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Summary

The present working paper analyses the emergence, evolution and evaluation of governance modes – including new or innovative modes – of cohesion policy at the EU level, as well as at the level of eight new member states (i.e. Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia and Lithuania). The aim was to conceptualise the governance experience of this policy area and its implementation at the new member states' level. This study is mainly based on the findings and lessons of six background papers produced in the framework of the NEWGOV project – this is the reason why the majority of the references in the present text are direct references to the background papers.

The structure of this paper is the following. The first chapter gives a short overview of the emergence, evolution and evaluation of cohesion policy governance at the Community level, from the point of view of new modes. The second chapter exhibits the main findings of the background papers regarding framework conditions for emergence, evolution and evaluation of cohesion policy governance modes at the new member states' level. The study closes with the conclusions summing up the lessons from the empirical research leading to an attempt of theorisation.

The term 'cohesion policy' is understood here in the sense of the Single European Act's terminology. In terms of financial resources it can be identified with the policy actions under the Structural Funds, and – to a more restrictive extent – with the functioning of the Cohesion Fund. In other words: this policy area is financially covered by the so-called structural operations of the EU. As a synonym to the term of cohesion policy, the expressions of structural or regional policy have also been used.

In the broad sense, the term 'new modes of governance' is understood as "the range of innovation and transformation that has been and continues to occur in the instruments, methods, modes and systems of governance in contemporary polities and economies, and especially within the European Union and its member states."¹ In a narrower sense the phenomenon of new governance modes within cohesion policy was understood as a new approach to the "old" governance mode characterised by hierarchy, management from the centre, exclusively using binding instruments. The most typical element of new modes of governance in this framework is represented by the partnership principle, pushing the member states' public administrations to regularly engage in an interactive dialogue and cooperation with both the regional and local levels and with the civil/private sphere, the non-governmental organisations (NGOs) and other stakeholders. This should lead to a multi-level and multi-actor type of governance – a phenomenon initiated by the EU level (actually through the old mode), but implemented with very different degrees of commitment at the national level. This diversity of implementation is true not only for the old member states, but in all the new member states, too.

¹ NEWGOV: Scientific Objectives (Version 4), p. 3.
http://www.eu-newgov.org/database/PUBLIC/P11000-09-DESC09_Scientific_Objectives_revision_June_2006.pdf

Contents

1. COHESION POLICY GOVERNANCE AT THE EUROPEAN LEVEL	4
2. COHESION POLICY GOVERNANCE AT THE NEW MEMBER STATES' LEVEL	6
2.1. FRAMEWORK CONDITIONS FOR EMERGENCE	6
2.2. FRAMEWORK CONDITIONS FOR EVOLUTION	7
2.3. FRAMEWORK CONDITIONS FOR EVALUATION	16
3. CONCLUSIONS	23
4. ANNEXES	25
4.1 TABLE	25
4.2 REFERENCES	25
4.3 SELECTIVE LIST OF ADDITIONAL LITERATURE	26

Table of Figures and Graphs

TABLE 1: FRAMEWORK CONDITIONS IN THE NEW MEMBERS STATES.....	25
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1. Cohesion policy governance at the European level

The emergence and evolution of cohesion policy at the Community level has a unique curriculum. While the issue of regional disparities in the Community was only marginally mentioned at the beginning of European integration, from the mid-1970s onwards, European regional policy became an increasingly important political issue as well as an economic concern (Wallace 1977). It actually gained fresh impetus after the Northern enlargement: as a response to the entry of new, problematic regions (declining industrial zones of the UK and a whole country with low development level, Ireland) in 1975 a new financial instrument, the European Regional Development Fund (ERDF) was created. Though this was a very important step forward, the creation of the new Fund did not amount as such to a Community level regional policy, because it only contributed (up to 50 per cent) to certain regional development projects of member states (under the categories of industrial and infrastructural investment), according to their incumbent financial quota. This stage only served as a learning path before shifting from such an intergovernmentally managed paying mechanism to a genuine Treaty-based policy, managed via the “classical” Community method (Vida 2005).

A comprehensive renewal of European regional development policy dates back to 1987–8: after the Southern enlargements and the commitment to market liberalisation. The Single European Act of 1986, coming into force in 1987, was a package deal including not only establishment of the single market, but several other measures, including thoroughgoing revision of the Community approach to regional policy. The 1988 reform entailed a considerable increase in financial commitments and substantial change in the objectives and implementation of the Structural Funds. So European regional policy went through a process of major supranational upgrading and became a fully fledged Treaty-based policy. It implied that the decision-making mechanism and role of all relevant institutions (Commission, Council, European Parliament, etc.) were defined and the instruments of legally binding secondary legislation introduced. Moreover, the legislation and implementation of regional policy became subject to the judgment of the European Court of Justice and to investigation and reporting by the Court of Auditors. The new provisions and principles provided possibilities for developing a coherent Community policy in the classical sense (“old mode”) (Treib – Baehr – Falkner 2005), while guaranteeing a more autonomous role for the Commission and challenging the positions of the central governments of member states by involving sub-national partners under the newly introduced partnership principle. This meant that the elements of new modes of governance also gained ground and penetrated further (Vida 2005).

Actually, the emergence of the governance of structural policy had a dual characteristic consisting of the old mode of governance (one of its main features being initial intergovernmental agreement, and gradual evolution towards becoming a Community policy) and of the new mode (involvement of sub-national actors on the basis of partnership). This expanding involvement of regional/local, social, civic and economic partners in the process of preparing, implementing, monitoring and evaluating development programmes gradually brought about the emergence of multi-level and multi-actor governance systems. At the same time it became the sole right of member states to designate or authorise competent regional, local and professional bodies as well as social and economic partners to participate in the whole process of this policy. Due to the flexibility of the provisions, a wide variety of institutional set-ups and degrees of partner-involvement emerged.

The next important step in the evolution of structural policy was the Maastricht Treaty of 1992 (entering into force in 1993), which defined economic and social cohesion within the Union as one of the priority objectives, alongside economic and monetary union and the internal market. The Treaty provisions and successive regulations of the Council redefined and

reinforced the roles, tasks and responsibilities of EU institutions and the modes of governance of regional policy-making. The Maastricht Treaty also created the Committee of the Regions and set up the Cohesion Fund, to provide financial assistance for less developed member states to modernise their infrastructure and implement environmental protection projects and investments. The new regulations mainly displayed the old mode of governance, especially for the Cohesion Fund, while with the Structural Funds, they reinforced and increased the role of sub-national administrative/political actors, social and economic partners, according to the partnership principle – and left room for variation in institutional arrangements. All in all, the rules on the Cohesion Fund reflected a clear step back from the new/innovative governance type of the Structural Funds towards a more conservative and member state-based policy implementation, reminding the pre-1987 functioning of the ERDF.

The Amsterdam Treaty of 1997 and the Nice Treaty of 2001 (coming into force in 1999 and 2003 respectively) confirmed the strategic importance of economic and social cohesion of member states as a Community policy aim, without altering essentially the institutional set-up. At the same time, the Treaty of Nice brought about a step further towards Communitarisation of this policy by transforming unanimity into qualified majority after 1 January 2007.

The key provisions of the relevant regulation (Article 8 of Council Regulation 1260/1999) made explicit reference to the cooperation with the territorial, economic and social partners during the whole process of development projects receiving financial assistance from the Structural Funds. This is much in line with the European Commission's advocacy in its 2001 White Paper on European Governance of more active communication with stakeholders and their political representatives, to initiate "a circle, based on feedback, networks and involvement from policy creation to implementation at all levels." It is important to stress the word "involvement", as this is a catchword associated with "enhanced dialogue" and a "reinforced culture of consultation", both of which aim to assist the Commission to achieve more effectively the Union's objectives. Beyond partnership the mentioned regulation also introduced so-called target-based tripartite contracts and agreements (by the EU, the member states and the regional authorities and relevant bodies) into the process of implementing Structural Funds-assisted development projects. In the terminology of the present paper these are also obvious elements of new governance modes.

As a result of the research it can be stated that in the case of cohesion policy new (or alternative) modes of governance emerged and evolved at the Community level because of three reasons. First, because there was a *tension* between the member states wanting to act at Community level but showing reluctance to cede sovereignty. Thus, "new" (i.e. other-than-the classical) modes could serve as a *learning path* before making more decisive steps towards deepening: this was the case in the pre-1987 period. Secondly, because after cohesion policy became a common, Treaty-based policy, in its implementation more *efficiency* was needed. Efficiency is crucial given that the European taxpayers' money is at stake. Implementation of cohesion policy can be more efficient if all the potential beneficiaries have a say in the process – this is why the partnership principle (as well as the tool of target-based tripartite agreements) was introduced and reinforced. Thirdly, because after cohesion policy became a fully fledged Community policy, in its implementation more *democracy, legitimacy and transparency* were needed. Actually, the basic principles, especially partnership complies with these requirements – this is why there is an ever increasing pressure from the partners involved to respect and reinforce this principle at the EU level as well as at the national level. Thus cohesion policy gave ground for using new governance modes in a large variety across the member states, throughout the last two decades. Below we will take a closer look at the initial experience in this field of eight new member states that joined in 2004.

2. Cohesion policy governance at the new member states' level

2.1. Framework conditions for Emergence

- *Haunting centralisation:* The new member states have all inherited a centralised and unitary type public administration and governance system from the past which has been a handicap when implementing a region-centred Community policy.

After the systemic changes all the transition economies had to transform their centrally planned economies into market economies based on private ownership and decentralisation. The formerly centralised/rigid/binding/etatist mode of governance in these countries has gradually been replaced with a more decentralised/flexible/soft/cooperative one (Artner 2005). In parallel, also the interstate relations were gaining new dimensions, especially in the case of the Baltic states (in a wider context including all the Baltic Rim countries), or see the loose cooperation among the Visegrad countries.

The ex-socialist countries have all had a public administration typically centrally organised with ministries owning broad responsibilities (Artner 2005). Even if the institutional overcentralisation has been eased by a decentralising approach in all these countries, due to the legacy of centralisation even regional affairs are overwhelmingly managed at the centre, by one or more ministries. Furthermore, though the regional policy level has been established in all eight countries, the institutional frame for it is still lacking in most of them.

Furthermore, as democracy re-emerged in the region, in most countries the change of system took place against a background of an inherently weak civil society that could not yet act as a competent and equal partner for the government in shaping social priorities and economic policies. These deficiencies largely limited the degree to which the EU's partnership principle could be applied in these countries. Thus the centralisation legacy was apparent in terms of both, the omnipotent public administration and the lack of functioning regions and organised interest representation. In most of these countries the power of central government has been traditionally very strong and hardly left room for regional and local autonomy (Lakatos 2005).

Especially the Visegrad countries (Poland, Hungary and former Czechoslovakia) inherited a centralised system and a mode of governance belonging to the traditional nation-state model, where the central institutions have decisive role in legislative creation and implementation. At the same time, besides the centralisation legacy, there was also the legacy of trade unionism and civic power through the Solidarity movement in Poland, or through the re-emerging civic movement in the Czech Republic. As will be pointed at later in this paper, both, the legacy of centralisation coupled with the legacy of weak civil society (except for Poland) is slowly changing and evolving – not least upon EU influence.

- *The age of statehood matters:* Those countries which became a new sovereign state or regained statehood after 1989 had an advantage of building up national institutions from scratch. Those countries with a legal continuity were facing more problems given the old vested interests of the actors in the public administration accompanied by inter-ministerial rivalries.

In 1991 the three Baltic states regained their independence while in the same year Slovenia became an autonomous, independent state. These four countries had to establish their own new public administration (and civil service) system from the beginning of the 1990s, while in the mid-1990s they all submitted their application for membership to the European Union. This meant that the building up of new structures and institutions coincided with the process

of “Europeanisation” or with the efforts to have EU-conform laws, institutions and systems. This was rather an advantage for them as opposed to the other countries with unchanged statehood after regaining independence from Soviet influence – but carrying with them the old (post-war) public administration structures.

A case apart is that of the former Czechoslovakia. Although the Czech Republic and Slovakia appeared as new independent states on January 1, 1993, the two had had some autonomy in previous decades. In addition, differences in their levels of development had persisted through the 20th century. Due to the centralisation legacy however, there were institutional rigidities, vested interests and rivalry between institutions, inside the Czech and the Slovak parts of former Czechoslovakia. In the pre-accession years, the Czech Republic showed at least as much institutional rigidity as Slovakia. Prague, as former capital of Czechoslovakia, had a tradition of centralisation, and after losing their control over Slovakia, authorities tried to retain as much control as possible over the Czech Republic – thus centralisation remained the case (Bassa 2005).

The Polish example with the emergence of new modes of governance shows similarities and differences from other Central and Eastern European states. First, Poland did not start from scratch like the Baltic states and Slovenia. It built its structures after 1989 and conducted the EU harmonisation process on an existing national system. This also applied to the institutional set up for managing the Structural and Cohesion Funds, where no new institutions were established. This system built on creating new departments within the old structure of ministries has not been efficient or transparent enough in many respects, but the first year of membership proved nonetheless, that it was able to function well and achieve good results by the standards of the new member states (Wisniewski 2005).

An important aspect in the new member states is of course the quality of governance. Here the transition countries with a continuous statehood (such as Hungary, or the Czech Republic and Poland) seemed to face more problems in terms of governance and corruption than those countries with new or regained statehood. According to OECD research on governance, the Baltic states and Slovenia were ranking among the well performers, while the mentioned “old” states showed relatively bad performance (Wisniewski 2005, Artner 2005). Especially Estonia and Slovenia excel in the improvement of the quality of public service and of the bureaucracy, the credibility of the government, the state of market-friendly policies, the quality of contract enforcement, and control of corruption have been developing here faster than in other new Eastern European EU members. The existence of well functioning state administrations helps the emergence and evolution of new forms of governance too, in every segment of the governance (Artner 2005).

2.2. Framework conditions for Evolution

- *The state as a ‘gate-keeper’*: The central/key position of the state remains practically unchallenged in the framework of cohesion policy in the new member states.

Bearing in mind the already mentioned strong position of the central administrations coupled with relatively weak traditions of local government and lack of decentralised regional development policy in the new member states, this situation results in a top-down type, instead of a more bottom-up type governance.

In the Czech Republic for instance, even with codified partnership and power-sharing between the central government and NUTS-2 regions, the regional units’ role is negligible (Bassa 2005). A critical analysis of the Czech situation still in the pre-accession period em-

phasised that the preparations for EU membership were much confined to the central level, while the role of regional and local government was weak. The Ministry for Regional Development has been criticised for keeping the executive and political power and accused of intentionally obstructing “the creation of independent regional structures that could even now, with knowledge of local needs and an understanding of regional development, assist in projects financed from EU Funds” (Bassa 2005). Due to the Czech public administration system, in most of the sectoral areas (education, social affairs, transport, environment etc.) the regional institutions are merely representing the central government and its administrative bodies in the decision-making mechanisms (Bassa 2005). The participation of non-governmental organisations (NGOs) too is restricted and defined by a special government body (Bassa 2005).

In Slovakia furthermore, there was even an attempt by the Ministry of Economy to exclude any NGO representatives from regional development planning (Bassa 2005). Similarly to many new member states the Slovak central government was not ready to give strong responsibilities or decision-making powers to new and inexperienced regional institutions. This was understandable to some extent and for the important transition period of 2004–6, but there is a danger that the centralised system will survive after 2006, and regional institutions do not really develop further (Bassa 2005).

To sum up, during the decision-making process and phases of assessment, monitoring and evaluation, there seems less ground for new modes of governance in both the Czech Republic and Slovakia. Cohesion policy-related decision-making is centralised involving almost all the ministries and administrative bodies with very strong control functions as well (Bassa 2005).

Hungary too (following the general European trends) allocated the management of the Structural Funds inside the public administration, involving many intermediate bodies in execution. In Hungary the state still remained a gate-keeper, as all regional policy related institutions are situated within the central government and wider public administration structures. In the 2004–6 National Development Plan (NDP), the regionalism principle was not really respected and the role of regional institutions remained very weak, almost non-existent (Lakatos 2005).

In Poland the influence of the old traditions can be felt in the generally distant attitude of government towards decentralisation of planning, decision-making, management or implementation. Major problem proved however to be uncertainties over the roles and responsibilities of institutions. In the first budgetary period of 2004–6, central government played the main role in project elaboration, management and implementation. Regional and local actors, as well as other social or economic partners had only a marginal impact in the process (Wisniewski 2005). Under the system created for managing the Structural and Cohesion Funds, central government is supposed to consult with local and regional bodies and with other actors in society, but this has not been done to the required extent. This is understandable insofar as the harmonisation and preparation process could be shortened and decision-making facilitated by not involving other actors. Here the EU institutions played a major role in enforcing the pluralistic view in forming the development documents for Poland. Even today, however, consultation with local bodies is relatively rare, and if there are some, then it is more formal and their decision-making power is relatively weak. The situation is even worse with non-governmental actors who have been consulted, but who find their influence on final decisions uncertain and weak. This situation has improved since, however. The new documents to form the basis for regional policy in 2007–13, i.e. the National Development Plan for 2007–13 and the National Strategy for Regional Development, were put up for an open debate in 2005 and will be shaped and influenced by various actors of the Polish society (Wisniewski 2005).

The small Slovenia too, based on experience acquired while implementing pre-accession instruments, decided to retain centralised institutional arrangements for managing the Structural and Cohesion Funds (Dezséri 2005). The administration responsible both for regional development and for implementing the Structural Funds has thus a centralised structure. It was argued that this was the only feasible type, given the country's government and population size, and the programming period available. The structure of administration, management, and control of the National Development Plan and the Structural and Cohesion Funds intertwine and overlap in many parts. The decision to have a centralised structure meant that a single Managing Authority was set up within the Ministry of the Economy (Dezséri 2005).

Finally, taking the case of the Baltic states, it can be re-stated that initially the structure in all three of them was rather centralised, with ministries enjoying broad responsibilities at the peak. In parallel with preparations for EU membership and when elaborating their first National Development Plans however, there are signs of movement towards a more decentralised, locally oriented form of governance, albeit this has not been progressed smoothly (Artner 2005).

- *EU-conformity pressure:* The new member states have continuously been making efforts to reach high level legal, procedural and institutional conformity with relevant EU rules of cohesion policy.

During the years of preparations for EU membership the candidate countries have been making efforts to comply with EU requirements in terms of their legal and institutional systems. This had to include the (re-) definition of their regional territorial structures, their approach to regional development and the setting up of regional level institutions.

In all three Baltic states – similarly to all ex-socialist countries – despite the decentralisation endeavours, centralisation still prevails, especially in regional policy. Latvia relied more on a traditional 'statist' development policy, while Lithuania turned to decentralisation only when on the threshold of EU membership. All three countries had to reorganise and/or establish institutions of regional development, to make regional governance adequate for EU rules and policies (Artner 2005). On the nature of the Lithuanian legislation, the 2003 report of the Commission stated that the essential features of the legal framework are in place, i.e. the ability to ensure a budget programming over several years and the necessary institutional structures for preparing and implementing the Structural and Cohesion Funds (Artner 2005). Regarding the Latvian legislation the Commission also underlined before accession that it was in line with the *acquis* and that considerable efforts have been made to strengthen its administrative capacity (Artner 2005). Estonian law has also been harmonised with the EU regulations on cohesion policy, including the legal basis of state aid and public procurement – crucial when implementing the structural operations (Artner 2005).

Under the "EU-conformity pressure" a previously non-existent level of regional governance was added in all three states, albeit by different means. All in all, four levels were formulated: central, regional, county and local. This formulation has developed in line with EU practice: when building the new market-based system of local governance and regional policy, experts and bureaucrats paid attention – to varying degrees in the three countries – to the experiences and theoretical knowledge of EU member states in regional development and planning (Artner 2005). It can be concluded from the research that the national legislation of the three Baltic states already rests essentially on a common European legal foundation. National law has reached a high level of alignment with the *acquis* in most policy areas and by the time of their accession in 2004, the three Baltic states had essentially met the requirements for membership

in relation to the legal framework, and programming in the field of regional policy and coordination of structural instruments (Artner 2005).

In the Czech Republic relevant legal harmonisation took place between 1998 and 2000. New national legislation included the basic principles, objectives and modes for implementing regional policy, and set out the areas of responsibility of the regional levels. 8 NUTS-2 regions and 14 NUTS-3 level units (“kraj”) have been defined by law. While the NUTS-2 levels mainly remain planning-statistical levels, the responsibilities allocated to the “kraj” include coordination, development and implementation of regional development programmes, cooperation with central government, and coordinating the interests of municipalities in cases where development goes beyond the sphere of one municipality. The “kraj” can take part in decision-making on allocating public funding for regional development, including the funding of regional development agencies (Bassa 2005). Similarly, the Slovak legal and institutional system has been aligned with EU requirements by the time of accession. Already in 1996 a legislative act on administrative and territorial organisations defined 8 regions as of July 1, 1996, but strictly subordinate to central government. By a further regulation of 2001 these 8 regions have been classified as NUTS-3 levels and 3 NUTS-2 level regions have also been created in conformity with EU rules. Accompanying competences have been gradually conferred too, to these regions (Bassa 2005).

Also, Hungarian national regulations on structural and cohesion policy can be deemed compatible with EU legislation. Basic programming documents were approved by the European Commission and the institutions for implementation set up in due time. So, in strict legal and institutional terms the Hungarian public administration was prepared for implementing structural and cohesion policy. 7 NUTS-2 level regions have been defined in an EU-conform way, but without assigning real own functions to them. Moreover, some basic principles laid down by the EU were not fully respected by Hungary, which caused serious anomalies in the first year of membership. These problems emerged from insufficient preparedness and coordination during formulation of the programming documents and from structural characteristics (Lakatos 2005).

As for the legal and institutional framework of regional development policy, Poland applied what the EU required. The system installed partly restores an earlier, pre-war territorial structure. The NUTS-2 units are viable regions with old traditions, whose functioning since 1999 has gone smoothly. The case is different with the NUTS-4 “subregions”, which had never existed as regional units before, and exist to this day simply as statistical units (Wisniewski 2005). Actually, Poland, following the example of the majority of the member states, placed the Funds’ management within the existing public administrative structure. The main reference country for this institutional set-up was Spain, as a country of a similar size, similar in terms of population, and with similar regional policy roots. The level of cooperation with regional authorities also followed Spanish experience, where the regional administration has participated in the preparation of regional development plans and they have been involved actively in the regional Operational Programme (OP) management as well. The institutional system for cohesion policy in Poland has a task-oriented structure and the institutional bodies are well separated by the role they fulfil. The national and regional level institutions, therefore, can be grouped by function as managing body, intermediate body, implementing institution, monitoring authority or paying authority. The institutional set-up follows a sectoral approach, in which specific tasks are rendered to the competent ministerial body (Wisniewski 2005). All in all the Polish preparedness in terms of legislation and institutions could be deemed conform with basic EU requirements.

Slovenia set up the institutional framework for implementing regional policy already in 1999, and had a legal background compatible with relevant European legislation. Based on this, the Council for Structural Policy and the National Agency for Regional Development are the key national institutions of regional development policy. Three line ministries are mainly responsible for realising the policy and creating development incentives. Efficient, coordinated functioning of these ministries was achieved in due time. At ministry level, the necessary administration was established, officials trained and structures for regional policy put in place well before accession (Dezséri 2005).

- *Defensive over-bureaucratisation:* With the aim to avoid any procedural mistakes when receiving EU money, some new member states initially introduced highly complex mechanisms into the tendering/application and Funds' management system, leading to unnecessary over-bureaucratisation.

In most of the new member states a very complex web of involved institutions has been set up to receive structural and cohesion support from the EU. This is the case from the smaller Baltic states, to the largest country, Poland. It is not the aim here to describe all the institutional structures of the examined countries, but the examples of three of them can be instructive.

For example in Lithuania the managing authority is the Ministry of Finance, the paying authorities are for the ERDF and Cohesion Fund again the Ministry of Finance (National Fund Department), for the ESF the Ministry of Social Security and Labour, for EAGGF-Guidance and FIFG the Ministry of Agriculture. The intermediate bodies are also various ministries: Ministry of Economy, Ministry of Social Security and Labour, Ministry of Education and Science, Ministry of Agriculture, Ministry of Environment, Ministry of Transport and Communications, Ministry of Health Care, Information Society Development Committee. The implementing agencies responsible for daily management of EU Structural Funds and respective national co-financing are: Central Project Management Agency, Lithuanian Business Support Agency of the Ministry of Economy, Transport Investment Directorate, Environment Implementing Agency, Human Resources Development Programmes Support Foundation and the National Payment Agency (Artner 2005).

In Latvia, according to the relevant government order the managing authority is the European Union Funds Department of the Ministry of Finance, and the paying authority is the State Treasury. The following ministries have been appointed as first-level intermediate bodies: Ministry of Regional Development and Local Governments, Ministry of Economy, Ministry of Welfare, Ministry of Education and Science, Ministry of Agriculture, Ministry of Transport, Ministry of Environment, Ministry of Health, Ministry of Culture. The second-level intermediate bodies are: Central Finance and Contract Agency for the ERDF, State Employment Service for the ESF (measures for development of employment), Professional Education Development Programme Agency for the ESF (measures for development of education), Rural Support Service for the EAGGF and FIFG. Furthermore, the aid scheme managers are: Latvian Development Agency, Society Integration Foundation, Social Assistance Fund, State Regional Development Agency. Besides these, there are five regional development agencies (Artner 2005).

Poland has set up a less centralised system for managing Structural Funds than many of its Central and Eastern European counterparts. The main managing authority is the Ministry of Economy, Labour and Social Policy, but individual OP management follows a sectoral approach and the competent ministerial body manages the programmes, with the involvement of other intermediate bodies, so as to reach in each policy the highest possible level of competence and coordination between financial assets and the country's needs. Cohesion Fund man-

agement, on the other hand, follows a more centralised approach, as programmes are huge in size and value, calling for a higher level of centralisation and cooperation between the bodies involved. Poland set up a separate unit within the Ministry of Economy, Labour and Social Policy to deal with Cohesion Fund management. The ministries of the Infrastructure and the Environment act as intermediate bodies for appropriate projects (Wisniewski 2005). In Poland, due to the comprehensive tasks to be fulfilled by the Ministry of Economy and Labour Policy, a separate department has been established as a managing authority for structural policy: the Department for Structural Funds Coordination. Departments also work within the ministry for programme management, as an intermediate body for the whole Community Support Framework (Department of CSF Management), and for implementation (Department for CSF Implementation). Generally, governmental institutions are responsible for individual programmes. At the top of the hierarchy stands the Ministry of Economy and Labour Policy, managing the Community Support Framework as a whole, and having departments for managing the specific programmes within its activity. Other programmes are managed by departments within other appropriate ministries, for Infrastructure, Agriculture and Rural Development, National Education and Sport, and Scientific Research and IT. The lowest level of the pyramid consists of regional and local authorities, while the institution responsible for payments is the Ministry of Finance. Basically, no other institutions than governmental ones participate in programme management. This structure seemed the easiest way of putting EU policy instruments into operation.

In the above examples between 10 and 19 administrative units have been involved in the different phases of European cohesion policy at national level – not counting the regional agencies. Of course, in general, it is more difficult to ensure an effective and transparent institutional system for the Structural Funds than for the Cohesion Fund, because the Structural Funds involve larger sums, and the assistance stretches over wider areas of the economy. Diverse development priorities must be handled under a single system responsible for processing, managing and monitoring different fields. The Cohesion Fund, on the other hand, funds large, concentrated investments in just two main sectors: environmental protection and the infrastructure, therefore its institutional framework can be simpler too (Lakatos 2005).

The above described phenomenon is in many countries coupled with *instability and complexity of the institutional framework*. The institutional models related to the Structural Funds and the Cohesion Fund differ from country to country, and even within one country the institutional framework is exposed to changes (e.g. after change of governments, or as a result of trial and error experience). For example in Hungary in the past six years the institutional set up for Pre-accession Funds and later the for the Structural Funds has changed significantly three times already – mainly due to changes of/in governments. This phenomenon is not unknown in either of the new members. Furthermore, as can be seen in more details in the country reports referred to and cited in this paper, in most countries the institutional set up responsible for programming, implementation and monitoring (especially for the Structural Funds) is highly complex, lacking transparency. All this may put a break on efficient use of the Funds and therefore calls for higher simplicity. This explicitly happened in the Czech Republic, where – “given the level of complexity reached, the Czech government has called for simplification of procedures for administration and implementation of Structural Funds in a separate Memorandum” (Bassa 2005). Therefore, the requirement of simplicity and transparency of the domestic administrative structures related to EU cohesion policy could well become a general EU criterion appearing even in the relevant regulations.

- *EU-conformity versus or pro new modes of governance?* Reaching “literal” EU-conformity seemed so far to enjoy higher priority than introducing new

governance modes, even if this is encouraged by the EU itself. Increasingly however, EU-conformity seems to pave the way for using new governance modes.

To the question whether complying with the EU rules hinders or promotes new modes of governance we can find examples to both. In general and in the longer run however the latter hypothesis seems to be the case, namely EU-conformity within cohesion policy furthering the use of new governance modes.

In Lithuania for instance, in line with EU rules and practice, government actors in economic development have paid more heed to cooperation with NGOs and other civil organisations when preparing and implementing Lithuania's structural and cohesion policy (Single Programming Document 2004–6) than they did during similar development programmes in the 1990s. Over three dozen civil or semi-civil organisations, business representatives, environment protectors, trade unions, municipalities etc. took part as consultative partners in the development of the country's territorial cohesion programme. This method of policy formulation has clearly been imposed by EU membership (Artner 2005).

In Latvia too, integration of the civil and semi-civil spheres has widened further. The government put the National Development Plan up for public debate in 2001. In the following year, the draft Single Programming Document (SPD) and its draft Programme Complement were submitted to over 70 NGOs and published on the Internet. Press conferences, seminars and debates on various priorities and activities were organised during the public discussion. Comments on the SPD were received from 15 NGOs and universities. Comparing this to the initial public discussion on the National Development Plan organised in 2001, the activity of the public has not increased, but the quality of comments has improved, the dialogue 'deepened' (Artner 2005).

In Estonia and Slovenia too, preparations for receiving structural and cohesion support from the EU was accompanied by a systematic opening up of the national debate and involvement of different partners. In Estonia the ministries nominated the first partners, but the participants' number grew as the programme was drawn up. The number of consultative partners exceeded 100 during 2002, a 'year of public consultations' involving representatives of environmental organisations, universities, the Delegation of the European Commission in Estonia, and other public and private institutions (Artner 2005). Also in the Slovenian case, the National Agency for Regional Development organised a 7-step thorough consultation when preparing the country's first National Development Plan, involving a range of specialised experts, local governments and regional development agencies, social partners and interest groups, different chambers and NGOs. Furthermore, the Institute for Economic Research of Ljubljana made an *ex ante* evaluation of the National Development Plan, containing recommendations to the government on the final document (Dezséri 2005).

In this respect far less promising was the performance of the Visegrad countries. Especially due to the mentioned centralisation legacy and also due to time pressure, in Hungary consultations with the regional and local levels, as well as with NGOs or other partners has practically been neglected during the elaboration of the first National Development Plan (Lakatos 2005). What is more, in the Czech Republic as the National Development Plan neared its conclusion, ministries actually stopped consultations and made changes in the very final stage and/or got involved in one-to-one negotiations with certain partners on specific controversial issues (Bassa 2005). The Slovak government too, engaged in a rather restrictive dialogue with partners, leaving out for example most of NGOs from the preparative discussions (Bassa 2005).

However, when preparing for the 2007–13 National Development Programmes all three countries made more efforts to realise a multi-level and multi-partner dialogue.

In Poland too, “literal” EU-conformity preceded the compliance with the “spirit” of it. Nevertheless, in the longer run there is a trend of changing attitudes towards governance, especially cohesion policy governance. Namely, in two dimensions: slowly transforming statistical regions into functioning regions and giving a say to a widening range of stakeholders. This can be attributed to the realisation that regional inequalities have not disappeared despite strong economic growth on a national level. Consequently, the state authorities assume that regional development can be achieved only by transferring more decision-making competence and resources to the regions while implementing the national development policy. In parallel, the opening up of the social and economic dialogue during the planning and implementation of structural and cohesion policy is also gaining ground (Wisniewski 2005).

Actually such a shift from the centralised, one-dimensional governance system towards decentralised and multidimensional governance modes can be called a new mode. If we agree that new modes of governance are most successful when supported by national and/or international, or even more by supranational institutions, such as the EU, than we can establish that European cohesion policy is furthering certain new modes of governance – gradually applied by all new member states. Thus EU-conformity in the longer run works not against but in favour of new governance modes, applied nonetheless differently by the countries concerned.

- *Moving target – ongoing regionalisation:* Besides legal harmonisation and institutional capacity-building, most of new member states have also engaged in the process of regionalisation and eventual devolution. The first step was the delimitation of the NUTS-2 regions, but even this has not come to a definitive end yet. The second step in some new member states is the potential devolution of power to the newly created regions – requiring even longer time (accompanied by political debates).

Already prior to their EU accession, one of the most important tasks of the Central European countries was to launch and preferably to complete the process of regionalisation and an eventual devolution of the state governance structure. The actual or provisional outcome of this process, however, varied across this country group but the general picture is that a delimitation of the NUTS-2 regions did not come to a definitive end in none of these states.

The three Baltic states are all one single NUTS-2 regions, consequently, Lithuania, Latvia and Estonia all defined only their NUTS-3 levels (7, 4 and 3 respectively). But establishing institutions at these levels seems to be a long and slow process (Artner 2005). In Lithuania for example, regional governments were formed with lot of difficulties and the process was fraught with debate and dissent. The decentralisation of Lithuanian regional policy implementation began in recent years only. The planned following step is the reorganisation of the county administrations and the transfer of new competencies to this level. This means that – similarly to Estonia and Latvia – in Lithuania governance on a regional level is still rather an issue of the future (Artner 2005).

In the Czech Republic the NUTS-2 regions were created only recently. Legislation defining NUTS-2 regions with their institutions and responsibilities came late and resulted partly in confusion (Bassa 2005). In Slovakia three NUTS-2 regions have been established: Western, Central and Eastern Slovakia (while the Bratislava region is sometimes counted as the fourth NUTS-2 unit).

In Hungary, after the systemic change, the new democratically elected government created a local-government system in which each local and county-level unit (totalling nearly 3200

units) gained self-governing institutions. The issue of establishing regions was continuously postponed during the last one and half decade. According to the traditions of state structure, the functioning territorial units (counties) are at NUTS-3 level, while there were traditionally no NUTS-2 regions of the type preferred by the EU for operative programmes under Objective 1. These larger regional units had to be created during the accession process, but they still exist only in statistical terms.

In Poland regionalism has had more historical roots than in any other Central European new member states. On this basis, the first step towards regionalisation required by the EU regional policy was a major rearrangement of Poland's territorial structure under the 1998 Act on Regional Self-Government, which divided the country into 16 regions (voivodships, NUTS-2), 44 sub-regions (NUTS-3), 380 administrative districts (NUTS-4) and nearly 2500 communes (NUTS-5).

The European Commission found that the regional institutions were very weak in all Central European new member states and disputed their ability to manage Community assistance. Thus the Commission suggested that most of these countries should not prepare separate regional development plans but national development plans only. In parallel with this, there has been a gradually strengthening trend of regionalisation as well. Undoubtedly, the so-called 'locality' gained more weight in these countries in recent years. The local orientation of EU structural policy certainly helped to develop local governance and a multi-level (local, regional, national and supranational) network.

In the Czech Republic, the regional authorities, infrastructure and expertise remained relatively weak for long time. Moreover, on a regional level, parallel institutions were often established, causing duplication, confusion and rivalry between them. Only an Act issued in 2001 transferred some competencies from the central state administration to self-governing regions as of January 1, 2002. This decentralisation process continued in 6 phases up to January 1, 2004. The regions then gained some autonomy in certain policy areas only. The slow process of setting up a new system of regional administration in the Czech Republic could be explained by various reasons. Probably one of the most important ones is that the more developed a country is, the less interest it has in realising the process of building up the required new institutional structure for cohesion policy. An additional determining factor was that the differences in development levels among the regions of the Czech Republic have always been less significant than those in Slovakia (Bassa 2005).

In Hungary after 1990, the tasks of the new local governments have significantly been widened compared to the past, but the available financial resources have not been increased with their assigned functions. The independent revenues of the local governments remained relatively low, most of their funds coming from the central government budget. Furthermore, fragmentation at local level has undermined the traditional intermediate, regional (county) level. Another problem comes from the principle of co-financing, whereby member states (and beneficiaries) have to contribute to the total cost of projects under EU assistance. One of the biggest beneficiaries are local governments, but the sector is very fragmented and the efficiency of public spending is very low. So the Hungarian state structure combines fragmentation with centralisation, not integration with decentralisation towards which Europe tends (Lakatos 2005).

Furthermore, in Hungary the regional (NUTS-2) administrative units are not self-governing and have no real decision-making powers; their only function is to receive and distribute domestic and EU transfers through regional development agencies. While regionalism appeared in the first NDP, regionalisation of the state structure has not occurred in practice, at least in

planning terms. Some of the principles laid down by the EU were not fully respected during the programming procedure, but the European Commission accepted both key documents submitted by the Hungarian government (Lakatos 2005). The NDP for the next financial period involves regional institutions more intensively, in planning as well as implementation and execution, by creating six regional Operational Programmes for each NUTS-2 region (except for the Central Hungarian Region, which is the most developed).

In Poland, there has been a long lasting reform process. One of the most important achievements of the range of reform steps is that previously centrally defined development tasks have been transferred to the regional level, which shows a clear change in approach to regional policy. Furthermore, the framework of regional policy also marks the beginning of integrating sectoral and regional policies. The experience of regional policy in Poland proved successful in creating viable territorial units and a functioning legislative framework. On the other hand, decentralisation has not been completed yet. Nor has financial decentralisation, which is a task for the future (Wisniewski 2005).

The regional policy formation is basically conditioned by the existence of administrative regions and the established and well functioning regional institutions, which is only gradually achieved by the new members. At the same time the European Commission leaves relatively broad room for manoeuvre to the member states in establishing the regional structures and formulating the regional development aims and means. EU requirements do not prescribe the rules on institutional set up or the exact content of the development plans, only the framework for them. So the EU is well aware of the varied circumstances in the member states and takes them strongly into account. Furthermore, the European Commission also ‘tolerates’ the ongoing regionalisation process in the new member states, as the definitive delimitation of NUTS-2 regions has not been a pre-condition of membership.

2.3. Framework conditions for Evaluation

- *Initial weaknesses in partnership:* In the midst of institutional capacity-building coupled with unfolding public administration reform and under the time pressure for delivering the first National Development Plans to the European Commission, most new member states did not really comply with the partnership principle. In such a context recourse to any kind of new modes of governance has so far rather been sporadic. The other side of the coin is that the potential partners seem in many cases to lack the necessary information, as well as the capacity to play the role of a competent partner in the whole process of national/regional development.

A) Weaknesses on the partners’ side

New modes of governance imply strengthening ‘locality’ in governance, including the involvement of civil organisations in decision-making and implementation. Thus, one of the main requirements for the new modes of governance is the mere existence of social actors able to assert their interests and those of wider communities. Such social partners include local and regional authorities, employers’ associations, civic groups, NGOs, and trade unions. Civil societies, their involvement into governance processes must also be subject to the principles of good governance – as highlighted by the already mentioned European Commission’s White Paper on Governance.

Civil society in the new member states is much less developed than in the old ones. Moreover, different social groups in different countries have different capacities to represent their inter-

ests, which makes the picture more complex. For various reasons, some new member states (such as the Czech Republic and Poland) assign a more important role to citizens, due to traditions of civil society with different roots and features.

The Czech society in the 19th and first half of the 20th centuries achieved a higher level of “embourgeoisement” than other Central and Eastern European societies did, and these civil traditions survived ensuing decades to re-emerge gradually. Despite the earlier existence of Czechoslovakia, the Czech Republic enjoys an advantage in this respect over Slovakia (let alone most other Central and Eastern European countries). Being a *citoyen* has been always more important in the Czech Republic than in Slovakia, due to the richer democratic traditions of the former. However, this is only an asset, not a guarantee for developing new modes of governance. (Bassa 2005).

In the Polish society, bottom-up action by private actors in politics emerged in the 1980s as trade unionism mushroomed. This kind of experience of private/civil action can influence the present state of affairs as well (Wisniewski 2005). According to the accepted definition for new modes of governance, the first dimension concerns the appearance of more actors in the policy-making process. The initial argument here was that this is not new for Poland, where the experience of trade unionism and the Solidarity movement in the 1980s amounted to something similar in the sense of achieving policy goals via a bottom-up movement, sparked by the failure of the state (Rhodes 2005). This historical basis has been an advantage in terms of readying the society for expressing its opinion and becoming involved in private and civil initiatives for the public good. Thus, the emergence of new modes of governance is not new in Poland. Today the major objective of the non-governmental actors has become to fulfil a complementary, cost-minimising, efficiency-enhancing role, increasingly appreciated and accepted by the government level (Wisniewski 2005).

In Hungary – as it was mentioned – the civil society does not have strong traditions. Citizens had become used to having all initiatives originated by the elite, rather than the civil sphere, especially during the 20th-century periods of dictatorship. The only parallel organisations with some social role under the communists were the trade unions, but in practice they also were subservient to the ubiquitous single ruling party. So the change of system took place against a background of an inherently weak civil society that could not yet act as a competent and equal partner for the government in shaping social priorities and economic policy, although the government had remained sensitive to informal pressures from below. These deficiencies limited the degree to which the partnership principle could apply (Lakatos 2005).

Regarding the Baltic states it can be underlined that the civil society there is still underdeveloped compared with that of Western Europe (Artner 2005). At the same time, the creation/development of the different non-governmental and non-profit organisations has been largely promoted by numerous transnational cooperations within the Baltic Sea region, and later on also by the implementation of the EU’s cohesion policy (Artner 2005).

Finally Slovenia can be mentioned as a counter-example here. Namely the Slovenian central public administration established a very transparent structure for regular consultation with potential partners (Dezséri 2005) – which had a stimulating impact on the different non-governmental and non-profit organisations as well as on the local governments, expert groups, etc. So, Slovenia could quickly overcome the initial weaknesses in partnership on both, the state’s and the partners’ side.

B) Weaknesses on the states' side

On the other side of the coin can be found the willingness and readiness of the central (and regional/local) public administrations of the new member states to engage in consultations with stakeholder partners – when elaborating, implementing, monitoring and evaluating regional development programmes. Some typical examples in this respect are highlighted below.

In the Czech Republic, during the preparations of the first National Development Plan, ministries published draft documents of the programming process on their websites, but otherwise failed to apply any other tools to reach a broader public. Sometimes ministries shared all draft documents, sometimes not. Documents published on websites were often 3–4 months old, making real consultation impossible, since new versions were created meanwhile. There were cases when the authorities sent out documents only very shortly before meetings. There were only two public workshops organised by relevant departments of the Ministry of Regional Development to discuss the National Development Plan. Public hearings were organised by the Ministry of Environment in cooperation with other ministries responsible for Operational Programmes. Hearings lasted two days, with two hours devoted to each OP. The content of public consultations was not aimed at a wide discussion of the directions of development strategy and measures, only at negotiating with those partners, who would probably be involved in future implementation. Furthermore, public hearings were organised two weeks before the OPs were submitted to the European Commission, so that no significant changes could be made to them. Bearing in mind all these factors, it is not surprising to find low participation at such hearings (Bassa 2005).

As regards Slovakia, the EU's partnership principle is mentioned in several official documents and this principle was also integrated by the Act on Support for Regional Development into the programming process. Moreover, the National Development Plan includes a chapter outlining commitment to the principle but the references to it are short and vague (Bassa 2005). No wonder that some stakeholders (e.g. environmental NGOs) were simply left out of consultations during the preparation of the National Development Plan. NGOs are also in a very weak position in the project selection committees as well as in the Community Support Framework and OP monitoring committees (Bassa 2005). As a further problem can be mentioned the low attendance of meetings, which basically stemmed from poor or late information flows and barriers to obtaining key documents (Bassa, 2005).

In Hungary, the elaboration of the National Development Plan should have begun in parallel with accession negotiations, but in practice it was seriously delayed, with substantive work starting in the spring of 2002 and finished by the end of that year, when the Accession Treaty was concluded. So the state authorities had only nine months to create the basic document necessary for implementing EU structural policy and to involve as many participants concerned as possible, in line with the principle of partnership. Nine months were obviously not enough to engage in a real discussion with all relevant civil organisations, social partners, local government organisations, etc. on the general principles of development policy or to harmonise the interests of different social groups. Thus a top-down approach had to be used to create the NDP, and the main priorities and guidelines for EU-related development policy were shaped inside the governmental structure, without a deep social dialogue. Thereby Hungary violated in practice the principle of partnership (Lakatos 2005).

- *Slow gradualism*: Despite the initial weaknesses however, there are clear signs that in most new member states the introduction of the partnership principle – as an obvious element of new governance modes in our interpretation – could gradually be reinforced as a result of both supranational and

sub-national pressures. This process is accompanied by an increasing willingness of the public administrations to open up and by an increasing awareness of the partners concerned.

In spite of all the problems mentioned above (e.g. centralisation heritage, weak civil societies and lack of traditions in regionalism, or lack of time and experience, etc.) the introduction of the partnership principle in the new member states has made gradual progress and was increasingly reinforced by different factors of either supranational or sub-national nature. As a result, the public administrations of the new members showed an increasing willingness to open up and involve the different partners into all phases of European cohesion policy implementation, while there seems to emerge an increasing willingness of the potential partners to get organised and assert interests. Below we bring empirical examples to both phenomena.

A) Increasing willingness of the public administration to open up

The line ministries of the Baltic states established relatively long lists of partner organisations for consultation on their first National Development Plans to be submitted to the European Commission. This was a milestone in the widening and deepening of public discussion on development issues which is a strengthening process in all three countries concerned (Artner 2005).

The Czech government proved its openness by creating a Council for Non-Governmental, Non-Profit Organisations (although it did not have a strong focus on EU-related issues in the beginning). Furthermore, in the Preparatory Committee for Structural Funds non-governmental and non-profit organisations could also be represented. Prior to finalising the first NDP, workshops were held at the level of self-governing territorial units, as were workshops at NUTS-2 level, to analyse the situation in the regions and identify the priorities for the National Development Plan. Public meetings held in NUTS-2 regions attracted around 100 people each, including representatives of NGOs. Proposals made at such meetings were used later in preparing the programming documents (Bassa 2005).

In Hungary – despite the mentioned weaknesses in partnership during the preparations of the first National Development Plan – the government contacted more than 900 partners during the debate on the NDP. 50 out of these 900 institutions were „network” organisations, so the National Development Office could involve thousands of smaller partners in the dialogue through the member groups of these networks. The National Development Office directly invited 600 partner institutions to participate in the social debate on the NDP, however, only 350 of them submitted their opinion on the documentation. 75 per cent of the active partners represented professional, budgetary or civil organisations. In spite of the fact that after June 2002 the NDO organised numerous and wide-ranging social debates under different topics, the time was too short to fully comply with the partnership principle in the programming phase. Moreover, in many cases documents of 5000–6000 pages had to be discussed in a few days (Lakatos 2005).

The situation further improved regarding the preparations of the second National Development Plan. First of all, a longer preparation period was available for programming, and the social consultations began in due time. Civil organisations have also been involved: the chairman of the National Territorial Development Reconciliation Forum admitted that the wide social debate taking place is unprecedented. According to an agreement concluded in 2005 between the minister of regional and territorial development and the chairman of the Alliance of Local Governments (covering 1700 out of 3200 local governments), the latter has the competence to coordinate a comprehensive debate in all counties (NUTS-3 territorial

units) and to present their opinion to central government. These promising developments indicate a slight shift from the traditional top-down to a bottom-up approach in Hungary (Lakatos 2005).

In Poland, the initial reluctance by the government, through historical lack of experience in cooperating with civil society, was soon overcome. Today, there is limited, but functioning cooperation and discussion between NGOs and government bodies. There are both positive and negative examples in the cooperation between the state organs and the civil organisations. Positive examples concern the well-functioning cooperation between responsible ministries and NGOs at the project selection phase. Steering Committees for the National Development Plan and for the sectoral OPs were set up and NGO representatives included in each. Through a democratic selection process, environmental NGO representatives were appointed to the steering committees of the Cohesion Fund. NGO representatives have been verifying data of the project proposals for the Ministry of Environment, so making the process more transparent and efficient. Negative example is that there are still no joint working groups with NGOs engaged in implementing the Structural Funds, but NGOs are represented on the working committees of the OPs monitoring the funding process (Wisniewski 2005).

One of the best examples for a genuine implementation of the partnership principle could be found in Slovenia. The Slovenian administrative structure and institutional set-up for implementing development projects with financial assistance from the Structural and Cohesion Funds, i.e. the operation of the Single Programming Document, are based on rational and centralised organisation and built on experience gained before accession. The Government Office for Structural Policy and Regional Development, besides coordinating the preparation of the document, gives appropriate attention to coordination and consultation with socio-economic and regional partners, as well as NGOs. Moreover, Slovenia has institutionalised the partnership principle with the establishment of the NDP/SPD Monitoring Committee, where all partners are represented and were actively involved in the SPD preparation. This practice has followed to a large extent the patterns developed in old EU member states. The development projects were systematically presented and discussed at a range of meetings, seminars and workshops held with public bodies and institutions, the professional public, and NGOs, with special regard to those interested in social inclusion of the disabled, Roma, addicts and other groups of people in a weak position on the labour market (Dezséri 2005).

The practice of the various ministries of Slovenia can be considered as `best practice` which could have served as a good example for some other countries in the region. For example, the Ministry of Economy, as fund-related ministry for the ERDF, was the first to establish a so-called programme council, an inter-ministerial institution headed by the intermediate body for making coordinated strategic and operational decisions connected with operation of the Fund. This was established at state-secretary level. A number of events were organised for consultation with professional and social partners, including with municipalities and NGOs. The Ministry of Environment, Spatial Planning and Energy had a special workshop with representatives of environmental NGOs, who argued for a strengthened and more explicit environmental dimension in the Single Programming Document and proposed that the ministry should prepare environmental criteria for project selection. The latter proposal was fully considered and included in the criteria.

Moreover, the sustainable development priority of the document was redrafted to take into account the suggestions and comments of the social partners. Nevertheless, it was also explained and made clear to the NGOs how the SPD incorporated the general development strategy of Slovenia, how it represented only one of the instruments that could contribute to improving the environmental situation, and what roles the NGOs could play in this process.

The Ministry for Structural Policy and Regional Development paid particular attention to disseminating information on the SPD to social partners and the public. The draft of the SPD was presented at consultations organised in all sub-regions (NUTS-3) in the spring of 2003. These presentations and consultations were aimed at reaching the widest possible circle of representatives of social partners, professional and economic associations, NGOs, local authorities, regional development agencies and other interested members of the public. Regional development agencies received special attention, as the main actors in the preceding three years of preparation of regional development plans. These plans were really prepared in accordance with the partnership principle, involving a wide range of social partners (Dezséri 2005).

Besides having such consultations, during 2002 and 2003, four SWOT workshops were held on promoting equal opportunities, social inclusion, environmental protection, and employment, and a joint workshop on how to ensure efficient participation of NGOs in preparing, implementing and evaluating national strategic documents. Furthermore, the *ex ante* evaluation of the Single Programming Document (SPD) for 2004–6 was also an interactive process among experts and planners. The Institute for Economic Research (IER), Ljubljana conducted *ex ante* evaluation of the draft SPD for Slovenia in close cooperation with Research voor Beleid International, Leiden, Netherlands, and Institut Jožef Stefan, Ljubljana. While remaining independent, the evaluators provided valuable opinions and recommendations during the SPD programming period, so contributing much to improving the quality of the document's final version. The *ex ante* evaluation of Regional Development Programmes for the NUTS-3 level was led by the National Agency for Regional Development. This work was also supported by independent expert institutions. The evaluation of these development programmes was carried out on the same principles. This is important because these regional development programmes were taken into account when the National Development Plan (NDP) for 2004–6 was being prepared and were also used as one of the strategic basic documents for preparing the SPD. The outcome of the *ex ante* evaluation was that the description of the current situation in the SPD was well prepared and successfully presented the situation, main trends and constraints of Slovenia, as well as the proposed strategy, selected priorities and measures of the SPD, in line with Slovenia's needs (Dezséri 2005).

B) Increasing awareness of the social partners

Again, on the other side of the coin are the potential partners and their competencies/preparedness for consultation. In this respect, the case studies in general show a varied picture. What is common: changes do occur in all these countries as people, companies, organisations and institutions are gradually learning more about the Structural and Cohesion Funds, and the awareness of the potential partners is growing. A further positive development is that actors on a regional level increasingly appreciate strong horizontal links between regions, the regional development agencies, business, the academic world, and civil organisations. By the same token the building up of vertical relations between local, regional, national and supranational levels are also gaining importance. The improving participatory capacities of the different partners in some new member states are illustrated below.

In Hungary, the participation of civil organisations gradually became more frequent and their activity rapidly increased. The debates organised by the National Development Office, the ministries and regional institutions focused above all on the strategy for the National Development Plan and on the OPs. There was participation by social partners and economic, professional, regional and non-governmental organisations in these discussions. The regional development councils and agencies running the debate on the Strategy involved economic, so-

cial and civil organisations in the region concerned and played the role of regional conciliators. The authorities contacted nearly 3200 local and county-level governments through local government alliances. This facilitated communications between the central and regional (local) levels (Lakatos 2005). But, as it was mentioned the Hungarian government involved the civil society in programming only near the end of the process, while there was more time dedicated to consultations during the preparations for the second NDP.

In Poland, the civil organisations were initially not accepted as official partners for drawing up the first NDP, although they were able to find draft documents on institutional websites and formulate opinions on it at the right time. Experience in the early years of membership shows however, that their participation in the planning, implementation and monitoring processes is becoming increasingly accepted in Poland – as they requested it. The NGOs today are recognised as Structural Fund partners. The early phase of the increasing involvement of NGOs implied that consultation on development projects in the first budgetary period of 2004–6 were mainly run through the Internet, making it a very broad, general process. Direct consultation also occurred in several cases. In the programming process of the first National Development Plan and in all sectoral OPs, consultations were organised and NGO representatives involved in the planning teams. The best examples were the Regional OP, and the Sectoral OPs on Competitive Growth, Human Resources, and Agriculture and Fisheries, where organised meetings were held with the participation of voivodship representatives and of several NGO members. The public consultation process was led by the Ministry of Economy, Labour and Social Policy (Wisniewski 2005)

Actually, in Poland, thousands of civil organisations have been set up in the past decade – of which over a thousand NGOs were active in the NDP consultations, due to which the document had changed substantially by the end of the process (Wisniewski 2005). The Polish society shows great willingness to participate in sub-national initiatives for the public good. The difference from initiatives of the past is that today the main approach is cooperation, not confrontation, although the content of initiatives still emerges from the objective of improving certain areas where the government is not efficient enough. According to the Polish NGOs, it was critical to the success of NGO involvement in the consultative process to bring together a team of NGO experts knowledgeable about consultation systems, able to assess government documents, and capable of providing commentaries and sector-specific documentation, in close cooperation with appropriate governmental bodies.

Furthermore, the Polish NGOs are also active at the supranational level. They actually set up a secretariat in Brussels to assist Polish NGOs participating in consultations for the National Development Plan for 2007–13. It also publishes documents, opinions and the comments of NGOs, and hosts an e-mail discussion group. NGOs are invited to participate in regional government-sponsored conferences. The Polish NGOs also lobbied at the European Commission for further development of practicing partnership, for more consultations and for making such consultations public.

In Slovenia, during the preparations of the first National Development Plan, the information dissemination by the government was not the only source of information; civil society and social partners could learn more and receive access to further details through a Slovene umbrella organisation for NGOs. This provided an effective information service for civil society on a wide range of issues, using its own database of information on member NGOs, experts, issues, external users, etc. Based on these activities, the NGOs acquired expertise on their potential involvement in programming strategic documents. The Slovenian practice is a good example for an evolving bottom-up approach. During the consultations, many questions were raised and various views expressed by interest groups. The questions and responses and views

of the public were communicated through members of the Monitoring Committee of the NDP and SPD. The views and opinions of regions were also expressed and channelled through the regional development agencies. All proposals, comments and remarks of social partners were thoroughly examined and, where appropriate, included in the SPD (Dezséri 2005).

3. Conclusions

In the framework of the complex policy goal of economic and social cohesion, the European Union has recognised that a more successful catching-up process of less developed regions of the member states can be achieved only if the regions themselves gain more competences to shape their own priorities and dispose over the necessary financial resources to realise their own development aims. This experience calls for a general decentralisation process and involvement of as many partners as possible, to enhance the efficiency of European cohesion policy.

This was not only recognised, but – during the past two decades – also advocated by the Union, even if the EU has no right to instruct member states to restructure their public administration systems or organise their social dialogue in the way it deems optimal. Instead, the EU managed to create legal, procedural and financial framework conditions that actually initiate a kind of decentralisation and involvement of civil society, regional and local government, to be able to absorb EU assistance effectively under regional policy. There are no EU institutions or rules binding member states to decentralise and maximise participation, yet effective utilisation of the Funds calls in the longer run for compliance with these principles.

Thus, in the field of EU cohesion policy in general, new modes of governance appear as the “indirect effect” of EU legislation (Lakatos 2005) on implementation of Structural Funds. This indirect effect means first that the EU provides only the framework and general principles of implementation, leaving relatively great freedom of action for member states to establish their own institutions and methods of management. This necessarily results in a great flexibility of implementation, including even the temporary violation of such a basic principle as partnership – in the absence of any sanction-mechanisms by the European Commission. That raises the question of why most member states do not use the possibility of non-compliance and why do they not derogate from the basic EU principles, even where this would technically be the easiest solution?

The answer is that member countries sooner or later realise that meeting only minimum criteria is not enough if structural and cohesion policy is to be implemented efficiently. It is vital for the national governments to demonstrate such efficiency, because citizens tend to measure successful membership by the amount of money they receive from the Union, and it is also true, that the EU can cut back its financial commitments to certain member states if they prove inefficient in absorbing EU support. This leads us to the conclusion that the EU has given member states an interest in complying with the basic principles of its cohesion policy. This is where new modes of governance can be detected, namely in a double sense. 1) The member states are making efforts to reshape their state structures and to introduce new methods of social dialogue, even if this belongs to their exclusive competences. 2) Such “voluntary” reforms themselves result in new governance modes, leading to more decentralisation, more flexibility, and greater openness of the public administrations accompanied with the gradual establishment of multi-level as well as multi-actor type cooperation.

As the experience of the analysed Central European new member states has shown, here the emergence of new modes of governance in structural and cohesion policy can occur in three phases (Lakatos 2005):

1. Member states set up a system that meets EU minimum requirements.
2. Member states recognise that effective absorption of EU support can be achieved by complying with EU principles and start giving more competence to regional units, introducing a decentralisation process that delegates more tasks and resources to regions, for shaping and implementing development policy. They also start reshaping their system of consultations and public participation.
3. Member states start to reorganise their state structures according to EU principles and engage in a decentralisation process. They continue widening and deepening consultations with potential stakeholders too. Naturally, states that have stronger traditions of regionalism and civil society start with the second phase. It should be remembered that decentralisation, the emergence of civil society and the strengthening of participation are not stimulated exclusively by the EU, and may be introduced by internal initiatives as well. At the same time, the EU explicitly promotes and underpins such transformations of governance under its cohesion policy.

The new member states implemented most EU regulations prior to accession. They also pledged their allegiance to core concepts of EU regional policy, and organised or reorganised national activities accordingly. On closer scrutiny, however, it seems that harmonisation and effective change are not always identical. Namely, applying new modes of governance is not just a question of legislation, or action – this requires a longer and more organic evolution. When entering the EU the new member states were at the start of these processes and had almost no experience in new/innovative modes of governance.

However, as the analysis of the experience of the new member states shows, these countries are slowly and gradually passing from phase 1 mainly characterised by EU-conformity pressure against the background of centralisation heritage and the states as gate-keepers, to phase 2. The new member states entering phase 2 seem to engage in a more thoroughgoing regionalisation and in a deepening and widening of dialogue with the stakeholder partners – especially during the elaboration of their second National Development Plans.

On the basis of empirical evidences and theory, the entering into phase 3 presupposes both, the openness and willingness of the public administrations to open up and the existence of well organised social, civil and economic partners, which are able to join the process of planning, implementation, monitoring and evaluation of national development activities under EU assistance. As it was mentioned the emergence of such a multi-level and multi-actor type governance in the new member states would to a great extent – although not exclusively – be the result of EU-conformity pressure promoting and favouring such new governance modes.

The eight Central European new member states of the EU are nearly at same stage of this process but their individual progress is characterised by many different national features, which result in varying development patterns when passing through these stages. This paper attempted to display these interesting differences whose common denominator is however the slow and gradual diffusion of new governance modes and attitudes in the context of European cohesion policy.

4. Annexes

4.1 Table

Table 1: Framework Conditions in the New Members States

		EE	LV	LT	PL	CZ	SK	HU	SI
Framework conditions for Emergence	<i>Haunting centralisation</i>	*	*	**	**	**	**	**	*
	<i>Age of statehood matters</i>	**	**	**	*	*	*	*	**
Framework conditions for Evolution	<i>State as a gate-keeper</i>	*	*	*	*	**	**	**	*
	<i>EU-conformity pressure</i>	**	**	**	**	*	**	**	**
	<i>Defensive over-bureaucratisation, complexity and instability of inst. framework</i>	*	**	**	**	**	**	**	*
	<i>EU-conformity promoting NMG</i>	**	**	**	**	**	*	**	**
Framework conditions for Evaluation	<i>Moving target: ongoing regionalisation</i>	**	**	**	*	**	**	**	**
	<i>Initial weaknesses in partnership</i>	**	**	**	**	**	**	**	*
	<i>Slow gradualism towards the use of NMG</i>	**	**	**	**	*	*	**	**

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