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EUROPEAN UNION'S COHESION POLICY – DIVERSITY OF THE MULTI-LEVEL GOVERNANCE CONCEPT, THE CASE STUDY OF THREE EUROPEAN STATES

1. INTRODUCTION

The concept of MLG may be defined as a political process of determining the Community's goals and taking action to achieve them (Jachtenfuchs and Kohler-Koch, 2004). It is strongly tied with the process of European integration and the systems of controlling and managing the European Union policies. The ideas and principles of MLG have emerged in response to changes in political power structures in Western Europe when the countries decided to co-exist in a single alliance in order to maintain the vision of a uniform idea. For that reason a system needs to be established that will allow such an efficient control and coordination of member countries' activities that will lead to the joint objectives which have been set. The concept of MLG is particularly associated with the processes of regionalisation and the European integration, and the implementation of the EU's policies and its decision-making process. The European integration has resulted in extending and deepening the policies of the EU, with impacts on the autonomy and the authority of the member states. Prior to the establishment of the EU, each country administered itself centrally and with a full autonomy of its order, and its relations to other countries were regulated in international bilateral or multilateral agreements. The establishment of the EU, however, has formed another, international level of control, which has been significantly interacting with how each country is controlled, affecting each country's legal order and enforcing its methods of control. Consequently, there has been a shift from national control over national matters to making decisions within the EU (Rosamond, 2000). Puchala (1971) defined four basic arenas where political de-

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cisions take place, with these decisions then being implemented through the bureaucratic machinery. These arenas are: supranational, national, regional, and local. The national system only regards the local, regional and national arenas as the standard arenas whereas the process of the European integration has brought about a new level of administration, the supranational level. This supranational administration is executed through institutions applying multi-level governance. The decision-making role of these institutions is crucial and powers are distributed along the whole range of the political spectrum. As a result, the success of the European integration fully depends on how successful and capable administration will be in implementing political decisions. Hooghe and Marks (2001, pp. 69–77) claim that power delegated to a lower level and the European integration have resulted in a drop of the state level authority in Western Europe, followed by the formation of multi-level administration. From the theoretical point of view the European integration associated with neofunctionalism and intergovernmentalism – movements which seek a shift of power from the state to institutions. According to George (2004, pp. 108–112), MLG covers all the most important elements of neofunctionalism except for the spill-over process.¹ Marks says, however, that these theories are unfit for analysing everyday processes.

2. MULTI-LEVEL GOVERNANCE

The term was coined by Gary Marks, who worked on the EC structural policy reforms in 1988, which proposed doubling the contributions to the relatively poor European countries. These reforms followed upon the agreement adopted by member states in 1987 (the Single European Act). Marks (1993, p. 392) defined MLG as a

[...] system of permanent negotiations between governments at several levels – supranational, national, regional and local, and a result of a wide process of forming institutions and re-distributing the decision-making process, which has pulled some formerly centralised functions of the state up to the supranational level and pushed some other functions down to the regional or local level.

As early as his previous works Marks dealt with this topic (his structural policy work from 1992, for instance). The term itself, however, was not used until the publication from 1993. In this work Marks (1993) says that regional policy underwent many changes in the 1980s and the 1990s and regional policy is influenced by not only the governments of the member countries and regional governments but also supranational stakeholders (Marks, 1993, pp. 401–403).

¹ Spill-over effect – integration expands of its own accord; competence and sovereignty shift from the national to the supranational level: political spill-over (Moravcsik, 2005, p. 352).

Transnational stakeholders along with the Commission have formed a vertical line by circumventing member countries and challenging their traditional roles of the sole intermediary between the transnational and the supranational levels. Direct contacts between the Commission and the transnational government representatives are an everyday reality in both Brussels and regions (Marks, 1993, p. 402).

Figure 1 describes the situation of member countries acting as the intermediary between home stakeholders and supranational institutions whereas figure 2 describes a more complex, open and volatile situation of national governments collaborating with the European Commission and within the state. Figure 2 is misleading because it presupposes a homogeneous system of MLG across the EU. In fact, different member countries have different options (Marks, 1993, pp. 404–405).

Marks also dealt with MLG with Hooghe (Hooghe and Marks, 2003). Their MLG typology distinguishes two types of multi-level governance. Type I based on federalism and type II based on neoclassical political economy. According to Hooghe and Marks, type II is almost always set in the legal framework of type I.

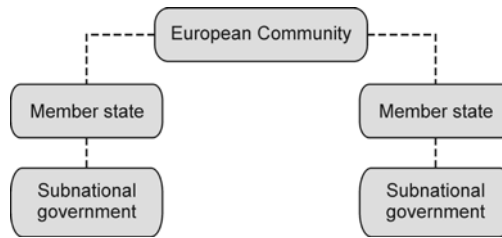


Fig. 1. Multi-level governance until 1992

Source: Marks (1993), p. 405

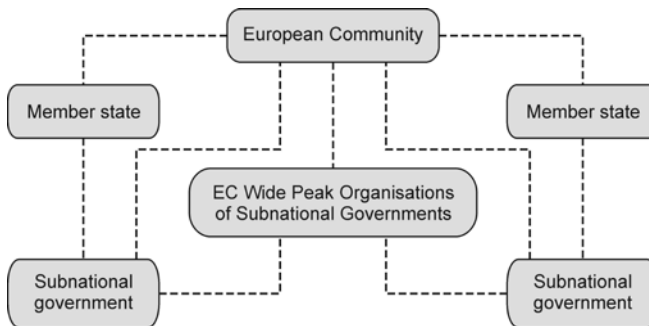


Fig. 2. Multi-level governance after 1992

Source: Marks (1993), p. 405

Type II cannot exist without type I but type I can exist without type II (Hooghe and Marks, 2003, p. 236). According to Bache (2005, p. 6), these two types of MLG do not exclude each other; on the contrary, they co-exist. The United Kingdom is an example.

Marks and Hooghe are not the only ones who have developed the idea of multi-level governance. Jachtenfuchs, for instance, (in Stein and Turkewitsch, 2008, p. 9) says that 'MLG includes relations of different public administration levels and the processes resulting from these relations'. Other authors put this definition in more specific terms and supply additional features:

Even though we tend to think that these levels are ordered in a hierarchy, negotiations may not necessarily be conducted by this hierarchy but may be conducted between the transnational and the regional levels, for instance, skipping the national level (Stein and Turkewitsch, 2008, p. 9).

Peters and Pierre (2001, p. 131) claim that 'the formation of MLG challenges our traditional understanding of how states work, what defines their powers, how democracy is structured and a responsible government established'. According to Peters and Pierre, the state has changed from 'the liberal-democratic type to a state characterised by various complex types of subordination to external entities and dependence on these entities'.

Bache and Flinders (in Stein and Turkewitsch, 2008, p. 10) admit that no single generally accepted definition of MLG has been adopted as yet. However, there are some identifiable common features (Bache and Flinders, 2004 in Stein and Turkewitsch, 2008, p. 10):

1. Tendency towards greater involvement of non-government organisations, such as non-profit organisations, in governmental functions;
2. Extension of overlapping decision-making networks involved in such functions;
3. Role of the state having changed from ruling and controlling to managing, coordinating and forming networks;
4. Defined responsibility for executing the managing function in multi-level governance.

Eilstrup-Sangiovanni (2006, pp. 332–333) gives five features to define the system of MLG in the EU: multiple partakers, differentiation, technocracy, non-hierarchical process of decision-making, informal relations.

As any other concept, the concept of MLG has been critically examined. Andrew Jordan (2001) is one of the critical voices. According to Jordan (2001), MLG is just a mixture of existing theoretical claims and nothing new. In terms of partakers Jordan's criticism is based on that MLG assigns too an important role to national and supranational entities and overlooks the role of the state as the creator of policies. Also, MLG presupposes a passive shift of power from the EU or the

national levels whereas the bottom-up view should be preferred. Stein and Turkewitsch (2008, pp. 9–10) are additional critics, giving several reasons why the idea is subject to such criticism (excessive descriptiveness of the model, for instance). They maintain that the concept of MLG can be used to describe any complex and multilateral political process.

3. EUROPEAN UNION AND MULTI-LEVEL GOVERNANCE

MLG is thus seen as the sharing of each partakers decision-making competencies at different levels of governance. The EU has entered the game and the boundaries between levels have become less distinct. The EU sets rules through the European Commission, makes decisions and, consequently, its acts influence the behaviour of member states as far as the local level.

As the integration process is continuous, different approaches to MLG have developed over time. The most in-depth are the approaches to MLG in implementing the cohesion policy, which is the second most important policy of the EU (after the agricultural policy). Cohesion policy's interventions have profound impacts on member states' decision-making processes at the national, regional and local levels. The basic multi-governance standards were set out as early as the Treaty on EU (92/C 191/01; the Maastricht Treaty), and not only in this area. The following passages of this paper will only deal with the cohesion policy in relation to its marked impacts on how regions work and develop.

Articles 174 to 178 of the Treaty on the EU lay down the basic principles of supporting and controlling the cohesion policy. Funds have been set up for these purposes that provide member states with the required finance for implementing interventions. Currently, the processes are further regulated in regulative acts, especially Council Regulation (EC) No. 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999, and Commission Regulation (EC) No. 1828/2006 setting out the rules for the implementation of Council Regulation (EC) 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No. 1080/2006 of the European Parliament and the Council on the European Regional Development Fund, which set how national authorities are to act towards the EC and introduce programming and project management principles. Emphasis is put on the broadest possible involvement of partakers in the process of cohesion policy implementation at the local and the regional levels without affecting the responsibility and the powers of member states as a whole. The Committee of the Regions exists at the EU level, and its role is

to express the opinions of local and regional self-governing units about the EU's legal rules. To this end, the Committee submits reports (termed as 'opinions' in respect of Commission proposals (European Union, 2012). The Committee is an important political partakers providing the necessary feedback for the institutions which make decisions at the supranational level, that is the European Commission. The Committee of the Regions has published the White Paper on public affairs MLG (Committee of the Regions, 2009) in order to establish and codify the understanding and the meaning of public affairs MLG into a comprehensible text. It is a technical document, which regards MLG as partnership-based coordinated efforts of the Union, its member states, and local and regional authorities focusing on developing EU's policies and putting them into practice (Committee of the Regions, 80th Session).

The White Paper reads that in spite of the importance of MLG in relation to achieving the EU's objectives and interests, MLG fails to be applied in all policies; if it is applied in all policies, it is not applied symmetrically and homogeneously (Committee of the Regions, 2009, p. 4). As a result, the Committee formulated MLG recommendations on the basis of the valid agreements and in accordance with the Lisbon Treaty and incorporated the territorial aspect and territorial cohesion in the processes of European integration (Committee of the Regions, 2009, p. 4).

According to the Committee, partnership is the basic MLG principle, and the legitimacy, effectiveness and visibility of how the EU works can only be ensured by each partaker having their share in the decision-making process, even at the regional and local levels.

The European Commission defined five principles of public affairs governance as early as 2001 (EC White Paper, COM(2001) 428). Governance should be based on openness, involvement, responsibility, effectiveness, and cohesion. MLG follows upon these principles in that executing MLG consists in observing another important principle – the principle of subsidiarity. This principle and its observance ensure that decision-making does not concentrate at a single level of public authority execution and policies are formed and implemented at all material levels of administration. This principle has been described as critical to and inseparable from the overall system of MLG (Committee of the Regions, 2009, p. 7).

This also implies that the execution of MLG rests, to a considerable extent, with member states, which, however, have absorbed these principles to different degrees. There is a great difference between the 15 'original' member states and the 10 'new' member states, which accessed in 2004, and the two states which accessed in 2007. In fact, the process of implementing MLG actually did not start until the accession to the EU. Democracy in the original member states is much more developed and decision-making at local and regional levels is an everyday reality.

The basic tool for the execution of MLG are institutions and institutional representation of regional and local bodies. This had been first regulated in the Maastricht Treaty, which contained major reforms to the institutional system, and then detailed and confirmed in the Lisbon Treaty. Institutions are the basis for executing multi-level governance, which, along with its processes, will only be brought into existence by collaboration along the whole horizontal and vertical institutional system of all partners. This is an important phenomenon which collaboration must always rely on and which, although impossible to be constituted or enforced, is yet a precondition for due execution of governance. It is the trust among partners. Consequently, trust rather than confrontation of different political and democratic legitimacies is the fundamental feature of collaboration (Committee of the Regions, 2009, p. 11).

The Committee of the Regions, as an important institute, is in charge of regions and cities participating in the execution of governance and the adoption of political decisions at supranational level. The White Paper is an important element in clarifying what MLG is and by what principles and methods it is executed. As a result, the White Paper provides a bridge between MLG theories and the reality, which is not always fully taken account of at European institutions and national authorities.

The cohesion policy is a policy which fully demonstrates all the positive and negative consequences of multi-level governance. In the cohesion policy, the European Community's objectives are implemented through financial interventions. And it is financial interventions and the need to distribute, manage and control these interventions effectively that causes many complications at all levels of multi-level governance.

4. MULTI-LEVEL GOVERNANCE ON THE EXAMPLE OF EU COUNTRIES – COMPARISON OF THE CZECH REPUBLIC, POLAND AND HUNGARY

MLG is not applied in all policies and states of the EU symmetrically and homogeneously. The Czech Republic, Poland and Hungary can illustrate this, as the countries of the Visegrad Group, which is now comprised of four countries. Before describing MLG and the cohesion policy in the said countries, the supranational level (the EU institutions) needs to be presented. At this level it is especially the European Parliament, the Council of the EU, the European Commission, the European Court of Auditors, and the European Anti-fraud Office. The European Parliament is the only body of the Community whose sessions are open to the public. Its decisions, positions and minutes from sessions are

published in the *Official Journal of the European Communities*. As all bodies of representatives the European Parliament has three basic powers: legislative, budgetary and controlling. Its political role in the EU has been increasing. The European Parliament plays the key role in appointing the Commission, and has the power to dismiss the Commission (for more information refer to the Maastricht Treaty, the Amsterdam Treaty, and the Nice Treaty). Along with the European Commission Council, the European Parliament adopts acts which have direct impact on people's lives and a large international impact. The Council and the European Parliament are the Union's law-makers. Usually, the Council may only create legislative acts on the basis of bills submitted by the European Commission. The main tasks of the Council include (Council of the European Union, 2012) adopting legislative acts (regulations, directives etc.), usually by 'joint decision-making' with the European Parliament, contributing to coordination of member states' policies, such as economic policies, creating common foreign and security policies according to the strategic directions defined by the European Council, entering into international agreements on behalf of the Union, and approving the Union's budget in conjunction with the European Parliament. Still another body is the European Commission, the EU's executive body representing the interests of the whole Union. The European Commission is to (European Union, 2012) define goals and priorities, propose legal rules to the European Parliament and the Council, control and enforce the EU's policies and comply with the EU's budget, enforce European law (in conjunction with the European Court of Justice), and represent the EU in external matters, such as in negotiating trade treaties between the EU and third countries. The entire system needs a controlling institution. It is primarily the European Court of Auditors and the European Anti-fraud Office (OLAF). The European Court of Auditors audits the EU's accounts. Its primary task is to enhance the standard of financial control in the EU and produce reports on how public money is spent. If a fraud or an irregularity is identified, the European Court of Auditors, however, has no power to take any legal action but communicates its findings to the European Anti-fraud Office (European Union, 2012). Although being part of the European Commission, the OLAF is independent in its investigations. The OLAF has a dedicated budget and enjoys autonomy in administrative matters. This Office's mission is three-fold (European Union, 2012): protect financial interests of the EU by fighting frauds, corruption and other illegal activities, and protect the reputation of the European bodies and institutions by investigating suspicion of serious misconduct by employees of the European bodies or institutions. Disciplinary or criminal proceedings may be instituted on the basis of such investigation. The third mission is to help the European Commission in preparing and implementing the policies focused on detecting and fighting frauds.

4.1. Czech Republic

Currently, there is no effective law in the Czech Republic that would complexly and comprehensively govern management of the structural funds and the respective legal regulation has been fractionalized. One of the most important laws related to the regional policy is Act No. 248/2000 Coll., on Support of Regional Development that establishes institutionalized conditions for implementation and coordination of the Economic and Social Cohesion Policy. The legal regulations of the Czech Republic further governs important areas, such as public procurement, financial control, archival science, accounting, regional development support, hereinafter Act No. 128/2000 Coll., on Municipalities, and Act No. 129/2000 Coll., on Regions etc. Individual functions in the implementation system, as they are stipulated in Council Regulation (EC) No. 1083/2006, are entrusted to respective state administration authorities or regional self-administration authorities by means of a government resolution. The Czech Republic selected the form of pre-funding from the state budget where all expense is first paid from the state budget and subsequently an EU share is refunded from the respective fund by means of so-called certification. This fact means that financial and administrative steps are controlled in accordance with effective rules for controlling the state budget. In practice, it means increased number of subjects that perform control and relatively high burden for administrative capacities to undergo such control.

From the institutional aspect, four institutions exist in this control and coordination area of the National Strategic Reference Framework² (NSRF), and they are: NSRF Monitoring Committee – Steering and Coordination Committee, National Coordination Authority, Payment Certification Authority – the National Fund, the Audit Authority – the Central Harmonization Unit for Financial Control. In order to strengthen coordination, four coordination committees were established based on four NSRF strategic goals. The National Coordination Authority is a coordination and methodology authority accountable for the NSRF implementation to the CR government. This authority has established a uniform framework of implementation environment for management, realisation, control, monitoring, and evaluation of operational programmes (the Ministry for Regional Development, 2012). By means of a government resolution, the function of the Payment and Certification Authority, as well as the Audit Authority, is entrusted to the Ministry of Finance of the Czech Republic, and the function of the National Coordination Authority to the Ministry for Regional Development. Operational programmes are managed either by central state administration authorities or so-called regional councils that are governed by Act No. 248/2000 Coll., on Support of regional de-

² The basic programming document of the Czech Republic for utilisation of the EU funds during 2007–2013 whose processing is derived from obligations of a member country defined in Council Regulation (EC) No. 1083/2006.

velopment. A lot of persons are involved in implementation of every operational programme, especially when performing the function of the managing authority, intermediate body, monitoring committee, payment and certification authority, and audit authority.³ The Czech Republic also has established the separate Office for the Protection of Competition that makes decisions regarding suspicions in the area of public procurement (see the Public Procurement Act). Its power and scope is defined by Act No. 273/1996 Coll., on scope of competence of the Office for the Protection of Competition. Other monitoring function, especially in regard of monitoring spending of funds from the state budget, is performed by financial authorities. Independent monitoring is provided by the Constitution via the Supreme Control Office.

As for the territorial self-governing structure, the Czech Republic consists of 14 regions that were established by Constitutional Act No. 347/1997 Coll., on establishment of higher territorial self-governing units. This act fulfilled Article 99 of the Constitution of the Czech Republic which stipulates that the Czech Republic 'is structured into municipalities, which form the basic self-governing units, and regions, which form higher territorial self-governing units'. Regions are accountable to NUTS III units. For the purpose of the regional policy of the EU and classification of regions under individual objectives, these regions were grouped into eight so-called cohesion regions that are accountable to the NUTS II units. These units associate either one or two, and in one case three, regions in one unit. The cohesion regions do not have legal subjectivity and the Offices of Regional Council whose apparatus administers and governs financial flows to the respective region were established for management of regional operational programmes. However, this solution proved to be not suitable in practice. The implementation system became more difficult as a result of different needs of regions associated in one unit in this way and responsibility of the respective office for damages caused by defective acts is disputable as well. Towns and municipalities are involved, just like other interested parties, in decision-making via monitoring committees where individual involved parties may enforce their respective interests.

The Czech Republic was allocated 26.7 billion EUR for the cohesion policy during the 2007–2013 programming period, which is almost three times as much as during the previous shortened programming period of 2004–2006. For this period, the Czech Republic has 26 operational programmes, of which 18 are actively controlled via Czech managing authorities. There are 7 regional operational programmes being realized in the Czech Republic, 2 operational programmes for Prague (OP Prague – Adaptability, OP Prague – Competitiveness), one cross-border cooperation operational programme (OP Cross-Border Cooperation CR – Poland), and the remainder falls on thematic operational programmes, and there are 8 of them.

³ Performance of individual functions is governed by Council Regulation (EC) No. 1083/2006.

Only during implementation the complications that resulted from this initial setup fully emerged. Large amount of operational programmes almost prevented monitoring and control of fulfilment of NSRF objectives, and it caused multiplication of administrative and other mistakes of individual offices, which became fully evident in 2012 by suspension of payments from the EU and the necessity to reset the implementation system. The control system is strongly decentralized and from the aspect of achieving the objectives specified on the national level, it is very difficult to control activities that lead to as effective valuation of funds as possible.

The initial idea about advantages of such decentralized system came to nought already during the first years of implementation. The system suffers from a lot of defects and externally appears as non-transparent and difficult to use. Trust in such system significantly decreased after series of corruption suspicions and investigations of bodies active in criminal proceedings. Generally, it is possible to state that operational programmes have fulfilled their objectives, but it is difficult to analyze if they contribute to national objectives. Complexity of the system turns a significant part of attention to its administration, and not enough of it is paid to real contributions and effects of individual interventions.

4.2. Hungary

Hungary joined the EU on May 1, 2004, the same as the Czech Republic and Poland.

Institutional frameworks as well as responsibilities of certain stakeholders are laid down by Government decree 255/2006 (XII 8) on the fundamental rules and institutions in charge of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the 2007–2013 programming period. General procedures are regulated by MHPMO (Minister Heading the Prime Minister's Office) – MF (Minister of Finance) Joint Decree 16/2006 (XII 28) on general rules of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the 2007–2013 programming period. Rules concerning financial management and control systems are set by Government Decree 281/2006 (XII 23) on rules concerning establishing systems of financial management and controls in relation to receiving support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the 2007–2013 programming period responsible for the implementation of the EAFRD and EFF (National Development Agency, 2007, p. 178).

The institutional system consists of institutions, such as the National Development Council, the Steering Committee for Development Policy, the National Development Agency etc. In the Hungarian system, the National Development Council is the advisory body of the government. In addition, the Steering Committee of Development Policy was established as a governmental body managed by the Prime Minister with participation of the Government Commissioner for the Development Policy. The National Development Agency (NRA) is another insti-

tution of the Hungarian implementation system. Based on the Hungarian model, the Agency performs very similar functions as the current National Coordination Authority; however, the significant difference lies in the fact that contrary to the Czech model, the Agency has managing authorities of operational programmes that ensure implementation directly under, as independent departments. The big advantage of such solution rests in very efficient provision of uniform methodology environment and monitoring system. Under the Hungarian model, the NRA operates in accordance with the legal regulations of Hungary. Managing authorities are conceived as NRA independent bodies. Independence rests especially in decision-making regarding provisions of grants and the overall management of operational programmes in accordance with the effective European legislation. These managing authorities use uniform methodological procedures and one monitoring system. Their activities are similar to the Czech managing authorities by supporting documents for their decisions are produced for them by the intermediate body. Managing authorities, in cooperation with ministries that are responsible for fulfilment of individual strategies and policies, then provide the partnership principle and the overall coordination of activities, which are then defined by so-called action plans, via committees for OP planning and implementation, sub-committees and monitoring committees, and other institutes. Intermediate bodies have been selected by the NRA based on preset criteria, and their responsibilities are anchored in the Hungarian legal regulations. Performance of their work then rests in the overall administrative provision of implementation (preparation of calls, selection of projects, monitoring, execution of the 1st level controls, reporting of differences). Relationships between the intermediate bodies and managing authorities are established similarly as in the Czech environment, by means of delegated acts. Ministries will be mentioned as the last. In this implementation model, they are excluded from the direct administration within the implementation system. Their role rests in participation in planning, production of the action plan, project selection committees, monitoring committees, and also the aforementioned advisory bodies. All the managing authorities are concentrated in one institution, which ensures uniform management, methodical procedures, and transfers of the best practice. At the same time, managing authorities are responsible especially for the strategic management of the programme, and intermediate subjects have higher competences, as well as responsibilities for administrative management. Decisions, such as on provision of a grant or approval of payment request, are left to the management authority, as well as decisions on preparation and realization of the action plan.

As for the territorial structure, Hungary is structured into 19 districts, and the Capital City of Budapest, which are NUTS III units (Megyék és a főváros). There are 7 NUTS II (Régiók) regions, NUTS I is formed by 3 parts of the state, so-called Országrés (Eurostat, 2012). The municipal self-governments are now

independent of the central unit, and there is no hierarchy among them. Their rights and obligations are stipulated by the law – Self Government Act.

For the 2007–2013 programming period, there were 25.3 billion EUR allocated in Hungary, and these funds are divided among 21 operational programmes (8 nationwide OPs, 7 regional OPs, 6 OPs within the European Territorial Cooperation objective).

4.3. Republic of Poland

Multilevel administration is one of the principles of government that was incorporated into the regional policy reform in Poland, which is presented in the National Strategy of the Regional Development for 2010–2020. The important document regarding the area of the policy for the social, economic, and business cohesion in Poland is the act on principles of development policy of 2006 (*Ustawa*, 2006). Its objective rests in defining mechanisms for implementation and coordination of the structural policy, specifying rules for implementation of such policy, preparing documents for its implementation etc. (Główny Urząd Statystyczny, 2008, p. 24). Among important legal regulations, there are also (Ferry, 2004, p. 11; MRR, 2008, p. 8): Act on the regional self-government of June 5, 1998, Act on income of territorial units of November 26, 1998, Act on principles of regional development support of May 12, 2000, Act on public finance of June 30, 2005, and Decree of the Ministry for Regional Development of September 7, 2007 on costs related to implementation of operational programmes.

Coordination related to implementation of Objectives 1 and 3 of the Cohesion Policy, NSRF, and implementation of all programmes realized in Poland and on its borders is under responsibility of the respective minister for regional development matters (the Minister for Regional Development). To ensure effective coordination of the NSRF implementation, the Prime Minister nominated a team lead by the respective minister for the regional development matters. As for the Coordination Committee (CC), its functions are as follows: horizontal coordination of policies, strategic monitoring, and evaluation of the NSRF implementation. The Committee is lead by the respective Minister for Regional Development. In addition, there are representatives of ministers involved in implementation of individual operational programmes and institutions that manage regional operational programmes, the respective minister for public finance, and a minister responsible for implementation of the joint agricultural policy and the joint fisheries policy. Representatives of Polish associations of territorial self-governing units and representatives of social and economic partners (organisations associated in the tripartite commission for social and economic matters, non-governmental organisations, and representatives of the academic and scientific sphere) also participate in CC activities. Representatives of the European Commission and representatives of the

European Investment Bank and the European Investment Fund may participate in CC meetings – with an advisory function. The Ministry for Regional Development (represented by the Minister for Regional Development) functions as the Managing Authority of Centrally Managed Programmes, whereas authorities of the respective voivodship are the Managing Authority of the regional operational programmes. The Managing Authority may delegate some of its competences to intermediate bodies; however, it is fully responsible for the programme implementation. Scope of responsibilities is defined by a contract or agreement. In addition to them, there are also intermediate bodies of the 2nd level – so-called second level intermediate bodies, to which an intermediate body may transfer a part of its responsibilities. Therefore, these are the institutions that are responsible for implementation of particular measures (operating groups) – e.g. for selection of projects (in accordance with selection criteria approved by the Monitoring Committee). They are often called implementing authorities). The institutional system also includes the certification authority, which is included in the organisation structure of the Ministry for Regional Development. As the last, we can mention the Audit Authority, which is included under the Ministry of Finance of the Republic of Poland. The reform of the Polish regional policy related to the 2010–2020 period strengthens the multi-level administration process and, therefore, prevents the top-down government model (Hermann-Pawłowska, 2010).

The reform of 1990 led to development in the vertical structure and introduction of the lowest self-government level – gminas. The year 1999 brought establishment of 16 self-governing regions – powiatas. The legal foundation of the territorial self-government units is anchored in Articles 15 and 16 of the Constitution of the Republic of Poland of April 2, 1997 (*Konstytucja*, 1997). Matters of territorial units are further elaborated in Section VII – Samorząd terytorialny. The basic territorial self-governing units in Poland are gminas (municipalities). These units have all the self-government matters entrusted to them, unless they are entrusted to other units. There are also powiatas whose legal regulation was executed by Act on powiatas self-government of June 5, 1998 (*Ustawa*, 1998a) and voivodships that were established by Act on self-government of counties of June 5, 1998 (*Ustawa*, 1998b). The Constitution does not contain higher territorial self-government units.

The time-period before 1999 was characterized by strong centralisation and sectoral approach, while the time-period after 1999 is characterized by decentralisation of power in the regional development area. In the shortened 2004–2006 programming period, the role of regions in implementation of the structural funds was limited in comparison with the current 2007–2013 programming period. Responsibility rested especially with the central level, and there was Integrated Regional Development Programme available for all 16 regions. In the case of Poland, it is possible to see a dual system where regional, as well as governmental levels were included. The aforementioned system brought increased costs and

decreased effectiveness of the whole system. Decentralisation resulted in situation where in the current programming period, every region is a managing authority responsible for setting development priorities and preparation and implementation of the regional operational programme. Selection of projects, monitoring, control, and evaluation are under responsibility of the Office of the Marshal of the Voivodship. Regions as managing authorities may delegate some of its tasks to other entities. As for the voivodships, their tasks rest especially in certification of expenses on the respective territory (Hermann-Pawłowska, 2010).

During the 2007–2013 programming period, Poland was the biggest beneficiary from the EU structural funds when it receives an allocation of approximately 1/5 of the total amount of funds allocated for the Cohesion Policy. The following operational programmes have been implemented in Poland: Infrastructure and Environment Programme, Innovative Economy Programme, Human Capital Programme, 16 regional programmes, Development of Eastern Poland Programme, Technical Assistance Programme, and European Territorial Cooperation Programmes.

5. CONCLUSIONS

Description of the system and functioning of the multilevel administration in three sample countries confirms the premise stated in the opening of this text, as well as issues and aspect related to the White Book, i.e. that despite the importance and *de facto* necessity for the multilevel administration in relation to achieving objectives and interests of the EU, such administration is applied in all the policies neither consistently nor effectively, and if it is, then neither symmetrically, nor uniformly.

In Poland, we can observe the duplicity principle in the public administration. From our aspect, the Polish system is characterized by complexity and, to a great extent, fragmentation. On the other hand, the non-duplicity system, so-called joint model, is applied in the Czech Republic. In the Czech regulations, contrary to Polish regulations, a separate institution that would centralize important strategic and conceptual documents and subsequently comment on their fulfilment (institution of the Development Policy Managing Authority) is not established. Currently, it is not possible to reasonably expect that over brash establishment of such an authority in the Czech legal environment would have significantly helped to faster and more efficiently set up the implementation system.

Complexity of establishment of such authority in the Czech Republic can be also assumed from the aspect of thematically concentrated operational programmes when it is possible to assume that the system, in which the managing authority function would be executed by the state administration body (that, accord-

ing to the competence act, does not cover all areas in which it should intervene) would bring significant complications during its execution as for financial flows and intervention into competences of other resorts. From this aspect, establishment of an agency seems to be a more effective solution. Nevertheless, such agency does not have to be established by the law. The Constitution of the CR does not forbid to establish other administration bodies and assign them with competences if it is stipulated by law and such law was issued later than the Constitution itself. Of course, it would have to be ensured that newly defined competences would not overlap with competences defined in the Competence Act and other regulations that establish other bodies (e.g. state funds etc.). For such agency, a budget item would be established in the state budget, through which transfer of funds would be executed and expended in relation to the purpose for which this agency was established. From our viewpoint, the Polish system is characterized by complexity and, to a great extent, fragmentation.

The Hungarian model offers possible solution for realisation of thematically concentrated units and direct management, monitoring, and evaluation of interventions. At the same time, it does not necessarily mean that certain levels must be under the patronage of the Office of the Government because competences and legal regulations can be different in the Czech environment, which would not allow for complete takeover of this model. At the same time, it is clear that without efficient, uniform, and direct management of implementation, it is not possible to achieve efficient fulfilment of objectives delineated by the EU Treaty with sufficient synergic effect. At the same time, it is necessary to ensure individual methodological environment and adherence to it. This system offers certain alternatives.

If we are dealing with individual levels of management, then it is clear from the aspect of the multilevel administration that at the multinational level, uniform conditions are set via the European legislation and policies of the EU, which are further applied by European institutions against the member countries. Nevertheless, already at this level, it is possible to observe different approaches applied by the European institutions against individual member countries, as well as different approaches of various institutions when executing one policy. That means that nonuniformity during execution of the multinational administration level causes disharmony when executing administration at lower levels. At the national level, there are differences in implementation of the multinational regulation caused by different institutional systems and non-unified legal regulations. At the same time, territorial structures and different levels of autonomy of the self-governing units significantly complicate establishment of a single implementation system that would be similar in all member countries.

The aforementioned description shows apparent differences in approaches to management of the cohesion policy in the monitored member countries where

models with more or less strengthened central management factors are examined. At the regional level, especially regional self-governments are involved in definition of strategies, as well as in management of some operational programmes whose objective rests especially in development of the respective region. However, at this level, it is possible to see increased degree of corruption behaviour and low willingness to respect central authorities, which caused significant problems during implementation of, for example, the Czech model, and increased control activity at the multinational level. Czechia is trying to learn a lesson from this situation by establishment of centrally managed operational programme for the future period. However, these tendencies are not apparent in other monitored member countries where, to the contrary, necessity to maintain this regional level also for management of operational programmes is confirmed. Differences in the extent of independence and responsible behaviour of regional self-governments are then the cause of very different approaches of the member countries to implementation of this policy. At the local level, towns and municipalities are entering preparations of strategies via interested parties (e.g. Association of Towns and Municipalities and similar ones in other member countries), and they play the key role of project beneficiaries during the implementation itself. Therefore, their role is slightly different because these entities are the key to the successful policy implementation. In order to fulfil their roles, it is necessary to encourage their willingness to prepare strategies and achieve the maximum synergy effect of the partial projects by integrated approaches.

From the aspect of the researched phenomenon, i.e. multilevel administration, further progress and development of the European integration is, therefore, the key for high-quality implementation of policies defined on the multinational level. Since the national units are significantly different from the aspect of the inner structure, it is not possible to achieve a uniform implementation model. Provision of the operative management role during implementation by institutions established and managed by the EU up to the regional level could be considered. However, this idea seems to have a very low probability because it is not possible to assume that member countries would accept such intervention into their sovereignty and, therefore, in the light of the current integration trends, this solution is inconceivable. When considering the ideal implementation model, it is necessary to state that performance of functions defined by decrees would be rather entrusted to an entity out of the institutional system of a member country and, therefore, an agency that would be, in the ideal case, established by an independent legal act. Such agency would then manage individual operational programmes on the operative base. Interested parties from all the levels of the multilevel administration should participate in defining strategies and evaluation of their fulfilment, as well as in defining recommendations for further proceeding, and their recommendations should be binding for the operative management.

In conclusion, it is possible to state that the structure of the multilevel administration mostly depends on the legal regulations and order of the respective country. An act that would apply to the structural funds cannot cover all situations. In addition to legal regulations, dependence or independence of individual institutions also rests in the territorial administration and management. One of the solutions would be issuance of an act that would apply to all countries and would be binding for all of them; however, that does not have to be politically acceptable for all. Political changes are among the factors that affect the multilevel administration. Discordance of functional terms of governments in the individual countries and lengths of programming periods are problematic here. After elections into the national institutions, there is an effort to accept decisions and change existing arrangements; the opposite occurs before elections when governments accept bigger decisions only exceptionally.

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