioned Projects. It also acts as Contact point for the European ICT Programmes. The Staff Group “Public Services” acts on strategic level in European matters, at the moment mainly traffic and water supply. Beside these tasks MD 27 acts as internal consultancy to the other Municipal Departments (MDs) in European Programme matters and is responsible for the financial flows from the EU to the EU-co financed Projects.

As project and programme management rates high and the demand for standardized definitions and procedures is seen by all employees, the development of the organizational and individual competences has been agreed on within the Department.

The two challenges were to include successfully the Organisational Development process necessary to consolidate the department in its transition and that of the department into a POO and to establish guidelines which allow to handle internal and EU Programmes and Projects within this framework.

### **The Project “POO MD 27”**

The development of the MD 27 „EU-Strategy and Economic Development“ as a Project-oriented Organization was organized as a project.

The project had 2 main objectives:

- Development of the organizational programme and project Management competences of MD 27 through the development of procedures for the project- and programme management and standardized templates
- Development of the MD 27 staff individual competences in project- and programme management to be reached with trainings and coachings in project- and programme Management based on international standards

The work breakdown structure was structured phase-oriented and consisted beside project management of the 5 phases “Analysis and First Draft”, “Finalization of Guidelines”, “Training and Coaching 1”, “Consulting and Training” and “Coaching 2”. These were divided into 28 work packages. The project’s Milestone plan consisted of seven Milestones.

It started in late February 2003 during the department’s annual seminar where the Project “transfer MD 27 into a POO” and the external expert & change manager were presented to the department. According to the first version of the Project time plan the Project should start in May and close end of October 2003.

The Project started with the official assignment with May. After a situation analyses, the project Kick off was timely combined with four group interviews to collect detailed information and check the documents available. With the gathered information the first Draft of the “procedures for Project and Programme Management” was prepared. This first draft was then further developed in 3 Team meetings until end of July and agreed on by the project team consisting of programme & project experienced staff and the external experts. Between these team meetings the drafts were discussed within the different units of MD 27 to assure that as well internal as external Programmes and Projects could be handled according to the procedures. Throughout the whole process the employees are integrated and regularly informed about the outcomes of the project (procedures, templates). The first version of the procedures, ready End of July, was estimated by the Project team to include 80% of the development work. It was then decided to finalize the second version of the procedures after the trainings. These was necessary because the abstraction and standardization of the procedures especially to the EU Programmes was more time consuming than estimated at the beginning of the project.

The next Milestone, the three trainings in programme and project management (basic, advanced, management skills) laid the theoretically foundations and used four real programmes and projects to train on the job. The participants - 5 mixed training groups -worked together during all three seminars, each group on one training project thus assisting the organizational development process of the department. They dealt with completely different content

- the adaptation of a building,
- an EU co financed project funded by three INTERREG III A Programmes (transnational ERDF-Programmes)
- the implementation of the administrations MBO-contract in the Department.
- the implementation of an EU-Directive in Vienna.

Already after the first training the first two coaching/consulting projects were started. One of them was already developed during the training. Both projects included other municipal departments and external organizations. The second training ended with a project vernissage to demonstrate the project initiative to all employees of the Department, to representatives of the head office and relevant project environments, which might participate in programmes and projects of the Department.

This needs driven development resulted in the adaptation of the original project design and the WBS. The resources for the coaching activities were transferred to consulting, the last phase was transferred into the after Project activities, additional team meetings were included to finalize the second version of the procedures. This should be achieved with two additional Team meetings. The second version of the MD 27 procedures for programme and project management finally were finished in December 2003.

Based on the positive results of the two Pilot projects “EU-Building Directive “ and “Tech Data”, the management decided to perform the new INTERACT Project “Managing Transition and External Co operation” and refine the Programme “JTS INTERREG III C East” according to the MD 27 “procedures of programme and project management” after the project. The Kick offs took already place with external assistance by Roland Gareis Consulting in February and March 2004. After a six month period, in June 2004 the procedures will be practically evaluated and if needed adopted. The final version should then be published on the departments’ Intra and later Internet homepage.

## **Results of the organizational development process**

The organizational competences of the Department are developed through the creation of procedures for programme and project management and the creation of standard templates and standard project plans (eg for the development of internal and EU– Projects and Programmes).

The individual competences of the Department „EU-Promotion“ in programme and project management are developed through trainings and coachings. To ensure the transfer of the programme and project competences in concrete programmes and projects, some projects and programmes were consulted as mentioned above.

The results of the project “POO MD 27” are

- Standardized Procedures for programme and project management, including the templates, - suitable for EU and non EU-programmes and projects
- Implementation of programme and project management structures in a Public Administration.
- Implementation of a staff unit to assist the own and other administrative department in the project management of (EU-) projects.
- The Invitation of MD 27 employees to the project team that is responsible for the standardization of the project management procedures of the Vienna City administration. The goal is to implement them with the MBO-Contract 2005 in all administrative departments and units

## **Specifics for managing EU-Structural Funds programmes**

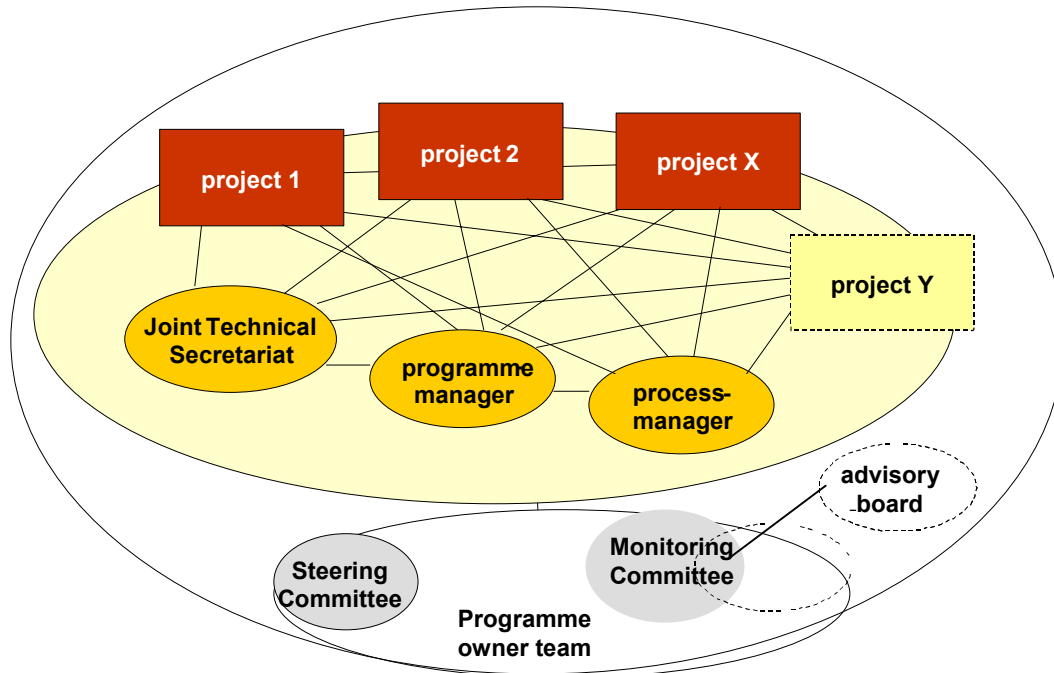
Different types of EU programmes have different rules for performance. Through the guidelines given by the European Union for the performance of EU programmes the use of programme and project management methods is promoted. The following description of the organisational structures and business processes is oriented to the guidelines for the performance of the INTERREG III C Programme. A general description is presented in the paper “Programme & Project Management in European Programmes good or best practice? [2]

## **The organisational structure for EU Structural Funds programmes**

Specific to EU Structural Funds programmes is the design of their organisational structures, which is based on the COUNCIL REGULATION laying down the general provisions on the Structural Funds [3]. An institution of a member state – invited by the EU Commission – acts as management authority for a Structural Funds programme. In the INTERREG II C EAST Programme, for example, this role is taken over by the MD 27. The management authority of a specific programme nominates the programme manager and establishes a Joint Technical Secretariat. a The Regulation demands a Monitoring Committee – which acts as Owner Team (Art 35 leg cit) – and a Paying Authority. Furthermore a steering committee may be set up if required by the Single Programme Document.

The programme organisation for EU programmes has, therefore, the additional roles “monitoring committee” and “steering committee”. The members of these two committees are often identical. The programme office in EU programmes is the “Common Secretariat” or “Joint Technical Secretariat” (JTS) lead by the Managing Authority and regards to the financial affairs the Paying Authority.

The formal integration of the Monitoring Committee, Steering Committee and Common Secretariat roles are shown in the following figure:



*Figure: Standard programme organisational diagram for INTERREG-programmes*

### The programme management process for EU programmes

In addition to the sub-processes of programme management “programme start”, “programme controlling”, “programme co-ordination” and “programme close-down”, EU programmes also require programme monitoring.

The objectives of the programme monitoring sub-process is the monitoring of the programme according to the EU standards, the documentation of the programmes progress for the EU and the efficient formation of the programme monitoring process. The programme monitoring process begins with the initiation of the formal programme monitoring and ends with the programme monitoring report filed. The programme monitoring process lasts for about 2-3 weeks.

The programme evaluation is an accompanying evaluation of the programme success which is performed by a third party and therefore not a part of the programme management process. The programme evaluation is, however, to be organised by the programme management. The expanded programme management process for EU programmes is shown in the following figure:

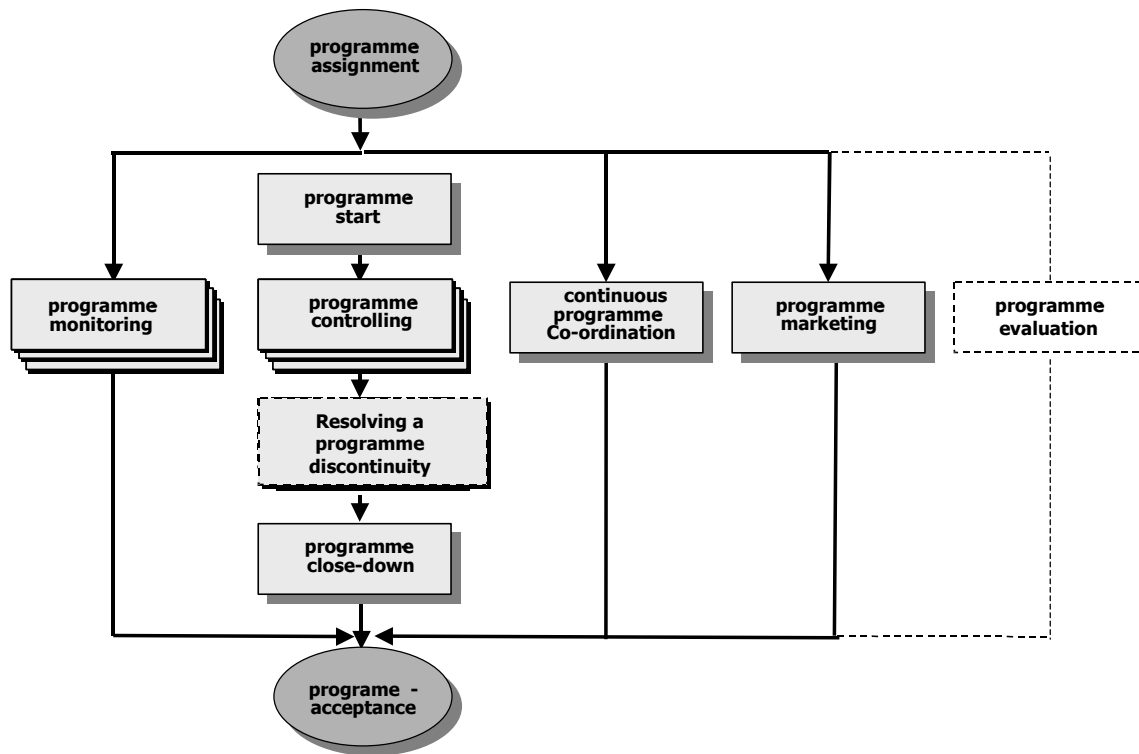


Figure: programme management in EU programmes [4]

## Summary

The challenge of the Development of the Vienna City Administration as a project oriented organization was to develop and implement standards in programme and project management, as well for EU as non-EU programmes and projects. The programme and project management approach was tested on four training projects and two pilot projects, which covered the great variety of the department's tasks. Currently it is applied to the running EU project "Managing Transition and external Co operation" and the Programme "JTS INTERREG III C EAST". Further Programmes and Projects are under consideration. The procedures and templates developed for the MD 27 will be one main basis of the Vienna City administration's project Management standards which will be implemented by the 2005 MBO contract.

## References and bibliography

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- [4] R. Gareis, Happy Projects!, Manz Verlag, Vienna 2003, 429ff