



Visegrád School

of Political Studies



2015

The project is cofinanced by the European Academy of Diplomacy, the Council of Europe, the International Visegrad Fund and the Department of Public and Cultural Diplomacy of the Ministry of Foreign Affairs of the Republic of Poland within the frames of “Public Diplomacy Cooperation 2015”.



Ministry
of Foreign Affairs
Republic of Poland





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Slovak Dissemination of Democracy

For a long time Slovakia existed in the commune regime. The citizens of the Slovak Republic are able to work together in co-creating and strengthening of the democratic culture, spread participation approaches and mechanisms for the democratic dialogue. One of the aims is to provide help in international development programs and arrange cultured dialogue among various interest groups. Many Slovaks are working in non-profit organizations, public administration institutions and cross-sector partnerships.

The final phase of the Slovak democratic consolidation was the process whereby democratic institutions and practices became seated in the political culture. The recent political development in Slovakia divides society and introduces two main groups of arguments exploring this fact from different points of view and pertaining to building a democracy governed by the Rule of Law, managing ethnic minority problems, establishing a market economy, determining foreign policy orientation and aiming to build institutions of civil society.

Slovakia joined the OECD (2000), European Union (2004) and the Committee of the OECD Development Assistance Committee – DAC (2013). Slovakia also became part of a community of donors who provide aid to developing countries. Membership in these organizations, more precisely preparation for it, significantly contributed to the formation mechanism Slovak official development assistance. Mechanism of Slovak development assistance, as we know it today, was established in 2003. The Ministry of Foreign and European Affairs of the Slovak Republic became the national coordinator of Slovak development assistance. In the early years of the Slovak development assistance there was a mechanism constructed for the strong support of the Canadian Development Agency (CIDA) and the United Nations Development Programme (UNDP). Slovakia's foreign policy is constructed around four pillars. The first is bilateral and multilateral diplomacy, the second European policy (Inter-ministerial and cross-sectional, which is implemented by the joint participation of all ministries and other state administration bodies and which is also reflected in other dimensions of Slovakia's foreign policy), the third one is economic diplomacy and the coordinated presentation of Slovakia abroad and the last – fourth, is consular work and assisting citizens.¹

The main reason why Slovakia assists developing countries is that development cooperation should be seen as a contribution Slovakia to more prosperous, more stable and a more secure world.

We cannot make a strict borders on the Earth. Poverty, terrorism, trafficking of narcotics, illegal migration, climate change are not only the problems of developing countries, but in today's global world these problems are also our

problems. By helping others we are indirectly helping ourselves.

Slovakia could build on its own historical experience, specific story and we, as a country, have gone through a difficult and successful transformation process. The webpage of the Ministry of Foreign and European Affairs of the Slovak Republic (MFEA SR) promotes as the main goals of our diplomacy:

- “Human development of partner countries, primarily by supporting education and employment”
- Support of democracy and good governance including dialogue between civil society and state institutions

In fulfilling its vision and the goals, the SR relies on:

- Its transformation experience in building independent state institutions, development of a market economy and meeting the principles of democracy
- Successful integration in international organisations and groups
- Recent experience as an aid recipient²

Development assistance is an effective instrument of our foreign policy, not least of all, we fulfil the responsibilities and obligations of membership in the EU, UN and OECD. In addition, thanks to the membership in the EU, through contributions to multilateral Europe Aid (but also other organizations influencing global policy), Slovakia has the ability to influence the international development agenda with a full voice membership, by compensating geopolitical weight given the size of our country.

Centre for Experience Transfer from Integration and Reforms (CETIR)

The centre was established on summer 2011 by the Ministry of Foreign and European Affairs of the Slovak Republic (MFEA SR). “CETIR main mission is to share Slovak experience from integration into the European Union and NATO as well as knowledge gained during transformation process and implementation of the reforms. CETIR is used as a support tool in Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2014-2018.”³

This centre has eight sectorial priorities that are defined by the partner countries of the Western Balkans and the Eastern Partnership and by available expert capacities of the Slovak governmental, non-governmental and busi-

ness entities:

1. reform and management of public finance, tax reforms, management and utilisation of EU financial tools
2. security sector reform
3. energy with emphasis on energy security and alternative resources
4. support of market environment development and small and medium enterprises
5. water protection
6. food security
7. decentralisation and public administration reform
8. building civil society - cooperation between the governmental and non-governmental sector⁴

Moreover, there are also other ways of cooperation like study visits, visits of Slovak experts abroad, workshops. CETIR tries promptly to respond to the specific requirement(s) of the partner countries by using the experience, active participation of the Slovak ministries and other institutions. The emphasis is put on strengthening of the reform processes, fulfilling European perspective and improving good governance of public affairs through partner consultations in specific sectors within governmental institutions to prepare background for common projects with Slovak entities.⁵

The Slovak NGDO Platform

The NGDO Platform was established as an interest group of 15 legal entities and was officially registered at the Regional Office in Bratislava in 2003. It also became one of the founding members of the European NGO Confederation for Relief and Development (CONCORD).⁶

The main goals of the Slovak NGDO platform according to the official webpage are:

- representing joint interests of its members
- providing and sharing information about current trends in development cooperation and humanitarian assistance
- co-ordination of joint activities and projects of its members
- lobbying on issues related to international development and humanitarian assistance on a national and international level
- review and scrutiny of official documents related to development and humanitarian assistance, conducting

surveys and expert activities

- organizing professional workshops, conferences and seminars for member organizations and the public
- engaging the Slovak media into the topic of development cooperation
- activities to promote global development education in Slovakia and raise public awareness about development assistance
- publication and editorial activities⁷

Slovak help with democratization

The Slovak Republic is trying to achieve a valuable, transparent foreign policy, in order to increase its prestige. This effort was directed primarily to supporting and promoting the values of democracy and human rights.

In the case of Belarus, Slovakia is supporting actions against non-democratic regime of Alexander Lukašenko. The main reason of this pressure was to force the Belarusian leadership to release political prisoners and strive to improve the situation of human rights field in Belarus. Slovak diplomacy tried to and is still trying to support active citizenship in Belarus. Slovak political elites have significantly contributed to the maintenance of issues in the undemocratic regime of Belarus at an international and European level.

The Slovak Republic also reacted on the situation in the northern region of Africa on the so called "Arabian Spring". For example the Slovak Republic co-operated with the Netherlands in Tunisia where they helped with the transformation processes of this country.

Moreover, from other activities I can mention Slovakia's joining in the group of a US-Brazilian initiative concerning open governance.

Conclusion

The year 2014 is an opportunity to reflect on the outcomes of our strategic foreign policy decisions of the Slovak republic. We will commemorate the 25th anniversary of the Velvet Revolution, the 10th anniversary of its accession to the EU and NATO, the 70th anniversary of the Slovak National Uprising. The fact that we live in a free and democratic state should not be taken for granted. It is a never-ending challenge to preserve these values for future generations. We have to be prepared to defend the values of freedom and ideals of humanism both here in Slovakia and internationally. By the words of Shmuel Vaknin in Russian Roulette: Russia's Economy in Putin's Era: "This dictatorship, however much it may claim a temporary success, must inevitably have the effect of poisoning all."⁸

Annotations

¹The Slovak Republic. Ministry of Foreign and European Affairs, Direction of Slovak Foreign and European Policy in 2014. Available at [https://www.mzv.sk/App/wcm/media.nsf/vw_ByID/ID_1E870F04753534FCC1257C7F0048B9F7_EN/\\$File/Direction%20of%20Slovak%20Foreign%20and%20European%20Policy%202014.pdf](https://www.mzv.sk/App/wcm/media.nsf/vw_ByID/ID_1E870F04753534FCC1257C7F0048B9F7_EN/$File/Direction%20of%20Slovak%20Foreign%20and%20European%20Policy%202014.pdf) (accessed 11 September 2014).

²For more information, see http://www.foreign.gov.sk/en/foreign_policy/slovak_aid (accessed 11 September 2014).

³<http://www.slovakaid.sk/en/cetir> (accessed 11 September 2014).

⁴Official Development Assistance of the Slovak Republic, CETIR and Medium-Term Strategy for Development Cooperation of the Slovak Republic for 2014–2018, <http://www.slovakaid.sk/en/cetir> (accessed 11 September 2014).

⁵For more information, see <http://www.slovakaid.sk/en/cetir> (accessed 11 September 2014).

⁶Slovak NGDO Platform, What is the Slovak NGDO Platform: History, <http://www.mvro.sk/en/about-us> (accessed 11 September 2014).

⁷Slovak NGDO Platform, What is the Slovak NGDO Platform: Activities, <http://www.mvro.sk/en/about-us> (accessed 11 September 2014).

⁸Democracy: Webster's Quotation, Facts and Phrases. San Diego (California: ICON Group International, Inc., 2008), 198.

The Eastern Partnership: an opportunity and instrument for Georgia to become a part of Europe

In the early period of its independence, Georgia was not accepted as an European state, but cooperation between Georgia and the European Union began in 1992 (when the EU recognized Georgia's independence), never went beyond the established framework and was determined by the geopolitical realities. The EU, however, did not look at Georgia as a full-fledged partner, was not interested in political cooperation, and limited itself to humanitarian and economic aid. Between 1992 and 2004, for example, its aid amounted to about \$450 million.

In 1999, the Partnership and Cooperation Agreement between Georgia and the EU (developed since 1996) came into force; it is based on regional approaches, which means that the European Union has its representative in the region (since 2003), but not in any of the three states. In fact, the ambitious Georgian political establishment is not entirely satisfied with this: there is a firm conviction that Georgia should become an EU member earlier than its Caucasian neighbors. Europe was never much interested in Georgia as a separate country: it would have been much easier to join the EU together with for instance Ukraine, an obviously European country. The EU's unprecedented involvement during and after the Russian-Georgian war.

The first step towards Europe

In 1999, the republic joined the Council of Europe; this was, in fact, the first institutional recognition of Georgia as part of the European civilization. The historic phrase: "I'm Georgian, and therefore I am European!" said by then speaker of the Georgian parliament at the PACE session, that admitted Georgia as its member, meant that Georgia had returned to Europe. It turned out that the Council of Europe became a sort of a "preparatory structure" in which the post-communist countries are taught to respect democratic standards and values; the best pupils are moved to the European Union.

According to the last survey which was conducted in 2013 on the question: Do I agree or disagree with the statement by a Georgian politician in the Council of Europe: I am Georgian, and therefore I am European?

Frequency distribution (%)	
Agree	56
Disagree	32
DK/RA	12n, ¹

The European Neighbourhood Policy

In 2003, the European Union offered a new program called the European Neighborhood Policy, which covered all the countries bordering on Europe either on land or sea. (Russia, Azerbaijan, Georgia, and Armenia were excluded). A the first the program related to Algeria, Belarus, Egypt, Jordan, Israel, Lebanon, Libya, Morocco, Moldova, the Palestinian Authority, Syria, Tunisia, and Ukraine.

The Caucasian states were left out, but their rising importance for fuel transit finally got them an invitation. Russia refused to be involved in the program and is now engaged in the so-called strategic partnership within the Partnership and Cooperation Agreement with the European Union.² Willing to become a full-fledged EU member, Georgia did not like some of the provisions which were prohibited, among other things, barriers and other obstacles between the expanding European Union and its members. The very term “neighborhood” indicated that Georgia was not regarded as a potential member, which contradicted Tbilisi’s European ambitions.

In 2006, the twelve-month long consultations with the EU produced the Plan of Action of the European Neighborhood Policy Program, which still did not guarantee EU membership. Significantly, before the war it was expected that Georgia would get \$120. 8 million of aid within the European Neighborhood Policy Program. However, the war changed the situation to the extent that the conference of donors held in Brussels on 22 October, 2008 and which involved the U. S. and EU, decided to increase the economic aid to approximately \$4. 5 billion.

It should be said that after the Rose Revolution, EU and NATO membership became an officially declared foreign policy course.

During the so-called Rose Revolution, the enthusiastic crowds waved the EU official flag and those who represented the European Union in the republic looked at it as a revolutionary banner. After the revolution, it became a ruled that all state structures should display the EU flag. It can be seen in front of the Georgian parliament and in the offices of the top leaders, together with the national flag. A new post, that of minister for European integration, created said that the authorities busied themselves with a set of documents and decisions which were needed to draw closer to Europe.

After the revolution, the public service broadcaster of Georgia joined the Association of Public Service Broadcasters in Europe, which gave the country the chance of competing in the annual Eurovision Song Contest.

To accelerate integration, education was announced to be one of the priorities, even though young Georgians were very much interested in higher education in Europe. Recently, student exchanges became part of the state strat-

egy in this sphere.

Georgia was one of the first to join the Bologna Process to become part of the single European expanse. This means that everything which is going on in many spheres of public life in Georgia (politics, the economy, and culture) is associated, in one way or another, with Europe.

A Signed Eastern Partnership treaty

On 7 May, 2009, the EU signed the Eastern Partnership Treaty with 6 Soviet successor-states (Georgia, Azerbaijan, Armenia, Ukraine, Moldova, and Belarus). The Eastern Partnership program was initiated by Sweden and Poland (two of Georgia’s most enthusiastic supporters).

The Russian-Georgian war urged the EU to accelerate the Eastern Partnership program. According to the President of the European Commission José Manuel Barroso, the war served as an impulse; he went on to explain that the program was not intended to create new spheres of influence and draw new dividing lines in Europe: it merely demonstrated the “soft power” of the European Union.³

Nearly 60 percent of the Georgians believe the country should join the European Union (EU) rather than the Eurasian Customs Union and are highly supportive (78 percent) of the Georgian government’s stated goal to join the EU.

A Signed association agreement

After Georgia signed (On 27 June 2014)the Association Agreements with the EU, the Euro-Atlantic integration became one of the major issues for Georgia (as in foreign policy, even in domestic policy discourse). A significant number of Georgians, 79 percent, are aware that Georgia signed an association agreement with the EU on June 27. Sixty-nine percent of respondents approve of this development, with 8 percent disapproving and 22 percent with no opinion.

After the Vilnius Summit and initiating the agreement with the EU, Georgia went into a very important stage of its post-soviet transformation and state building. Accordingly, the next period for Georgia will be a crucial and critical.

This, however, caused a lot of concern in the Kremlin. Indeed, in the event of NATO’s expansion, Russia can be concerned about its national security, but the fact that former Soviet republics want to draw closer to the EU cannot be viewed as hazardous. After all, Russia is maintaining close economic contacts with the EU: 60 percent of its fuel exports go to its members. Everything said in Russia about closer cooperation between NATO and the Soviet successor states brings to mind the aggressive Soviet rhetoric. The Russian establishment is irritated with the prospect of the former Soviet republics drawing closer to the EU. Russia’s concern albeit unfounded about NATO’s

expansion is understandable: it does not want to see the Alliance's military infrastructure at its borders. It is not so understandable, however, why its main economic partner is unwelcome at its borders. Today, the program envisages closer cooperation rather than full EU membership for the former Soviet republics.

The answer is obvious: on the one hand, Russia does not want to lose the post-Soviet countries, which in the 1990s were its satellites; on the other, it fears being left outside the European community.

The events in Ukraine dictate Russia to increase pressure on Georgia. Georgia will have several major problems: Russia now seeks to strengthen its position in the two occupied regions – in Abkhazia and the so-called South Ossetia. At this time Russia is realizing the process of the so-called "borderization". After the Georgian-Russian war (2008), Russia lost the economic levers to influence Georgia. In the first place from Russia can be expected to attempt to create new spots of separatism in Georgia. Georgia can also expect that some of the Georgian media and NGOs (sponsored by Russia) will start anti-Western propaganda. For instance they can start propaganda of that every "evil" comes from Europe, that "Europe threatens our religion and our traditions" and so on.

Besides this, new Georgian government is very unstable and inexperienced, and therefore there is a great danger that they will make some mistakes, such as arrests of former officials, which would entail the bad effects.

New window of opportunity

Until now Georgia's geographic distance from many of the EU member states was one of the most "painful" issues. The EU membership of Romania and Bulgaria brought Europe to Georgia's borders across the Black Sea; the regional geopolitical balance had changed accordingly. By the way, when Georgia's neighbor - Turkey officially began negotiating with EU for accession in 2005, geographic distance was also problematic issue. But in the case of Turkey, there were and are other objections on the way to EU. The nature of those objections range from the EU being a "Christian Union" and a reluctance to include Turkey's predominantly Muslim population, to the issue of Turkey's size, which would command a sizeable portion of parliament seats. What about the Georgian case: Georgia is a small sized country, with 4 490. 5⁴, (as of 1 January 2014), and Georgia is a Christian state and Georgian political elites hope that it might be granted EU membership ahead of Turkey.

But on the other hand, the rapid convergence with the EU, Turkey, on the contrary creates a positive effect for Georgia, because in this case in the future Georgia will get the land border with the European Union via Turkey. The fact is that since, Georgia signed the Association Agreements with the EU, Integration processes are activated. 15 Sep-

tember 2014, Turkey announced a reformed plan⁵ to gain membership into the EU, which includes an increase in the dialogue between the EU and Turkey and significant social, economic and political reforms.

Why do the Georgians want to join Europe?

Quite often Europe means the European Union, which means that Georgia's potential EU membership is closely connected with the fact that it be accepted as a European country. The most important question is: Why do the Georgians want to join Europe? Most of the liberal-democratic countries are found in Europe. In Georgia, Europe is associated with civilization, democratic values and economic prosperity. 58 % of the Georgians believe that signing an association agreement with EU, will improve Georgian economy, by 35% – it will lead to visa free travel in EU, by 33% – it will provide greater security for Georgia, by 17% it will strengthen democratic development, by 13% – it will create more jobs, 10 – it will improve the chances to restore territorial integrity, by 1% – other, by 6% – DK, by 1% – RA⁶. After Georgia signed (on 27 June 2014) the Association Agreements with the EU, Georgia started a new stage of full modernization of state. The EU-Georgia Association Agreement counts about 1000 pages and is comprised of: Political Dialogue and Reform, Cooperation in the Field of Foreign and Security Policy; Justice, Freedom and Security; Economic Cooperation; Other Cooperation Policies; Trade and Trade-related Matters (DCFTA); Financial Assistance and etc.

Compared with the Eastern European and Central European countries, Georgia up to the collapse of communism in Europe belonged not only to the so-called communist camp, but 23 years ago, Georgia was not a sovereign state. Accordingly, Georgia was forced from scratch to build a state and its institutions and at the same time tried to transform the political and social-economic system, change the ideology and etc.

Most Georgians feel that the European Union support contributes a lot to the development of their country. This is one of the key findings of the recently released Spring 2014 EU Neighbourhood Barometer for Georgia, conducted in the framework of an EU-funded opinion polling project for the Neighbourhood. The survey, based on 1,000 interviews conducted in May–June 2014, finds that 69% of Georgians feel that the EU is an important partner, with 56% believing the EU and Georgia share sufficient common values to be able to cooperate. Almost ninety percent of those polled (88%) saw the EU in a positive (40%) or neutral (48%) light, compared to just 9% for whom it conjured up a negative image. More than half of respondents (58%) felt that the EU's support contributes a lot to Georgia's development. The majority of Georgians (68%) felt that the EU had good relations with their country (compared to 53% across the ENPI East region), while merely 16% felt they were bad.⁷

Georgia is in the process of transformation of its political system and economic system. During this process, Georgia uses of donors financial assistance and expertise assistance from the Western countries. Georgia itself, has not the resources to solve its problems. But on the other hand, there is disappointment in the relations between those organisations in Georgia, because these organisations are limited to humanitarian, educational and cultural programs for Georgia.

In Georgia there is an expectation that it should be a full member of the EU and NATO. But the more time goes by, the less in Georgia believe in this. And this situation hinders really transformation of the political and economic systems of Georgia. All these years the Georgian political elites have explained to the people that those reforms need quick integration to the NATO an EU.

Western policy towards Georgia should be directed to cooperate not only with the Georgian political elites, but also with the Georgian society. Because for example those with pro-Western sentiment and aspiration of transformation of political and economic system in Georgia are mainly not based on political elites's desire, it is based on society's desire. The desire to integrate into NATO and the EU is the not desire of Georgian political elite, this is desire of nation. For example, a public opinion poll conducted after the elections (and published in April 2013) are among the voters of the Georgian Dream and proved that most of the supporters of the new ruling party want to access to NATO and the EU. The West should actively use such institutions as the Council of Europe, the Venice Commission and so on, to help stabilize the unstable Georgian political system. It is essential that all legislative innovations were in line with European norms and values, but on the one hand, Georgia has to see from West that her every step is carefully watched, but on the other hand, Georgia has to show willingness to cooperate closely to the example of the EU, this attitude can effectively use the

Eastern Partnership. Also, if in Georgia's political elite and society will be particularly pessimistic about the chances of the country ever to integrate into the EU, Georgia can slow down the pace of the transformation of the political system.

Conclusion

"A few years ago, I was writing an article and there was the question asked: Eastern Partnership: Surrogate or Real Integration?' because it was not clear outlines of this program. But now we can say: that this program after signature of the Association Agreement with the EU has become in real integration tool. With many economic benefits and the imposition of visa-free travel in the future, for Georgia Eastern Partnership and the Association Agreement are the first projects the political area. Georgia starts an irreversible process of returning to Europe by Eastern Partnership program." The EU accession process is a significant reform project which facilitates adoption of global standards and best practices in Georgia. The process requires Georgia to change fundamentally in all fields of daily life from production to consumption, justice to security, health to education, agriculture to industry and energy to environment. Among the post-Soviet countries Georgia has always stood out because of its Euro-Atlantic aspirations. Two states are already identified among the Eastern Partnership countries: Georgia and Moldova, which successfully has used format of Eastern Partnership program. Moldova is on one step ahead, because this country already reached progress on visa liberalization issues, and Georgia hopes that issue of visa liberalization with the EU will be resolved in next year. Of course reforms are needed for the country, but on the other hand, the prospect of joining to the EU (progressive cooperation in the framework of the Eastern Partnership) gave a good incentive to Georgia and its pushed to accelerate the transformation of the country.

Annotations

¹ Full chart available at <http://caucasusbarometer.org/en/eu2013ge/EUROPEAN/> (accessed 15 October 2015).

² www.delgeo.ec.europa.eu (accessed 15 October 2015).

³ See news for 4th December 2008, www.civil.ge (accessed 15 October 2015).

⁴ <http://www.geostat.ge/> (accessed 15 October 2015).

⁵ Republic of Turkey. Ministry for EU Affairs, Turkey's New European Union Strategy Announced (10 December 2014). Available at <http://www.abgs.gov.tr/index.php?p=49706&l=2> (accessed 15 October 2015).

⁶ National Democratic Institute, Public attitudes in Georgia: results of an august 2014 survey (August 2014), www.ndi.org/georgia-polls (accessed 15 October 2015).

⁷ EU Neighbourhood Info Centre, Georgians positive about their country's ties with the EU but deeply pessimistic about the future (September 2014), http://www.enpiinfo.eu/maineast.php?id_type=1&id=38355&lang_id=450&utm_source=Oem-

V4: Promoting Democracy and Sharing Transition Experience

The countries of the Visegrád Group (V4) have recently made the transition from being a recipient of development aid to being engaged in providing development aid by themselves. Foreign assistance in transition has been an important factor for the three, later four countries of the region. The recent institutional memory of transition and their own experience in democratization have led Visegrád states to include supporting transition and democracy in their respective foreign policies. This paper presents V4 countries' efforts in that regard in order to provide a list of recommendations for utilizing their common potential in supporting democracy around the world while respecting their different approaches.

Democracy promotion in V4 development and foreign policy

Ever since their own transition, but especially since their accession to the European Union, the Visegrád countries (Czech Republic, Hungary, Slovakia, Poland) are increasingly involved in international development as emerging donors.¹ In addition to geopolitical reasons, V4 countries are also committed to increasing their ODA/GNI levels due to the requirements of the European Consensus on Development Cooperation.² Given the fact that their own transitional experience provides them a supply of experiences that might be in demand by the international community to assist newly democratic states, democracy assistance is one of the fields where V4 countries have a comparative advantage.

Democracy assistance is indeed present in the foreign policy of all V4 countries, yet its role is different in individual cases. Poland plays a distinctive role in democracy assistance in the region, and support for democracy has been a part of Polish foreign policy for many years. After a successful and peaceful transition from communism to democracy and free market economy, Poland was one of the first V4 countries that realized the potential of its transition experience though the organization set up to transmit Polish experiences, the "Knowing How" Foundation, ceased its operations in 2005, only to be revived six years later. The aforementioned willingness was founded not only on an inner and selfless ambition to help. The support for democracy is considered as a tool of a long-term security policy in Polish strategic thought. When assisting others in their efforts to build a true democratic rule of law, Poland was to create a more peaceful and foreseeable environment with emphasis on the Eastern Polish border.³ The support for democracy is an official

part of Polish foreign policy and it is broadly mentioned in a document entitled Polish Foreign Policy Priorities for 2012-2016, a multiannual strategy seeking to clarify the goals of the Polish diplomacy. The issue of promoting democracy abroad was also raised in May 2014 by former MFA Radosław Sikorski in his annual address to the Polish Parliament on the goals of the Polish foreign policy.⁴

Unlike Poland's democracy assistance, Hungary's is not emphasized, and it is primarily described in its strategic documents regarding international development.⁵ Hungary's first significant concept for international development was accepted in 2001. The concept provided some overall remarks on Hungary's policy regarding international development, though it remained overly general. Defending human rights and equality along with reinforcing democratic and civic structure was one of the main priorities of this document. An addition likely specific to Hungary also included the protection of national minorities and supporting communal autonomies. The document listed Hungary's transitional experience as a potential comparative advantage in knowledge transfer. The first concept was superseded in 2014 by the acceptance of Hungary's new international development strategy. The Strategy points out three clusters as the primary focal points of Hungarian development assistance, of which institutional development is the first on the list. The document names the following sectors and areas for this cluster: stabilizing democracy and rule of law, transfer of transitional and international integration experience, good governance, sectoral and local governance institutional development, capacity building, and strengthening civil society.⁶ International development itself was hardly on the Hungarian foreign policy agenda, though. The country is the only one in the V4 without membership in OECD's DAC, currently the only one without legislation dedicated to development aid, and the ratio of bilateral ODA to ODA disbursed through multilateral channels is the lowest in the region.

Slovakia's current mechanism of development assistance has its origins in 2003, three years after its accession to the OECD and a year before its accession to the EU. Official development assistance has become an integral component of the foreign policy of the Slovak Republic ever since. Over the past 10 years Slovakia has implemented more than 400 projects in nearly twenty countries. In 2013, Slovakia became a member of the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC OECD). The basic objectives of Slovak official development assistance (ODA) are human development of partner countries and support of democracy and good governance, including dialogue

between civil society and state institutions. The primary tool used for planning the development assistance is the Medium-Term Strategy for Development Cooperation of the Slovak Republic for years 2014–2018 which is already the third conceptual document of the Slovak government represented by the Ministry of Foreign and the European Affairs of the Slovak Republic.⁷ Slovak foreign policy also relies on the country's membership in international organizations as a tool in democracy assistance.⁸

Legal framework for democracy assistance in V4 countries

The Czech Republic's primary legislation regarding development projects is the Act of 21 April 2010 on Development Cooperation and Humanitarian Aid, and Amending Related Laws. The promotion of democracy is listed as an element of development cooperation, but otherwise no specific rules for such projects exist at this level.

In Poland, the Development Cooperation Act of 16 September 2011 provides the general legal framework for the Polish ODA. The law specifically defines promoting and supporting the development of democracy and civil society, including development of parliamentarism, principles of good governance, and respect for human rights as one of the two elements in development aid. The law stipulates that 'measures in the field of development cooperation, owing to the specific political circumstances present in the country where the activity is implemented, may be commissioned by the minister responsible for foreign affairs to the Polish Foundation for International Development Cooperation "Know-How"' (from 2013 known as Solidarity Fund).

Slovakia's national framework is Law no. 617/2007 on the Official Development Aid and on the Amendment of the Law No. 575/2001 Coll. of Law on the Governmental Activity and Central State Administration. The law only mentions enhancing democracy with regard to the objective of securing security and peace in the world, but it does not set up any independent structures to deal with democracy assistance.

The development of a law on Hungarian international development was foreseen during the period of 2001–2003, but due to a multitude of reasons both the strategy and the law for international development have been postponed. Despite a resurgence of activities in 2007, the issue only experienced progress in 2012–2013 when the Parliament called for a strategy for international development. The Strategy was drafted in 2013, and after consultations with various NGOs, the Government codified its acceptance in March 2014. Although the Hungarian strategy established the mid-term policy framework for Hungarian ODA, this step had happened before the codification of a long-term legal framework. Hungary is currently the only V4 country that does not have such an overall legal frame for its development policy. The MFA

is currently working on the law on international development, and already held its first consultations with other stakeholders, including civil society in September 2014. The law is expected to advance to the final drafting phase by the end of 2014, though the MFA indicated that due to legal difficulties, several other legislative acts are needed in order to provide a comprehensive framework. The most important of these will be a second act establishing and outlining the tasks of a Hungarian agency for international development.

In sum, all V4 countries include democracy assistance in their development policies, though only in Poland can one see the prominence of this topic to an extent that independent structures have been set up for this field in national legislation. This is related to Polish foreign policy and ambitions towards Eastern Europe – an interest that is shared by other V4 countries to some extent, but not without variations in importance and allocated resources.

Geographic scope of V4 members' involvement

Areas targeted by V4 democracy assistance are primarily Eastern Europe and the Balkans. In the field of democracy promotion, Poland is engaged globally in areas including the Middle East (Iraq, Afghanistan) and Africa (mainly Sub-Saharan countries like Tunisia). However, its main focus is oriented towards Eastern Europe. Naturally, the democratization of Ukraine is by far the most important. Belarus can be ranked as second on the list, followed by Georgia and Moldova. The choice of top priority countries is determined by Poland's security policy but it is also rooted in mutual history and some pragmatic considerations aiming at fostering economic ties.

Priority countries of the Czech TRANS program are defined by the official Czech foreign policy. Basically they are countries in transition and non-democratic countries where pro-democratic and pro-human rights movements exist and are likely to benefit from transition cooperation.⁹ Preference (but of course not exclusivity) is given to the countries with similar cultural, geographical, and historical backgrounds such as Eastern European countries and the Western Balkans (due to similarities there is the highest effectiveness of sharing the transition experience and promoting democracy). Priority countries currently include the Eastern Partnership countries (Belarus, Georgia, Moldova, Ukraine), Western Balkans countries (Bosnia and Herzegovina, Serbia, Kosovo), Iraq, Myanmar, Cuba, and Egypt. Some activities and projects have also been implemented in non-priority countries, e.g. in Armenia or Russia. For launching any activity or any project there has to be a clear demand and interest of other relevant and trustworthy partners in the concerned countries.

The Slovak program entitled CETIR is focused on experts from government sector as well as on representatives of civil society from the countries of Western Balkans, the

Eastern Partnership or other transition countries. In the framework of 2014–2018 the following countries have been selected: Moldova, Albania, Belarus, Bosnia and Herzegovina, Georgia, Kosovo, and Ukraine.¹⁰

Hungary's first international development strategy designated four countries as strategic partners: Serbia and Montenegro, Bosnia and Herzegovina, Palestinian Authority, and Vietnam. In general, the Hungarian ODA is primarily channelled towards the Western Balkans, including the very small share of ODA that is democracy assistance. Despite some projects in other parts of the world in the last two decades, such as human rights dialogues with China, a development presence in Afghanistan (without a democracy assistance element, unlike the Czech role) and other small initiatives, the Western Balkan region is the obvious priority for Hungary. In general it can be summed up that, despite some differences, the current direction towards the East remains to be the most important geographical area for individual V4 projects and cooperation, with the Balkans as another potential area to further common activities.

Democracy promotion frameworks in V4 countries

The Czech TRANS program is funded from the state budget and varies every year. According to the official webpage of the Czech MFA, in 2013 this budget was 49.48 million CZK (approximately 1.9 million EUR). The program recognizes five main priority topics, which reflect the capacities and capabilities of the Czech Republic as a donor, its specific interests and comparative advantages¹¹. These priority topics are: promoting the development of civil society (as a strong and active civil society is the cornerstone of a functioning and sustainable democracy), cooperation with local authorities (as the active participation of citizens in the decision-making processes, as well as the openness and transparency of the authorities, is a precondition of a functioning democracy), media (as the free and professional media is also one of the main preconditions for a stable democracy and a public control over political power), youth and education (as the active citizenship, critical approach to information, and the ability to formulate and present opinions is also crucial for the democracy) and human rights defenders (support of the activities that are in conformity with EU Guidelines on Human Rights Defenders).¹²

The program consists mainly of the support of so called soft projects – they include the exchange of information, experience and good practices, the organization of training and seminars, visits and internships of Czech experts to priority countries, as well as study visits to the Czech Republic for foreign participants involved in the projects.¹³ One special part of the Program is provision of “micro-grants” for small and starting non-profit NGOs (so called grassroots). The following tools are used to achieve the goals of the Program: state budget subsidies (the 0main

tool following the annual call for applications), support distributed through Czech embassies in the priority countries (money is usually used to pay for minor items and services in the context of the transition process) and contracts of mandate (one-off services, elaboration of studies and supplies of material).¹⁴

In 2011, the Slovak MFEA launched the Centre for Experience Transfer from Integration and Reforms (CETIR). CETIR is one of the bilateral development cooperation instruments of the Slovak ODA which is managed by the Slovak Agency for the International Development Cooperation (SAIDC). CETIR's main mission is to share the Slovak experience from EU and NATO integration as well as knowledge gained during transformation process and implementation of the reforms. The centre is financed by the MFEA.¹⁵

CETIR focuses on eight sectoral priorities which are defined by the needs of the partner countries and by capabilities of Slovak governmental, non-governmental and business actors. These priorities are as following: reform and management of public finance, tax reforms, management and utilisation of EU financial tools; security sector reform; energy with emphasis on energy security and alternative resources; support of market environment development and small and medium enterprises; water protection, water and waste management; food security – adopting EU standards; decentralisation and public administration reform; building civil society and cooperation between the governmental sector and NGOs.¹⁶ One of the main advantages of the CETIR is its flexibility focused on fulfilling the specific needs of the partner countries; it means that partners receive help in those areas where it is most needed.¹⁷ Some main activities of the CETIR are study visits and partner consultations (the emphasis is on strengthening of the reform processes, fulfilling European perspective and improving good governance of public affairs through partner consultations)¹⁸ in selected sectors and state institutions, conferences, workshops, and public discussions. A database of experts (Slovak and those from partner countries) will be created to serve as a tool for future networking and cooperation.¹⁹ CETIR activities are implemented by the SAIDC through the CETIR Point of Contact in close cooperation with other Slovak ministries and governmental entities. The major role is played by Slovak embassies in partner countries, as they are on the spot.

Despite the concept for international development and the consequent channelling of financial resources to development assistance in the Hungarian budget from 2003 on, Hungary's role as a donor in international development in general, and democracy assistance in particular, remained rather modest for the past decade. In 2002-2003 the MFA established its department tasked with cooperating development assistance, and the required legal and institutional frames have been established, but despite the strong coordinating role of the MFA, individual ministries played a significant role in project-level decision-making.

The share of MFA-coordinated democracy assistance in Hungarian ODA and OA have been hardly significant during the period. In 2008 the MFA's yearly report on international development included a whole chapter on democracy assistance, listing ongoing and past projects, but the 2009 report indicated that this was a one-time allocation from the MFA – even though a table on democracy assistance was also included in the latter. Hungary's development policy in general has been the least developed amongst V4 countries and even the share of direct democracy promotion in its ODA was a mere 0,7%, compared to the EU rate of 2%.²⁰ It remains to be seen how the current reorganization of the Hungarian MFA and the recent revitalization of Hungarian international development will affect the toolset available for state-lead Hungarian projects.

A potentially important asset for Hungary is the International Centre for Democratic Transition (ICDT) and the Centre for Democracy Public Foundation that provides supervision for the ICDT. The institution was set up in 2005 related to an initiative in the Community of Democracies that was supported by Hungary. The ICDT – along with the other institute under the supervision of the Centre for Democracy Public Foundation, the Tom Lantos Institute – conducts several small to medium projects a year related to democracy assistance, but despite the official involvement of the Hungarian government in its foundation and supervision, in practice it operates according to its de jure status as an NGO.²¹ Its regular sources of income are also not primarily originating from the Hungarian budget, but rather from other governmental or private actors. In sum, Hungary's toolset for democracy assistance is primarily defined by its international development policy in general and its future framework is largely to be shaped in the coming months.

In Poland, the scope of possible instruments differs considerably as far as various countries are concerned. Some of the tools are crafted for the needs of a particular partner, while others are more general and can be applicable everywhere. Technical expertise activities can be executed in a variety of forms, such as trainings, meetings, study visits, twinning projects, and high-level talks. Foreign delegations are invited to Poland or a group of Poles visit other countries. Technical expertise is transmitted within governments, public administration, local authorities, NGOs, media, companies, and different economic organizations.

The freedom of media is one of the most important fields of Polish assistance. Thanks to the Polish engagement and support (not only financial one) from people from the West, citizens in Belarus have access to free information through different channels: Bielsat TV, Radio Racja and Euroradio, as well on the Internet.²² Poland arranged (with the help of NGOs) trainings and internships for journalists as well as supporting their efforts in building free media around the world. Poland is also an active player in multi-lateral donor organizations, such as DAC OECD. Poland has initiated the foundation of two global initiatives – the Community of Democracies

(an international coalition of states, created in 2000 as a joint initiative of Madeleine Albright and prof. Bronisław Gieremek aimed at bringing together governments, civil society and the private sector)²³ and the European Endowment for Democracy (a new independent, Brussels-based, grant-giving institution that supports local actors of democratic change – the idea of establishing the institution of this kind was introduced for the first time by Radosław Sikorski in 2011).²⁴

Poland is also engaged in supporting aspirations of other countries that are willing to be a part of the European Union. It is also crucial to mention here the Eastern Partnership, which was initiated by Poland in cooperation with Sweden. The EaP is a top-priority project for the Polish government which is aimed at supporting political, economic and societal reforms in order to foster democratic rule of law in six selected countries. The Polish transitional experience is perceived as crucial in this context.

Poland promotes democracy also through a wide range of different symbolic events. It can be observed especially now in 2014 as Poles are celebrating the 25th anniversary of the peaceful transition of power, which was marked by the first partially free elections. Many events have been recently organized to promote this achievement at the national level, but also abroad. The engagement of the incumbent president – Bronisław Komorowski – is very visible in this field. He was the one to initiate and execute the main celebrations, taking place in Warsaw. Poland was then present in the news around the world as the event was attended by many noble guests, including Barack Obama, who gave a speech praising the Polish fight for freedom. It is also worth mentioning that in 2014 Poland presented the Solidarity Prize. The award of 1 million EUR – sponsored by the Polish government – is to honor individuals who devote their lives to promote democracy.²⁵

Poland also sponsors internships for foreign students, PhD candidates, and post-docs, especially from the East. In 2014, the Ministry of Science and Higher Education launched a special program for Ukrainians, called "Polish Erasmus for Ukraine". This created 100 internships this year and will create 400 in 2015, an offer prepared by the Polish government for Ukraine.²⁶

Overall, the diversity of engaged partners and the variety of proposed tools and instruments show the strength of the Polish efforts in the scope, which seems to be extraordinary – particularly when compared with other countries in the region.

Main actors in democracy assistance

Following the classic scheme of sharing the transition experience, the major actors in this process are the government sector and the third sector.

In the Czech Republic the government sector is represented mainly by the Ministry of Foreign Affairs (MFA). One of the key goals of the Czech foreign policy is the protection and promotion of human rights and fundamental freedoms as well as the promotion of democracy. The Czech government set up a department in the MFA dedicated to issues related to democracy.²⁷ In 2005 the Czech government approved the Transition Promotion Program (TRANS Program), which was later updated in 2010. The main goal of the Program is to support the democracy and human rights using the Czech Republic's recent experience with the social transition and democratization of the country.²⁸

Czech non-profit, non-governmental, and civil organizations and associations also take part in Czech democracy promotion. Many of these organizations and associations stand as official partners of the government sector in the Transition Promotion Program, but most of them also run their own projects and programs. Some of the most important players from the third sector include Adventist Development and Relief Agency (ADRA), Agora Central Europe, Caritas of the Archdiocese of Prague, Association for International Affairs, Burma Center Prague, Centre for the Study of Democracy and Culture, People In Need Czech Republic, DEMAS – Association for Democracy Assistance and Human Rights, EUROPEUM Institute for European Policy, Caritas Czech Republic, LaStrada, Libri Prohibiti, Civic Belarus, Via Foundation, Organization for Aid to Refugees, Prague Security Studies Institute, Transitions Online, Transparency International Czech Republic, and many more.

People In Need Czech Republic belongs to the most known and most respected non-profit non-governmental organizations. They run several projects in the field of promoting democracy and sharing transition experience. They are involved in Belarus, Myanmar, Libya, Russia, Ukraine, Cuba, and Transnistria. Some projects they run by themselves, and others are implemented in cooperation with the Czech Ministry of Foreign Affairs. Their methods include mainly training seminars, internships, and distribution of publications on specific transformation aspects.²⁹

The Slovakian scheme is very similar to the Czech one. The main national coordinator for providing Slovak ODA (called SlovakAid) is the Ministry of Foreign and the European Affairs of the Slovak Republic. Of course the MFEA is not the only official institution involved in providing Slovak ODA – also ministries such as the Ministry of Education, Science, Research and Sport, Ministry of Interior, Ministry of Finance, and the Ministry of Agriculture and Rural Development are part of it. The Transformation Experience Sharing Program is one of the eight main programs of the Slovak ODA along side with Development Interventions Program, Business Partnership Program, Humanitarian Aid Program, Governmental Scholarships Program, Program for Sending Development Workers and Civil Experts to Developing Countries, Development Education and

Public Awareness Program, and the Capacity Building Program.³⁰

The main non-governmental partner of the Slovak MFEA is the Slovak Non-Governmental Development Organizations Platform (NGDO). It is the umbrella organization of 31 non-governmental organizations in Slovakia primarily active in the area of international development cooperation and humanitarian assistance. Many of the member organizations are active in the field of promoting democracy or sharing transition experience.³¹

Sharing the Polish transitional experience plays an important role in the agenda of the Ministry of Foreign Affairs and currently it is considered as the main objective of the Polish development aid. The support for democracy is being carried out also by many other entities, not only public ones. Development aid is mainly distributed by NGOs, and their role in the whole process cannot be overlooked. In Poland there are many NGOs that are deeply involved in supporting pro-democratic changes across the globe. The MFA – through the Solidarity Fund PL, a state treasury foundation, providing aid to countries which are in the phase of transformation – funds projects carried out by Polish NGOs in cooperation with local partners from abroad. Since 2012, the Foundation has supported more than 180 projects of total value of nearly 30 million PLN.³²

As described above, Hungary does not possess a distinctive framework for democracy promotion as advanced as the ones in Poland or the Czech Republic. International development is primarily coordinated by the Department for International Development in the Hungarian MFAT, though in practice several other ministries take part in technical assistance programs. Hungarian civil society plays an important role in democracy promotion, though the financial means and scope of activities of the NGO scene is much less developed in comparison with the Czech one. The MFA's tenders for NGOs provided a solid, if modest, financial base for NGO operations in the field of democratic assistance, but dependence on external donors is clearly present for civil society projects. An important step for the Hungarian NGO sphere took place in late 2003, when several civil society actors established the Hungarian Association of NGOs for Development and Humanitarian Aid (HAND). HAND and its members organizations are the key civil society stakeholders in this field, and several organizations (eg. the European Center for Not-for-Profit Law or DemNet) specialize in democracy assistance projects, primarily in Eastern Europe.³³

Overall, government actors are rather different in V4 countries, while despite their activities, most V4 NGOs are struggling with a lack of funding, as their operations largely rely on external funding.

The future of democratic assistance in the V4 region

One potential challenge in V4 democracy promotion is that in the limited areas where all four countries are involved, political considerations might affect development projects, including democracy assistance. It has been recently observed when the major differences appeared within V4 with regard to the crisis in Ukraine. Another challenge might be the change of domestic political priorities in any V4 country. The perception and practice of democracy promotion by V4 countries was challenged between 2006-2010 in Slovakia and after 2010 in Hungary. Moreover, inconsistencies and shifts in foreign policy priorities might have a significant effect on overall ODA, and democracy assistance in particular.³⁴ For instance, it remains to be seen whether transitional assistance and institutional development will gain as much prominence in Hungarian ODA practice as these fields have in some official documents. 'Hungary's recently announced turn towards a foreign policy based primarily on economic and trade interests and the country's modest financial capabilities in providing ODA certainly raise the question whether an international development strategy focused on democracy assistance can be efficiently aligned with these factors.

It should be also pointed out that while the V4 countries certainly possess a comparative advantage in transferring transitional experiences, 25 years have passed by since the beginning of institutional political democratization in the region. Democratic transition as a priority field should be backed by a sufficient number of experts with first-hand field experience. Therefore the V4 will face the question in the mid-term whether their respective institutional memories are still relevant. Poland's focus on local governance or the success of Czech development in mobilizing NGOs, on the other hand, show that the overall transitional experience can be successfully converted into sector- or issue-oriented approaches that have their respective places in contemporary international development.

The most solid foundation for V4 cooperation in democracy assistance in the International Visegrád Fund, the only institutional part of V4. In fact, the Fund's operation emphasizes the importance of democracy, especially with regard to Eastern Partnership countries, through its current grant and scholarship initiatives. Apart from this, it is highly unlikely that the V4 will develop further institutional structures. Therefore any cooperation between V4 countries in the field of democracy assistance should rely on non-formal initiatives or the possibilities of the Fund. Keeping these limitations in mind, we propose the following measures to enhance V4 cooperation and coordination with regard to democracy assistance:

- The role of democracy assistance in the international development strategies of individual V4 countries and the Fund should be clarified. We should identify common V4 foreign policy objectives and start or enhance coordination and cooperation in selected regions or sectors. We should work together on the common pri-

orities to make better use of dedicated resources.

- V4 countries should meet their obligation in ODA/GNI and should increase spending on development aid. There is also a possibility to agree on a democracy assistance/ODA ratio between V4 countries, eg. 7% of ODA. Such step would obviously require expert-level meetings establishing a common definition.

- We should further utilize the V4+ formats in order to exchange transitional and development experiences, similarly to the V4-Republic of Korea cooperation agreement.

- We should assess the possibilities of programmatic cooperation in democracy promotion within the framework of the Fund.

- In order to meet national political objectives to increase bilateral ODA, we should assess the feasibility of projects under multilateral of Fund supervision that use funds either disbursed from national budgets or from earmarked funds from the Fund's budget dedicated to meet OECD definition of ODA. Such practice can combine the strengths of multinational cooperation and the visibility of individual nations, as well as increase the share of bilateral ODA.

- The fields of engagement differ and each country has its own specialization. Therefore V4 countries should not duplicate efforts, but implement better coordination. In practice, synergies between individual technical assistance projects can be aligned in order to provide a comprehensive transitional assistance package at the V4 level in individual countries.

- Visegrád University Studies Grants currently exist as scientific cooperation and education tools without the added value of directly transferring experience to real-life projects. Synergies are needed between the Fund's university grants and practice-oriented programmes involving NGOs.

- The current Eastern Partnership scheme provides an excellent opportunity for student mobility, but the possibilities of the scheme can be further expanded. The Fund can plan and implement a follow-up scheme for EaP scholarships, including the requirement for scholarship recipients to submit a brief written report on their recommendations on cooperation in their respective fields.

Annotations

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Corruption and Transparency in the Visegrad Region The Young Leaders' Perspective

"The exercise of power is determined by thousands of interactions between the world of the powerful and that of the powerless, all the more so because these worlds are never divided by a sharp line: everyone has a small part of himself in both." – Vaclav Havel, *Disturbing the Peace* (1986).

Since the fall of communism twenty four years ago, the Czech Republic, Hungary, Poland and Slovakia have all made remarkable progress in the fight against corruption, striving to break with one of the biggest and deeply rooted woes of the communist regimes in Central Europe. How-

ever, the problem of corruption is still haunting the nations of what we now know as the Visegrad Four. Research in this domain demonstrates that corruption costs the relatively small Slovakia more than half a billion Euro per year.¹ The survey shows that only 20% of Czechs would trust the judicial system to decide in corruption cases² and 96% of Hungarians agreed that corruption is a major problem in their country.³ Another survey revealed that startling 84% of respondents think that nepotism is common in Poland.⁴

This research paper is authored by a group of young experts whose aspiration is to address the above-mentioned problems and contribute to the elimination of corruption in the V4 countries.

The aim of the publication is therefore not restricted to the voicing of concerns by those who will in the future steer the reins of decision-making in their respective countries, but also to offer solutions in order to adequately tackle the problem of corruption.

The main objective is to demonstrate that bringing the anti-corruption policy making to the international level may be beneficial. As the paper explains, due to similar historical background and experiences of transition, the Visegrad Group is a suitable platform for establishing common anti-corruption policies. Furthermore, the publication identifies policies which bear the greatest potential to be productive if adopted in the framework of international cooperation across the V4 region.

The first section of the paper introduces the problem of corruption in each of the V4 countries, presenting a brief overview of the current situation and reviewing some of the most famous corruption scandals of the last years in each country. The first part also analyzes progress with regard to the anti-corruption policy, i.e. what the governments have done in order to fight corruption. Secondly, on the basis of the aforementioned case studies, the paper identifies parallels between the corruption cases and ways to handle them in all the states. It thus sets a common basis for the anti-corruption policy guidelines. The latter are the object of the final section which provides policy recommendations aimed at enhancing anti-corruption and transparency cooperation within the Visegrad Group as efficiently as realistically possible.

While the recommendations are primarily addressed to policy makers, they are equally applicable outside the world of politics and public administration, targeting society as a whole. Our belief, which we share with the eminent politician and writer Vaclav Havel, is that the exercise of power is determined by the interaction between the powerless and the powerful. Thus, in order to achieve positive results in combating such a complex and resistant malady as is corruption, all the involved parties need to be engaged in the process.

Authors of this paper are citizens of the Visegrad Group countries: members of think tank and non-governmental organizations, policy experts, public administration employees and media makers. Our research and policy proposals are inspired by the principles established by the leaders of the aforementioned Velvet Revolution, as well as the other Central European revolutions of 1989. Therefore, we aim to eliminate the remaining consequences of the communist regime, the issue of corruption being one of the most pressing ones.

CORRUPTION IN THE V4: current trends, challenges and policies

CZECH REPUBLIC

Trends and challenges

It can be inferred without any doubt that corruption in the Czech Republic is one of the problems threatening the basic principles of modern democracy and its society. The Czech Republic, which earned the denomination “the state of corruption”⁵ in the international media and displays deteriorating results in global corruption perception indices, reached a point where no further delay in addressing the current situation is desirable.

Corruption is, by its nature, a subjective phenomenon: based on their cultural backgrounds, individuals may draw very different conclusions about the level corruption in the given society. However, common understanding of the meaning of ‘corruption’ is vital for any sound analysis of the issues at hand. The Anti-Corruption Strategy for the years 2013 and 2014 of the Czech Republic defines corruption from the perspective of its negative and harmful effects on the society. Thus corruption can be regarded as a “shift from the pursuit of public interest and abuse of public resources in order to achieve individual or group interests (...). The motive is to gain unjust advantage for the person itself or someone else, who is not entitled to it”.⁶ The Strategy uses the Czech Criminal Code as a basis of the legislation which dates back to 1961 but has been amended several times in recent years. The most important amendment was the introduction of the new Criminal Code in 2009, which came into force at the beginning of 2010.⁷ Despite the long existence of the Code, corruption is still not well defined in the legislation and corruption related crimes are scattered around the Criminal Code under different sections. The crimes related to corruption range from bribery to arranging advantages in public contracts during a public tender or auction, among many others. Corruption in the Czech Republic can be divided into two main types: petty corruption (e.g. giving gifts to doctors for better care) and the systematic abuse of public resources.

In order to understand the corruption climate in the Czech Republic, the first look should be directed at the opinions of Czech citizens. The vast majority sees corruption as the most serious problem that needs to be addressed. The Corruption Perception Index (CPI) is calculated every year by Transparency International. In 2012, the TI ranking of the Czech Republic was worse than the rankings of Poland and Hungary. The country thus made it only to the same level as Latvia, Malaysia or Turkey (these countries obtained the 54–57 places with their score of 49 in the CPI).⁸

The Eurobarometer surveys from 2011 reveal a clear public perception of the situation.⁹ Compared to the EU average of 74% answering in the affirmative to the sentence that corruption is a major problem in the country, the Czech respondents show themselves much more critical with 90% of them attributing corruption the label of a major problem.¹⁰ This is related to the 70% who responded that the corruption level has increased in the past three years, compared to the EU average of 47%.¹¹ What is more, 53% (EU average 36%) think that politicians do not do enough to fight corruption.¹² These figures highlight that corruption is seen as a crucial problem and that more should be done by policy-makers. The Eurobarometer results indicate that only 20% of the Czechs would trust the judicial system to provide a solution in a corruption case (which is less than half of the EU average).¹³ In a modern democracy, this is a frightening result. Furthermore, 82% of Czechs agree that corruption is linked to organized crime in the country (again for reference: the EU average is only 57%).¹⁴

International indices and reports confirm the views of Czech citizens. According to a recent National Integrity Study by Transparency International about the corruption risks of the Visegrad countries, Czech prosecution proved to be the weakest institution in the country with the notion that it is highly susceptible to direct political influence.¹⁵ This is in accordance with the 2012 annual report of the Czech Supreme Audit Office which draws attention to possible corrupt behaviour in public procurement processes, with examples of disadvantageous contracts on the side of the state or unnecessary fragmentation of the procurement process in various cases. Another disturbing phenomenon shows that external legal consulting services were highly overpaid for their advice.¹⁶

A similar project was launched by the Academy of Sciences of the Czech Republic entitled "Reduction of security risks related to corruption" which names corrupt practices in public contracting (non-transparency and conflicting interest), among other disturbing methods, the most essential problem facing the country.¹⁷ The Global Integrity Report focuses on analyzing the anti-corruption institutions and mechanisms by looking at both the legal background and the practical implementation.¹⁸ According to its findings, the Ombudsman and the Supreme Audit Office are well-established, but their power in investigations and prosecution remain weaker. It states that perhaps the Czech's most prominent deficiency is political financing and the unclear schemes obscuring it. In the 2010 ranking the legislative framework gained a strong 84 out of 100, while the implementation of this framework showed weak results (64), giving an average of 74 points to the country.¹⁹

Case study: corruption and the collapse of the government

As the government placed more emphasis on fighting cor-

ruption, the Anti-Corruption Policy has brought few positive results in the form of several resolved corruption cases. Nevertheless, the most well-known is the one which proved to be the core trigger of the collapse of the government itself. After more than a year of investigations close advisors of the Czech Prime Minister Petr Nečas were arrested in a raid mid-June 2013. Among the arrested were highly positioned officers, politicians and business entrepreneurs including Jana Nagypová who was the Managing Director of the Section of the Prime Minister of the Czech Republic's Cabinet, the chief of the government office, former and current heads of the Military Intelligence Service and former ministers. The police raided the Defense Ministry, the City Hall in Prague, the government headquarters and the offices of a couple of lobbyists as well. The Unit for Combating Crime announced that the arrested people were accused of abuse of power and corruption.²⁰ The investigation also targeted an organized group of lobbyists and state officers who attempted to influence state institutions for their own gain.

The Prime Minister's chief of staff, Ms Nagypová was allegedly involved in bribery: three coalition lawmakers were offered promising posts in state-owned companies in exchange for ceasing their opposition and supporting the government in an important parliamentary vote. The investigation was country-wide and cost 150 million Czech crowns (about 5.5 million euro).²¹ After futile attempts to regain some of his power by denying any knowledge of the corrupt operations Mr Nečas resigned from his office a couple of days after the scandal broke out. During the election period of 2010 and later on, the new government made an anti-corruption pledge in view of gaining voter support but since then numerous reports showed that this fight was lacking in real engagement from political decision-makers. The praise went to only one achievement: giving more power to police and state attorneys in pursuing serious cases, even when they reached the highest forces. This was an accomplishment in the fight against corruption and at the same time the downfall of the government whose pledge was to do it.

Anti-corruption and transparency policy efforts

The Government's most recent Anti-Corruption Strategy for the years 2013 and 2014 "From Corruption to Integrity" was approved by the Government Resolution No.39 in January 2013.

It is a continuation of the previous Strategy as after the 2010 elections was formed a coalition based on the principles of budgetary accountability, the rule of law and the fight against corruption. The goal of the Strategy is to improve law enforcement, efficiency and functioning of the public service and elimination of the corruption potential in the public administration.²² Although these legal frameworks definitely show a good step forward in the fight against corruption there is still much to be done

in their implementation and enforcement in practice. This can be achieved by giving more power to institutions dealing with prosecution, along with the strengthening of their independence. It should be noted again that even though petty corruption crimes are present in the society, the main problem lies in the organised crime and the misuse of public resources. This is the result of the bureaucratized and not very functional supervision system and the lack of power behind the judiciary, as sanctions are not sufficiently enforceable. These findings are supported not only by the surveys of public opinion, but numerous studies, reports by prominent international and national institutions confirm such trends.

In recent years, the watchdog organizations shed more light on corrupt activities with the help of the media. Their actions as well as the power of citizens should not be forgotten. A new initiative named "Reconstruction of State" came into being as a result of cooperation of three NGOs: Transparency International, Environmental Law Science and Oživení (Revival). This campaign aims to make MPs responsible for their pledges by posting their positions on the campaign's website.²³ The campaign focuses on making the promises of the politicians a reality by passing nine anti-corruption measures in the Parliament. Citizens are encouraged to write to their representatives and ask them for support to the new legislation. This involvement of civil society in decision-making can be an example of how democracies are built: using the power of citizens for getting anti-corruption measures across in the legislation.

HUNGARY

Trends and challenges

According to the Eurobarometer survey of 2011, 96% of the population agreed that corruption is a major problem in Hungary.²⁴ This figure not only shows how severe this problem in the country is, but it also underlines how much it is embedded in the society. Besides this statistical introduction giving a shocking overview of the current situation, other facts describe well the framework into which today's Hungarian anti-corruption and transparency policies have to fit. With approximately 850 corruption-related crimes committed per year in a country with no specialized organization dealing with corruption issues, Hungary is stated to be medium affected by corruption based on Transparency International's Corruption Perception Index (CPI) for the period of the last five years.²⁵ This trend is deteriorating both in Hungary and in a regional context.

Case study: the "Nokia box"

As for serious corruption cases, Hungary such as the other V4 partner countries can look back at a rather rich history rooted probably in the times of the communist regime. One of the most emblematic cases is the so called "Nokia box" case which indeed introduced a com-

pletely new meaning for the packaging material of mobile phones within the Hungarian society. This expression refers to a scandal involving the former deputy mayor of Budapest, the public transport company of Budapest (BKV), fourteen other people being also suspected of aiding and abetting. More precisely, according to the authorities the former deputy mayor, who was in charge of supervising BKV, instructed the companies' managing director at the time to pay him 15 million forints annually, which had been handed over in a box of a Nokia mobile phone. Additionally, between 2007 and 2009 disadvantageous contracts concluded rather for own business interests than for that of the city and mismanagement of public funds caused approximately 1.5 billion forints (EUR 5.5m) of damages to the public transport company. The former deputy mayor resigned under pressure in March 2010, his party suspended his membership, the State Audit Office conducted an investigation of the suspicious contracts and reported the matter to the police in January 2010. He was detained and placed in pre-trial detention in May 2010, and under house arrest from February to June 2011. Corruption charges have been levelled against him and his hearings are still ongoing, the next one having been scheduled for December 2013. The case is further complicated by the fact that the European Court of Human Rights – following the application submitted by the former deputy mayor in relation to his pre-trial detention – recently unanimously held that the Hungarian authorities had breached the ban on inhuman treatment concerning the inadequate conditions of his detention. The Court obliged Hungary to pay him EUR 12,500 in respect of non-pecuniary damage and EUR 6,000 in respect of costs and expenses.²⁶

This case seems to confirm what public opinion polls also state: political parties, public administration and the business sector are the most and almost equally affected by corruption problems. The healthcare sector is not much behind either.²⁷ Hence instead of concentrating on reasons and details of emblematic corruption cases looking at how the environment could and should be changed in which they became possible seems more forward looking and constructive.

Anti-corruption and transparency policy efforts

Partly due to the above introduced problematic situation it was evident that when the new Government took office in 2010 it was high time to develop overarching anti-corruption and transparency policies in Hungary. At the beginning they seemed to leave aside the trend which already started in 2001 - including an integrity based approach – and to take the usual way instead: strengthening the legal framework, especially with regards to criminal law. This involved mainly traditional steps such as stronger legal background of accountability, stronger criminal sanctions, appointment of a governmental commissioner responsible for accountability and anti-corruption coordination etc. However, as stricter rules do not always result in desired

outcome, from 2011 there has been a “paradigm change” in Hungary: policies started to focus more on prevention of corruption and for the first time the integrity approach has been introduced into the public sphere. Consequently, from 2011 onwards, the Government switched from a traditional rules-based to a new value-based approach in order to tackle more effectively all levels of corruption in a sustainable manner. It is also important to highlight that the new system is using existing frameworks rather than creating new, expensive institutions. This practice shows an innovative way to tackle the specific corruption related problems the Visegrad region is facing. A closer look at the new approach may therefore be of benefit for the development of a common policy proposal for the V4 countries.

In short, the main particularities of the Hungarian system are:

- Value based approach to effectively fight corruption
- Implementation of a Comprehensive Anti-Corruption Programme – in cooperation with NGOs and with overarching educational dimension
- Anti-corruption and transparency measures introduced into the new Criminal Code
- Increasing number of international partnerships in the field of anti-corruption and transparency policies

Value based approach

The above mentioned switch from the primarily rules-based to a value-based system sounds quite self-evident, however in practice it is not that easy to realize. This new approach is definitely more suitable to tackle the corruption problem at all levels of the society than rules alone, but at the same time it is much less tangible and measurable. In fact, it means more emphasis on ethics, integrity and partnerships, and it also concentrates more on individuals who might be affected by corruption, as well as on their attitudes to tackle it. The practical steps to implement this approach include the establishment of the Hungarian Government Officials Corps; a Green Book on Ethics prepared by the Ministry of Public Administration and Justice (hereinafter the Ministry), in June 2013 the adoption of the Code of Professional Ethics and the newly introduced integrity management system as well. Integrity in this context refers to a continuous, preventive process with positive attitude which is more practice oriented than theoretical, and is also flexible in order to fit the different needs and characteristics of various organizations.²⁸

The Anti-Corruption Programme

The Ministry started a comprehensive anti-corruption programme upon the Government Decision 1104/2012 (6 April 2012) following consultation also with NGOs. The programme analyses the Hungarian corruption situation

and in relation to this it prescribes measures in nearly twenty fields for implementation by the competent ministers. The programme’s major novelty is that (in addition to emphasizing the importance of criminal prosecution) it puts the main focus on the prevention of corruption and the strengthening of corruption resistance of organisations.²⁹ Government and EU projects funds secure together the financial sources (EUR 2.3 million in total) of this anti-corruption priority project which is currently one of the largest in Europe. Another unique feature of the programme besides its long term strategic vision is that as first it’s designed for two years only. This means that the Government creating it is still accountable for its results, which enhances transparency in itself.

It is worth to be highlighted that the new policies are developed in the framework of constant consultation between the Ministry and representatives of competent NGOs. This practice began already with the elaboration of the Anti-Corruption Programme and continued during the preparation of the (Open Government Partnership) OGP Action Plan.³⁰ Another novelty of the Anti-Corruption Programme is the introduction of anti-corruption and transparency related issues at all levels of the national education system. Starting from September 2013 the national core curricula for primary and high-school students create room for values and knowledge related to corruption phenomena, as well as the attitudes and counter-measures that may be applied against them.³¹

Furthermore, anti-corruption and transparency issues reach the higher education as well, since the Government concluded an educational cooperation with the National University of Public Service (NUPS). The main aim of this innovative and unique postgraduate training in Hungary is to significantly increase the number of professionals dealing with integrity and anti-corruption. Graduates of this course ideally will be of direct use in the public sector due to the introduction of a new function: the ‘person in charge for integrity’. This will be backed by an integrity control system in state organs which is still in the preparatory phase, however it is already decided that the integrity consultant will be an independent officer operating under the direct supervision of the secretary of state for public administration of the Ministry.

To complete the picture, post-university education is also part of the scope of the Program. These trainings that are part of the annual obligatory training scheme of public servants are specialized in integrity and anti-corruption within the public administration and are already on-going with the involvement of the NUPS.³²

The new Criminal Code

Parallel to this new approach, – since rules are still necessary – the legal framework to further strengthen the fight against corruption is also under development in Hungary. The Criminal Code that entered into force on 1 July 2013 contains several new measures related to the issues of

anti-corruption and transparency. Probably the most important to mention is the separate chapter on corruption crimes. Several offences appear with new contents, such as economic fraud or budget fraud. It is worth underlining that upon recommendation from MONEYVAL Committee of the Council of Europe and the OECD working group on bribery the new Criminal Code extends the scope of criminal measures applicable to legal persons as well.³³

International partnerships

It is without doubt that international partnerships help to increase transparency. The Hungarian system therefore concentrates on extending its international relations: from 2010 onwards Hungary concluded various agreements and partnerships, such as the accession as a founding member to the International Anti-Corruption Academy (IACA), as well as to the Open Government Partnership in 2012.³⁴ Very recently (31 October 2013) the secretary of state for public administration presented the new commitments of Hungary in this framework in London, after successfully fulfilling the requirements agreed in first action plan. Additionally, a framework agreement to jointly organize workshops, professional seminars with the OECD is also ongoing. These active participations show the country's serious engagement concerning anti-corruption and transparency policies at international level as well.³⁵

To conclude, the main message of this long-term strategic vision already in place and already showing some results in Hungary, can be formulated as follows: the fight against corruption is shared responsibility of both the authorities and the society. Hence the integrity approach intends to focus more on individuals – both those already working in the public administration and through the educational dimension also on future generations – to develop stronger ethical and moral resistance against corruption, as well as to provide them with guidance on how to tackle corruption if they encounter it.

POLAND

Trends and challenges

According to the Transparency International (TI) data, in recent years Poland has made a visible progress in terms of fight against corruption. 2001 TI's Index gave Poland score of 4.1 and 44th position among 91 assessed countries. 10 years later, it ranked 41st (out of 183) with score of 5.5. The latest 2012 TI's Corruption Perception Index ranks Poland in the same position (41st out of 176), with the score of 58, a score below 50 indicating serious corruption problem. Poland occupies the highest position among the Visegrad (V4) countries and 3rd among former Central-Eastern European communist countries (after Estonia and Slovenia, 32nd and 37th respectively). Nevertheless, when compared to all the EU Member States, it ranks only 17th out of 27 states. The score gained by Poland is

also below the EU average (63) and considerably below the average for the EU-15 (72).³⁶

This demonstrates that although Poland's position has been gradually improving since 2001, there is still the room for improvement. The results of various opinion polls seem to reinforce such view. Despite TI assessment classifying Poland as a country where corruption is not a serious problem, 83% of respondents think that corruption is actually a big problem in Poland, according to the poll taken by the Centre for Public Opinion Research (CBOS) in June 2013.³⁷ This marks an improvement in comparison to the years 2010 and 2006 when the results were 87 and 93% respectively. With regard to the question about the areas where corruption occurs the most often (with a possibility to indicate more than one area) 62% opted for politics, 53% for healthcare system, 31% for judiciary, 27% for local authorities and 18% for central administration institutions.³⁸ To conclude, there is a discrepancy in perception of the current corruption situation in Poland between world's top anti-corruption 'watchdogs' and the Polish society. Institute of Public Affairs (IPA), the Polish independent think-tank, explains this difference by claiming that the public opinion applies the notion of corruption in a stereotyped manner and often uses it not only as a reference to concrete activities (e.g. bribery), but also as a measure of the quality of authority or even more broadly – the quality of public life.³⁹ From the perspective of a non-governmental organization the picture of corruption situation in Poland is more optimistic. According to the IPA the phenomenon of corruption is to a large extent "controlled" and "handled" and does not constitute a threat to stability of the state or economy. Nevertheless, new solutions or changes in some areas of public life would be "desirable".⁴⁰

Case study: the business – public administration conundrum

In 2012, Transparency International published the "Corruption risks in the Visegrad countries – Visegrad integrity system study" report. Its authors conducted a research on corruption risks in V4 countries. The report, based on the National Integrity System Studies, analyzed major strengths and weaknesses of key institutions relevant to the prevention and fight against corruption. According to the report, corruption risk in Poland is especially high in business activities requiring involvement of public officials.⁴¹ The authors point to cases when public officials extort bribes from businesses or even seize private assets using illegal means. However, only 7,6% of firms have encountered a situation in which bribe was expected.⁴² Still, the corruption risks are higher in the cases of securing public contracts and obtaining import licenses. TI claims that: "(...) one of the main problems in reducing the risk of corruption (...) in public procurement is the lack of a mechanism for punishing dishonest operators. A breach of law during the performance of a contract with a public institution is very rarely an obstacle preventing such an operator

from winning another contract.⁴³ High corruption risk in public tenders in Poland was also noted by the European Commission.⁴⁴ In a report prepared jointly by the European Anti-fraud Office (OLAF) and PricewaterhouseCoopers, a global consulting company, it was stated that from 19 to 23% of all public tenders in Poland have “marks” of corruption.⁴⁴ This result was lower than in other CEE countries which were examined (Hungary, Lithuania and Romania), but much higher in comparison to the Netherlands (1%) or France (3%).⁴⁶ The most recent well-known case of corruption concerning public tender was revealed in 2012 when the Central Anti-corruption Bureau (CBA) arrested the head of IT Projects Center, his wife and two its directors who were allegedly taking bribes for securing public contracts for particular IT companies.⁴⁷ Two executives from these firms were also arrested.⁴⁸ This year it was revealed that officers from National Police Headquarter were also involved in the affair.⁴⁹ The case is still under investigation. As a result, the process of digitalization of key government services aimed at reducing bureaucracy by allowing Polish citizens to apply online for services such as new ID cards, will be delayed.⁵⁰

Another case concerns licenses for shale gas exploration. In August 2013, seven people, including three public servants from the Ministry of Environment, were accused of corruption in a process of issuing licenses for shale gas exploration.⁵¹

Another area with a high perceived risk of corruption are the recruitment processes to public administration or state-controlled companies. According to the opinion poll taken by CBOS in 2010, 84% respondents think that nepotism is common in Poland.⁵² The most recent case from this area was revealed in October 2013 when the media reported that one delegate to the elections for chairman of the regional structures of the ruling party – Civic Platform - was promised to get a job in state-owned KGHM⁵³ in return for support for one of the candidates.⁵⁴ The case will be investigated by the regional prosecutor’s office. The problem of corruption also touches the healthcare system and even sport, especially football.

Anti-corruption and transparency policy efforts

Poland has taken a strategic level approach aimed at fighting corruption at the beginning of this century. Its main driver was the necessity to adhere to European standards and regulations, combined with strong coverage of corruption-related scandals by the media and civil society. In 2002, the Polish government approved the first anti-corruption strategy and introduced numerous changes in the legislation in the years after, for example the strengthening of penalties in the Criminal Code.⁵⁵ In 2006, the Central Anti-Corruption Bureau was established. The Bureau has a rank of secret service and focuses primarily on fighting corruption in public administration institutions at both governmental and local level. Scope of its

activities include investigation as well as prevention of corruption. Nonetheless, at the beginning of its operation the CBA was not free from political influence and it became involved in politically motivated cases.⁵⁶ Other services that are involved in fighting corruption are: Agency of Internal Security which pursues cases threatening the state security, the Police, Border Guard and Military Police and Military Counterintelligence Service (both deals with corruption cases in the armed forces). Among civil institutions important role is played by the Supreme Audit Office and the Ministry of Interior which since 2002 coordinates anti-corruption efforts countrywide.⁵⁷ In the years of 2007-2011 a plenipotentiary at a rank of minister was responsible for combating the abuse of authority in public institutions. The position was occupied by Julia Pitera, former chairman of the Polish chapter of the TI. She left it allegedly due to insufficient political support and the position was abolished afterwards.⁵⁸ This year (2013) government is expected to approve the second anti-corruption strategy entitled: Government Program to Counter Corruption for years 2013-2018.⁵⁹ The main objective of the program is to reduce the level of corruption in Poland not only by fighting corruption, but also through prevention and education of the public administration and society at large. Actions in the latter matter have already taken place. In 2012 and 2013 there was a media campaign Corruption, how much YOU will pay for it? with participation of governmental institutions (e.g. CBA, Ministry of Interior) and Anti-Corruption Coalition of NGOs. The document recognizes the role of NGOs in anti-corruption policy and assigns to them a dominant role in the prevention of corruption. The primary measure of the main goal of the program is to increase Poland’s score in TI CPI from 58 to 64 by 2018.⁶⁰

SLOVAKIA

Trends and challenges

According to the latest statistics of The Corruption Perceptions Index (CPI) produced by Transparency International Slovakia, Slovakia is the fifth most corrupt country in the EU and was ranked 63rd out of 176 countries worldwide (2012).⁶¹ The score gained by Slovakia (46) is below the EU average (63), as well as below the corruption levels of other V4 states.⁶² According to the public opinion research, Slovakia is equally considered to be the worst placed country within the V4.⁶³ This fact indicates a potential for economic and social problems with regard to the future development of the country because of the damaging impact not only on the democratization as such, but also on the efficiency of the public administration. A secure investment environment and fair conditions for all members of society are basic requirements for democratic growth.

Corruption also causes misdirection of public resources in favor of those with influential connections and financial resources. This situation is also very critical for potential

incoming foreign investors to the Slovak market. According to the World Economic Forum Report 2013, corruption is the second most damaging factor for doing business in Slovakia.⁶⁴ For example, the average bribe money in the case of state orders or subsidies is around 13% of its value.⁶⁵ Corruption costs Slovakia more than half a billion euro per year. The most effected sector is considered to be health care, where every fourth Slovak household was involved in bribery.⁶⁷

Case study: “the Gorila case”

The most serious corruption case which profoundly shook the Slovak political scene in 2012 was the so called “Gorila case.” The hidden meetings of ministers, parliamentary members and Penta financial group directors were recorded and published, indicating strongly corrupt behaviour within the Slovak politics during the second term of Mikuláš Dzurinda, the Prime Minister in office between 1998 and 2006. It uncovered that decisions about the future of the country were being made by strong financial groups as opposed to representatives democratically elected by the citizens. Allegedly, very serious topics were involved, e.g. the financing of the Slovak political parties, the privatization of the Slovak airport and strategic plans for the Slovak energy companies.⁶⁸ Around fifty thousand Slovaks joined the street protests.⁶⁹ The representatives of Penta denied involvement in criminal activity and explained the case by the political games surrounding the forthcoming general elections. Voter preferences of the political party SDKÚ, lead by Dzurinda, went from 15.4% to 8.3% as a consequence.⁷⁰ The “Gorila case” also triggered the attention of the OECD which released an evaluative report with recommendations for the case. OECD expected a proactive approach in the investigation process and adequate criminal sanctions.⁷¹ But, in 2013, the investigations were stopped because of the refusal of Slovak politicians to take part in the whole process.⁷² The problem of corruption still remains unsolved because of a shortfall of evidence. It is questionable whether criminal sanctions are enforceable in a case involving those who hold the country’s decision-making power in their hands.

Anti-corruption and transparency policy efforts

The Slovak Republic is from 1st July 2006 bound by the Convention of the United Nations Organization against Corruption (UNCAC), the first internationally recognized and acknowledged agreement of its kind.⁷³ The Slovak legislature does not comprise any special act dealing exclusively with the issue of corruption. There are 12 regulations in the Slovak legislature dedicated to the fight against corruption.⁷⁴ The first draft of the National Program for Fight against Corruption was created in 1999 under the supervision of the Deputy Prime Minister Pál Csáky.

The National Program goals were divided into three pillars:

1. Elimination of the situations where corruption can potentially occur
2. Dissuading from corrupt practices via tougher sanctions
3. Enhancing public sensitivity to corruption⁷⁵

The impact of the National Program did not suffice to root out corruption in Slovakia, the corruption level increasing from 1997 to 2005.⁷⁶ The situation significantly changed during the government of Iveta Radičová (2010–2012) which is considered to be the most successful government in terms of combating corruption. New measures were implemented such as the reform of the Slovak judiciary system which included the compulsory publication of contracts, judgments and selection procedures. Additionally, the abolition of judge’s bonuses and stricter subsidy conditions in the Slovak Republic Government Office proved to be effective tools in the fight against corruption. According to the Anticorruption Strategy produced by Transparency International Slovakia, the Radičová government was three times more effective in reducing corruption than the previous Fico government. The biggest issue which remained unchanged due to the Parliament’s insufficient support were the excessively extensive privileges of the MPs and judges.⁷⁷

Transparent public acquisition procedures ⁷⁸	Fico government (2006–2010)	Radičová government (2010–2012)
Public acquisition through the competitive practices	58%	73%
Average amount of competitors in the tenders	1.7	2.5

Table 1: Transparent public acquisitions (by governments)

In 2001, the National Program for the Fight against Corruption was replaced with the Strategic Plan for Fight against Corruption requesting the establishment of an interdepartmental expert committee with main functions such as monitoring, controlling and evaluation of achieved progress. The main aim of the above-mentioned plan is to identify the problematic areas and propose specific measures and deadlines for their fulfillment.

The current government headed by Robert Fico (2012–now) is considered to be inefficient and weak in fighting corruption. The priorities of the government are predominantly concerned with social policies and preparation

of the big investment projects. The government did not approve its own Anticorruption program, but the new Anticorruption act of the Parliament should be ready in the Fall of 2013.⁷⁹ The act is prepared by the mixed group of the Ministry of Interior, Ministry of Justice, Ministry of Culture and many NGOs, attempting to include all kinds of corruption definitions and tools for combating it. The Ministry of Interior officially includes the corruption issue in its agenda, but the ministry's only current initiative in this regard is "to optimize the performance of the state administration with the emphasis on the effectiveness of managing public funds through the ESO (Effective, Reliable and Open State) Administration reform."⁸⁰ According to the ESO reform analysis, there are more than 400 public administration bodies showing important deficits in an efficient use of public finances. The proposed solution lies in the closing down, transformation or merging of selected state offices. Until 2016, the savings resulting from the reform should reach 414 million euro. It is important to keep in mind that the reform does not specifically address the corruption problem, which is one of the elements adding to the Slovakia's worsening transparency situation.

An important role in combating corruption is played by NGOs which very often struggle with a lack of financial support. The unique initiative of eight companies associated with the Business Leaders Forum enabled the creation of The Fund for a Transparent Slovakia in September 2012.

The Fund runs under the Pontis Foundation and within the first grant program awarded a total of 50.350 euro to four NGOs. The main aim resides in taking "systematic measures which support ethical and economic management of public affairs."⁸¹ The NGOs also appreciated the flexible approach of grant's conditions which is not linked to specific projects. The projects can thus be adjusted to the actual cases linked to corruption in the society and achieve greater efficiency.

CORRUPTION AND TRANSPARENCY IN REGIONAL PERSPECTIVE: the V4 bads' and goods'

The previous section of this paper highlighted that despite the portrayal of the formerly communist countries as the shining examples of successful democratic transitions by the dominant international political discourse, the political, economic and even social systems of the Visegrad countries remain marred by imperfections in the domain of transparency and good governance.

Due to their geographical proximity and similar communist past, they are often, mistakenly, perceived as one block displaying more or less similar traits in terms of the persistence of corruption. The prevailing opinion has it that the communist regime is to be identified as the responsible for the lack of accountability of public institutions, special relations between the business and the

public administration where preferential treatment is observable and corrupt behaviour discernible. Indeed, we would be mistaken to argue that the communist past has not left any remnants in the way (mostly) public affairs are administered. However, and except few specific areas (such as the judiciary in Slovakia which has not undergone substantial changes since the fall of communism in 1989), rather than engraining un-shakable alliances between public and private actors as some may suggest, the crux of the problem with regards to the communist heritage is embodied in the wide-spread distrust of citizens of the V4 countries towards the state. The accompanying phenomenon is the reluctance to actively participate in the public life, whether through electoral participation (low participation in elections has been the characteristic feature of all of the four political systems) or involvement in initiatives aimed at depoliticization of the public administration, public-private relations and law enforcement mechanisms. The "lack of faith in the integrity of public life" is tellingly reflected in the low Transparency Perception Indexes in all V4 countries cited in the previous sections of the paper.⁸²

Nonetheless, while the defunct communist regime is still a source of some phantom pains, its importance for the present should not be overstated. Many of the current transparency and corruption challenges in the Visegrad countries have more contemporary roots. They require contemporary solutions rather than a simple transfer of responsibility to an unchangeable past.

The states of the Visegrad Group have been suffering from a number of common but also very different illnesses. The first general one which is shared by all of the four countries, albeit to different extents, is the reversal of reforms which the latter undertook as part of the accession process to the European Union prior to 2004. While the conditionality has been considered by some as the most successful instrument of the EU's foreign policy on the basis of the experience of the four Central European states, and has served as an approach to be adopted in relation to the EU's adjacent regions in view of encouraging their democratic transition, it have been the very same countries where one can notice a decline in the respect of EU standards following adhesion to the Union. Related to this is the practice of "empty shell" legislation, as dubbed by the Transparency International's publication on the National Integration Systems of V4 countries.⁸³ The empty shell relates to the existence of legal provisions which, however, are not sufficiently enforced or sanctioned, therefore remaining shells without the corresponding content. The most pronounced empty shell practice can be found in the field of financial transparency of public officials and institutions where respect of related legal provisions is often superficial and the failure to provide complete information about one's assets, for instance, is punished only mildly, if at all. The discrepancy between the codified norms and actual practice is greatest in Slovakia, although all of the V4 countries have faced a similar challenge.⁸⁴ The fact that in several instances public officials refused or worked

against the obligation to provide the required information to the public points to the importance of willingness of these actors to be subject to control, as well as to the need for personal integrity and political culture.

Another widely shared feature across the V4 region is a weak legal framework in the field of party financing, with its somehow stronger overtones in Hungary, where political parties are seen as a “major corruption risk.”⁸⁵ Adding to that, Hungary has, along with Poland, faced difficulties in the sphere of business-public administration relations, which have been marked by the efforts of one to siphon off funds away from the other.⁸⁶ On the other hand, Slovakia and the Czech Republic have suffered from political interference in law enforcement institutions, leading to what Fenyk calls “collective irresponsibility” in the two countries.⁸⁷ Finally, access to public information concerning the public institutions, the legislative and decision-making processes and the like, has been rather limited, maybe with the exception of Slovakia where the beginning of 2000s saw a rise in transparency through an open information initiative opening many areas of public decision-making to public oversight; making documents, parliamentary sessions and other accessible online.

While developments in the mentioned areas may seem alarming, others offer hope for improvement. Concretely, the TI publication identifies ombudsmen and Supreme Audit Offices of all V4 states as the most properly administered institutions with a substantial potential to exercise pressure on other actors to desist from corrupt or non-transparent practices. What is more, even though the civil society has had to deal with a lack of funding and thus difficulties with attracting qualified personnel for longer period of time, it constitutes one of the main avenues for addressing the issue of corruption in V4 countries. Although their number and influence has not been too significant, the impact of their watchdog, monitoring and analytical activities has been substantial relative to their available human, financial, power and other resources. Similarly, the media have in recent years become active in bringing into public light scandals involving public officials and businesses, misuses of public funds or political interference in the judiciary. The Czech media have been most active in this domain, whereas such activities came to be challenged by the limits placed on the media by the legislation adopted under the Orban government in Hungary. Despite this, the media, along with the civil society organizations, constitute the main avenues for positive change in the V4 region with regards to the fight against corruption and in support of transparency. This is combined with the increasing use of technologies to uncover bad practices in both public and private spheres and thus increasing the ability of ordinary citizens as well as more organized actors to monitor and consequently hold accountable the political leadership for misuses of public competences.

The TI publication highlights the role of personal integrity and individual fairness and honesty in good governance.

The lack of personal integrity can be identified as the underlying reason for the high levels of corruption in the V4 countries. A response to this situation should therefore be devised if corruption is to have an apt challenger and if transparency is to gain more solid contours in the region.

Recommendations

The detailed country analyses combined with the comparison of similarities and differences regarding the causes and realities of corruption in the Visegrad 4 region create a basis for the formulation of a set of policy recommendations. The latter are intended to be of use to current policy makers when formulating policies and devising anti-corruption and transparency measures. But they also provide a guiding line for actions of future leaders, including the authors of this policy report.

Improving administrative transparency

Administrative systems are characterized by a high level of bureaucratization in practically all of the four countries. Therefore, putting more emphasis on the implementation of existing public information acts as well as streamlining of the e-access and e-government experiences into the public information access laws would be desirable. For illustration, declaration of assets of public officials should be accessible to the public in all countries. In a similar vein, the introduction and enforcement of effective and transparent party and campaign financing regulations are necessary to improve administrative transparency. Furthermore, participation of companies previously charged with accepting/offering bribes in the framework of public procurement processes should be limited in any such future processes.

As young leaders, the authors of this publication are particularly concerned about nepotism and non-transparent recruitment processes in the public sector. Hence the introduction and effective implementation of clear regulations in the area of public administration recruitment policy (with particular regards to the declaration of employment of family members) are strongly recommended.

Tackling corruption at all levels

Effective fight against corruption is not realistic without an overarching approach reaching out to all levels of the society. Consequently, national and local administration, businesses as well as school pupils should be involved. In view of achieving a serious commitment from the society as a whole, we recommend the introduction of anti-corruption and integrity related topics into school curricula throughout the whole education system. This as a basis should then be further strengthened by large-scale adver-

tisement campaigns and information posters targeting areas more at risk of corruption, such as public administration institutions and healthcare establishments.

Within the public sector clear codes of ethics and obligatory transparency and integrity trainings should be introduced in order to reinforce the corruption intolerance among public officials, including the Members of Parliament. It is also important to reassure the society that corruption related crimes will not be dealt with in endless court processes and will not remain hidden or without punishment. Thus creation or strengthening of an independent anti-corruption police force together with reducing the level of political influence over law enforcement institutions and bodies (judiciary, prosecution, and police) should ensure credibility of the governments' anti-corruption measures.

Increased support for anti-corruption activities of non-governmental organizations

We strongly recommend the creation of a common special fund with limited resources within the V4 cooperation aimed at offering grants to V4 non-governmental organizations on a competitive basis to engage in the monitoring of compliance with the existing legal rules, advocacy for their improvement and capacity building in the anti-corruption domain, including both public and private entities. Watchdog organizations and think-tanks should consequently gain greater capacities to undertake monitoring and training activities.

Increased public involvement in decision-making through participation in decisions on budget allocations of local public administration entities is another recommended measure to take by policy-makers. The practice from Bratislava has shown the beneficial effects of such policy for the improvement of public administration transparency on local level.

Increased cooperation at V4 level and in international organizations dealing with anti-corruption and transparency

Cooperation between states clearly increases the need for them to open up and to be more transparent. Working together on anti-corruption and transparency policies within the V4 region is therefore desirable. This is especially true in the light of the upcoming EU anti – corruption report which will probably bring these policy fields more into the focus of current EU debates. The intention to strengthen the parliamentary dimension of the Visegrad cooperation - decided at the last meeting of heads of V4 states on 14

October 2013 in Budapest – could provide an ideal framework to put this idea into practice.

The final recommendation is thus to create a joint parliamentary commission/working group specifically addressing these issues. This group could on the basis of each country's own experience identify areas where some countries already are more advanced than others. In these fields V4 countries could develop common programs to exchange best practices, organize common trainings etc. In other fields which are new to all V4 countries this working group could develop common measures, programmes, projects and other activities. The V4 parliamentary working group could also enhance the coordination of efforts and positions of the four countries in order to increase both their weight and visibility not only in the EU but in international initiatives dealing with anti-corruption and transparency, such as the Organization of Economic Cooperation and Development (OECD) Anti-Bribery Convention, the United Nations Convention on Anti-Corruption (UNCAC), the International Anti-Corruption Academy (IACA) or the Open Government Partnership (OGP).

Conclusion

Corruption is costly. Not only in the most basic, economic meaning of the word, though it certainly makes doing any business more difficult, time consuming and expensive through the "corruption tax". It is costly because it twists and corrodes the economic, social and ethical reality. Corruption is a wasteful allocation of resources, based neither on free market competition nor on the moral principle of helping the poor. The market is, above all, a source of information; thousands of various transactions send uncountable number of signals about the price and quality of products, services and labour. Corruption is a noise that distorts any clear signal. It distorts the natural competition, punishing the industrious businessmen while promoting well-connected crony capitalists. It endangers the very foundations of a market economy.

Corruption warps any institution it touches, from the smallest office of the local government to the top-level ministries which decide on national policies. It hijacks the political process, understood as a struggle for the common good, and subverts it to particular interests, against the wishes of the general public.

Corruption poisons interpersonal and social relations. It undermines mutual trust in society and prompts people to withdraw into semi-closed groups in order to gain protection against a hostile and unjust world. It is a breeding ground for frustration amongst those left behind and a fuel for political populism.

The Visegrad countries, at the same time similar yet different, entered the last decade of the Twentieth Century with a baggage of shared experiences: that of a deliberate destruction of market mechanisms; a hijacking of the

state by a semi-colonial clique striking down on any separation of powers, independent judiciary or accountability; and the persistent erosion of social trust caused

by the fact of living in an authoritarian, oppressive state. The rapid political and economic transformation exacerbated the aforementioned problems. Without doubt, the transition from authoritarian socialism to market democracy was a success story; yet the sheer speed and magnitude of change revealed cracks in which money – and thus corruption – could pour in. The poor quality of political elites, low salaries in the public sector and a deep aversion to administrative transparency remain one of the main corruption factors and still need to be addressed. However, it has to be pointed out that every V4 Member State has carried out comprehensive anti-corruption reforms. While they have sometimes endangered the inter-

nal political stability of the country by exposing the corruption of the governing elites, the continuous efforts to improve the honesty of public sphere are to be admired. This paper calls for transparency and open, e-administration procedures, ethics-based code of behaviour for civil servants, citizen activism and institutional independence of the law enforcement agencies. Neither of these propositions is a ground-breaking revolution that would immediately alter the legal landscape of the Visegrad states. Yet it is these incremental, evolutionary changes that could improve the quality of administrative procedures, shed the light on the decision-making process and steadily build the image of Central Europe as a “clean,” corruption-free region.

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Visegrád Group – United in Diversity? Alternatives for the Future

"Our foursome is being buried prematurely. In the end, sooner or later we will have to cooperate together," these words were pronounced by Vladimír Mečiar, former acting president of Slovakia. They clearly define the natural need for cooperation between the Visegrad Group members who shared common policies over years, using the group as a powerful and flexible instrument to raise a common voice in respect of each country's sovereignty and freedom.

Created in 1991, the Visegrad Group (or V4) has constituted a consultative and cooperation forum for four countries: the Czech Republic, Hungary, Poland, and Slovakia. It has changed over the years, depending on volatile situations influenced by internal and external factors, particularly on political will. Firstly, the Visegrad Group went through a period of dynamic crystallization of the idea and form of cooperation between 1989 and 1992, during the fall of communism and democratic transition. Next, it experienced a phase of crisis between 1993 and 1998, when its members hardly cooperated with each other. Finally, the Visegrad Group re-established close cooperation between 1999 and 2003/20 thus, already as a part of the Euro-Atlantic community and before the accession to the European Union. Since 2004 all V4 countries could start cooperation not only within the NATO, but also in the framework of European community.¹

The impetus to establish regional cooperation between V4 countries was clearly marked in the Visegrad Declaration from February 1991.² The Czech Republic, Hungary, Poland, and Slovakia referred to the convergence of their foreign policy, similarities in their historical experiences, and the geographic location, all of which inspired them to establish a new regional relationship. The declaration highlighted the main objectives of cooperation, among which the most important was the integration with the NATO and the EU structures.

With the membership in the Euro-Atlantic community since 1999 (apart from Slovakia, who joined the organisation in 2004) and the accession to the EU in May 2004, the V4 countries have met the essential objectives of the regional cooperation listed in the Visegrad Declaration. Thus, the question on the future of the group, its main objectives, and form of the collaboration have been posed, despite of regular meetings held by the prime ministries, ministries, or presidents of their national parliaments consulting various issues of concern to the V4 countries.

Do the differences prevail?

After a long process of political and economical transformation as well as accession to the Euro-Atlantic and the

EU structures, the Visegrad Group seems to be very often of different opinions in many areas that could be directly transferred into the lack of a common denominator for the future joint actions.

Generally speaking, countries seem to follow pragmatic logic of their national interest. Therefore, the Czech Republic, Hungary, Poland, and Slovakia were divided over the redistribution of the EU funds during the negotiations of the EU Multiannual Financial Framework 2014 - 2020, particularly within the limits of Cohesion Policy, the greatest beneficent of which seems to be Poland. Similarly, a different approach was shared toward Common Agriculture Policy, the reform of which postulated budgetary cuts supported by Czech Republic. Moreover, Slovakia as the only eurozone member advocates instruments and actions aiming at strengthening the euro area, that could parallelly and possibly divide the EU into two-speed Europe with first- or second-class members. Many examples of disagreement between V4 come to the fore in the area of environmental policy, for example, the European Commission proposal on back-loading concerning suspension of the part of the EU greenhouse gas emission allowances auctions, the idea of which was supported by Slovakia to the dissatisfaction of the rest of the V4 members. Furthermore, Czech Republic, Hungary, Poland, and Slovakia share different positions in the area of foreign policy, quite recently visible in the case of the Ukrainian crisis or the policy toward Russia, dictated very often by a pragmatic interest of country's economy. The V4 members are also not united in terms of the involvement in the Eastern Partnership, playing less important role in foreign policy of Hungary and Slovakia.

The differences between the Visegrad Group members have various reasons, the deep analysis of which could take an entire chapter of a book. Generally speaking, they could be referred to the overall size of the country in terms of its economy or demography that could impose certain global expectations. Various factors might implicate certain policy, like structure of the economy and its greater dependence on export that could influence state's position toward certain country or a group of countries. Political aspects should not be forgotten, as it might be easier to reach an agreement between governments coming from the same political family. Finally, there are also particular animosities between V4 members, like situation of Hungarian minority in Slovakia or negative campaigning on Polish agricultural products in Czech Republic and Slovakia.

Possible binding forces? Energy policy, transport and infrastructure, defence... to foster economic and social development of the V4?

Nevertheless, all V4 members represent a valuable region in Central and Eastern Europe with well qualified work-

ing force, high standards and rule of law, or relatively low costs of work comparing to the other parts of the EU, that could tempt foreign investments. The Visegrad Group is present in different global and European organisations that could constitute forum not only for rivalry as a result of conflicting national interests, but also give an opportunity for closer cooperation to mutual satisfaction. Within the EU there are other effectively functioning groupings, for example Benelux, Weimar Triangle, or Nordic Group. The V4 has its potential that could be used within the European Parliament due to cooperation between national delegations of political groups or within the Council of the European Union, where Czech Republic, Hungary, Poland, and Slovakia has the same power as France with Germany considering voting by qualified majority (i.e. 58 votes). Therefore, it is of utmost importance to join efforts not only for the day to day business, but also to determine long term goals for closer cooperation with synergy effect.

Considering great dependence on Russia and various internal challenges within the EU, the energy policy might constitute an important field of greater collaboration between V4 countries. During the V4+ energy security summit, held in Budapest in 2010, the security policies took a more central role within the V4 area, with the increasing consciousness of the importance of the issue and the need of changes to find alternative external suppliers (for example in the framework of the EU neighbourhood and eastern partnership) and to boost the dialogue with the existing ones, to increase the efficiency. The Slovak president of the V4 group, in charge during the recurrence of the 25th anniversary of the fall of the Iron Curtain, put emphasis on the development of safe energy policies, with priority on the realisation of a North-South gas and electricity interconnection, in line with the EU climate and energy policy. Another relevant issue is the one related to gas supplies, with the goal to proceed on the elaboration of joint preventive action plans and emergency plans also at regional level. The lack of flexibility on long term contracts and the limited transparency applied at the time of their stipulation is a problem to be eradicated, especially concerning the natural gas resources, that make the V4 countries, as well as the entire Europe, dependent on the Russian market, with evident consequences in bilateral relationships and eventual disputes. In 2012 the 33.7% of the EU imports³ of crude oil were from Russia, a fact that, even showing a slight decrease in comparison with the previous records, is keeping the Russian Federation in a leadership position as solid fuels exporter to the EU. In the Visegrad area, Poland and Czech Republic are relying on a relevant production of coal and lignite, Hungary on natural gas, that is anyway not enough to grant a common independence without the creation of a relevant infrastructure more efficient than the actual one and creating coordinated common policies.

Another good example might be related to the necessary improvements of infrastructure and density of transport

network, particularly in the cross-border areas, that could foster economic cooperation and promote citizens mobility. Infrastructure development and interconnections between the V4 countries is indispensable and fundamental for the credibility of any further integration plans in the V4 region. Fast and reliable public transport connections between major cities and towns are vital if the Visegrad region is to achieve closer cooperation, and stronger social, economic, and cultural connections. The example of the Benelux here is instructive: the region boasts an excellent high-speed rail network, frequent connections, and an extensive highway network.

Transport connections between Visegrad countries have always been characterized by a certain stagnation and slow development. The underdeveloped motorway network and the general condition of the railway network means there are few connections and slow travel times. Since the transition from Communism, road and railway networks have been redeveloped and expanded, but these developments have an East-West orientation. Recognizing this and propositions have been put forward continuously to cover the network between the V4 countries.

Connections similar to high velocity transnational networks in Western Europe have not been established between the V4 countries. EU maps of a planned high-speed train network stop at the borders of the former Iron Curtain. However, in the Czech Republic and Poland, and the rebuilding of certain railway sections to accommodate speeds of 200km/h has been proposed.

The project began in Poland, with the intent to build a Y-shaped connection from Warsaw towards Poznan and Wroclaw, and to order suitable vehicles. The new coaches were presented to the public recently, but afterwards the project was stopped due to financial reasons.

Regional railway connections are in worse condition. With a few exceptions, regional systems do not cross national borders. Ten years after accession to the European Union, the situation has not improved, but rather deteriorated. Painful examples are the almost nonexistent cross border rail lines between Hungary and Slovakia, as well as Slovakia and Poland. Fortunately, the Czech Republic provides a positive counterexample: in the Silesian area, there are local passenger trains that go to Poland.⁴

Passengers can also use bus lines. However, in the V4's regional transport network, choices are rather limited, similar to the rail situation. Bus timetables include connections between Czech and Polish cities, but between Hungary and Slovakia local and regional bus lines mostly do not cross the border, despite the existence of a sizeable Hungarian minority in southern Slovakia. Thus connection between bus lines is only possible by a few kilometres walk between two bus stops in the neighbouring countries. There are odd exceptions in Komárom-Komárno, where, besides scarce workday connections, there is also a "transnational line" in the form of a contracted hy-

permarket service bus between Esztergom and Štúrovo (Párkány).

The motorway network of the V4 countries underwent major development in the past few years, mostly in the Czech Republic and Hungary. However, even motorways which seemingly have a North-South direction in reality mostly carry an east-west transport load, much of it transit from Turkey and the Balkans towards Germany. There is an obvious absence of a north-south corridor between Poland and Hungary through central or eastern Slovakia. This results in Baltic, Polish and Italian trucks speeding through tiny villages.

The question of transport connections between the Visegrad countries is not a static issue. We have a lot to do in respect of the development of the north-south corridors and regional connections. Other regional networks in Europe, such as the ones in the Benelux and Iberia, have much tighter connections, and the socioeconomic results are apparent.

Defence issues give also many possibilities for greater collaboration, in particular with the view of the Visegrad Battlegroup, the creation of which is planned by 2016. According to the agreement, the formation numbering 3000 soldiers will participate in international operations arranged within the NATO and the EU, as well fight against natural disasters. The leading nation of the Battlegroup, also providing the majority of the troops, will be Poland. This most significant short-term defence project, which is unique among the Visegrad Group and has a relevant long-term perspective, addresses the issue of shrinking defense budgets for short term political interests and react to changes in Europe's security environment by taking into account long term strategic interests.

The stand-up period of 2016 will provide the opportunity to develop the Battlegroup and the operation thereof through practice. Thus it is of high importance to monitor closely the process, learn from the lessons, recognize and identify the major problems, strengths, weaknesses, and challenges. Accordingly, the Battlegroup will inevitably deeper the regional defence collaboration, therefore future steps are awaited to be made: in the future, V4 countries should maintain and integrate the battle group structures and capabilities, since the different resources and defence industries are taken into account during the building those structures, and 'permanent forms of regional co-operation would contribute to both the EU and NATO by building capacities at home'.⁵

This is the reason why the deepening of this defence collaboration project is in focus, and many recommendations have been shared, in order to make the existing cooperation even wider and more effective. Furthermore, since each of the V4 countries has other relations, this cooperation shall be open for other countries to join for certain projects. This would make the regional coopera-

tion even wider, and would address the NATO's and EU's capability gaps even more directly.

First of all, the V4 countries shall improve and develop the collaboration on the field of exchanging information, sharing experience, joint training and education. This would build trust among the troops, and might make the participants equal, irrespectively of being uneven partners,⁶ the capacity and defence industry of which differs significantly. This shall be taken into account while addressing undercapacity and overcapacity issues and improving competitiveness of defence companies.⁷

Regarding joint training and education, among others, a tighter collaboration between the defence academies would be of high value and could be done within a reasonable period of time and without significant funds or investments. In the long run, a multinational training centre for helicopter pilots, and even a common V4 military academy may be established.

In order to strengthen the position of V4 within the NATO and EU military structures, joint standpoints on the distribution of staff positions should be established through a tight political cooperation.

Additionally, legal measures have to be adopted and implemented, in order to establish the solid ground for the cooperation by outlining the principles, guidelines, and structure thereof. The participating governments have to sign an agreement on long-term cooperation, which would be binding for all countries, irrespectively of the future changes of government. In order to make it more efficient, the national background thereof has to be established as well, the main aims regarding defence cooperation have to be agreed within the national politics, and a fixed long-term defence budget shall be accepted by the national parliaments.

Among the joint projects referred to above, many ideas have been drawn up by experts, for instance the establishment of The V4 chemical, biological, radiological and

nuclear (CBRN) defence battalion, the development of the regional cyber security cooperation, and joint V4 air policing.⁸

Beyond courtesy of V4 summits

Although the authorities of the Visegrad Group relatively frequently occur together on the specific occasions, it might be questioned whether the declarations result in well coordinated action of all four countries. It is possible that each of them will seek for its own benefits, realising that the partners' interests would be by definition of contradictory nature. In this context, the future of the Visegrad cooperation could either confirm or deny the timeliness of the international realism.

The key factors determining the future of the V4 might be related to the political willingness followed by the decisive actions in many areas, for example, within energy policy, transport and infrastructure, and defence, that could bring economic development as well as foster closer economic and social ties.

There are many reasons why the V4 cooperation could have great future, despite the existing challenges and frequently occurring differences. It is in the best interest of all four countries to realize that more can be achieved for the region and, thus, for the for each country separately, if a tight collaboration is launched. The resources, the invested money, time and effort, together with the gained and exchanged experience might be used in a much smarter and more economical way on all fields mentioned above due to synergy effect. Thus, the Visegrad Group could achieve more by planning long-term, joint actions to mutual benefit, particularly in the strategic areas. Considering the global or the EU arena, Czech Republic, Hungary, Poland, and Slovakia could be more visible and might have greater influence by speaking with one voice showing the Central and Eastern European region as unified, although in diversity.

Annotations

¹For more detailed information on history of the V4 countries, see the Republic of Poland. Senate RP, Information on Visegrad Group (June 2012). Available at www.senat.gov.pl/download/gfx/senat/pl/.../102/.../inf_wyszegrad.pdf (accessed 18 October 2014).

²Visegrad Group, Visegrad Declaration 1991, <http://www.visegradgroup.eu/documents/visegrad-declarations/visegrad-declaration-110412-2> (accessed 18 October 2014).

³See Eurostat, Net imports of primary energy 2002–2012. Available at <http://ec.europa.eu/eurostat/web/main/home> (accessed 18 October 2014).

⁴For a detailed study, see Panorama on global security environment 2013, eds. M. Majer, R. Ondrejcsák (Bratislava: CE-NAA, 2013), <http://cenaa.org/wp-content/uploads/2014/07/Panorama-2013-obsah-a-abstrakty.pdf> (accessed 18 October 2014).

⁵DAV4 II expert group report on visegrad defence collaboration. From battlegroup to permanent structures, ed. M. Šuplata (Bratislava: CEPI, 2013), 3, http://www.cepolicy.org/sites/cepolicy.org/files/attachments/dav4_2013_web.pdf (accessed 18 October 2014).

⁶Due to the differences between the V4 regarding size, economic resources, equipment, capabilities, etc., it is more difficult to build cooperation in the field of defence without generating dependencies and inequalities. Cf. Panorama on global security, 11–13.

⁷Cf. Towards a smarter V4: How to improve defence collaboration among the Czech Republic, Hungary, Poland and Slovakia. DAV4 Expert Group Report, ed. T. Valášek (Bratislava: SAC, 2012), https://www.pism.pl/files/?id_plik=10484 (accessed 18 October 2014).

⁸For a detailed study, see Towards a smarter V4

Poland in Europe 2020

The establishment of the Europe 2020 Strategy was inspired by the European Union's willingness to move decisively beyond the crisis. It is a set of conditions for the EU to remain a powerful world player with a more competitive economy and higher employment. The key word that has influenced not only the Europe 2020 Strategy, but also the backbone of the current European discourse, which serves to reach the Europe 2020 goals, is growth. However, it is not about growth under just any circumstance. The Europe 2020 growth should be smart, sustainable, and inclusive, which means more investment in education, lowering carbon economy, and also creating new jobs and reducing poverty as well.

There are five crucial target areas in the Europe 2020 Strategy for the whole European Union. The first target is reaching a 75% employment rate for people between 20 and 64 years old. Next, spending on R&D should reach 3% of the European Union's gross domestic product. The third point is climate and energy change, such as lowering greenhouse gas emission, tipping the balance to renewable sources, or increasing energy efficiency. Last but not least is education, which should be the most important part of the Europe 2020 strategy. Key points of this target include lowering the level of early dropouts and spreading higher education through people between age 30-34. Finally, the last point is to decrease the number of people facing poverty or social exclusion.

Additionally, the tools committed to increasing growth and jobs include deepening the single market, increasing the budget for research, job creation, and EU's poor innovation level, and using external tools to trade in open and fair markets. The current policies of the European Union have shown that due to certain countries being more powerful than other ones, the EU has been recently only paying lip service to the Europe 2020 Strategy. The example of the currently discussed budget for 2015 illustrates this, as the council has radically cut the payments and commitments aimed at research and innovation adopted by the com-

mission. For instance, it radically cut the commitments for Heading 1a (Competitiveness for growth and jobs) by about € 0,3 bn and the payments by about € 1,3 bn.

Each EU country has other Europe 2020 targets that are said to be "custom fitted" for the challenges and opportunities of the member states. When it comes to Poland, the crucial targets are employment, R&D spending, emission reduction, and renewable energy at a 15% threshold. There are also more ambitious goals, especially when it comes to early school dropout rates and higher education, which, again, should be the most important targets of the European 2020 Strategy.

Taking into account the Europe 2020 goals, the Polish government published documents on the process of reaching the targets set for Poland. The main issues touched upon by the Council (which also published similar documents) are the budget – lowering the budgetary deficit; lowering unemployment rates through steps towards improving the youth education focus to fit the needs of the job market and through including more elderly people in life-long learning programs; pension schemes, like KRUS reform or the miners pension scheme; supporting R&D in the private sector through a deep tax reform; and the energy sector. Nevertheless, both of the documents lack any focus on hard data and do not give precise policy directions for the government.

Still, the Commission and Eurostat regularly update their data for each member state to emphasize its lack of progress in reaching the Europe 2020 targets. When one takes them into account, for instance, Poland still has too low of an employment rate, does not spend enough on R&D, has a high greenhouse gas emission (which is the one of key issues in this region), and has a low share of renewable energy in gross final energy consumption.

Nevertheless, Poland has already overpassed EU target of people between age 30-34 with higher education, and

soon will reach the Europe 2020 goals, as the younger generation has a better possibility to study at universities. Furthermore, Poland has been continuously decreasing the level of people at risk of poverty or social exclusion.

Indeed, the biggest challenges for Poland are the energy goals. Due to a possible shale gas revolution (although its level is very often exaggerated by its supporters) and the fact that coal miners in certain parts of the country remain an influential part of the society, structural reform of the mining sector continues to be negatively perceived by whole regions. All of these issues make it very difficult for the Polish government to become a poster child for the European Union-driven green revolution. Thus, Poland is one of the loudest EU states emphasizing that green economy cannot harm counties economies.

The Europe 2020 Strategy goals are questionably ambitious and difficult for certain countries to reach. The recent calls by green energy groups and countries to increase the social and green aspects of the Strategy do not go hand-in-hand with the backbone of European Union politics – its budget.

To change or improve the Europe 2020 Strategy in Poland and the EU, one has to firstly understand the commitments in both projects in order for the current Strategy to remain feasible and reachable.

That means more investments in growth – the favourite word of the current EU discussion in all member states.

Auditing the European Funds Independently? Comparing the Situation in Hungary, Czech Republic and Slovakia

European subsidies through various operational programmes (OPs) represent a significant share in national budgets. All three compared countries are net recipients of European Union (EU) funds. EU subsidies can replace finances from the state budget, making large investments possible.

However, European Commission (EC) report from 2014 affirms that corruption in EU funds is widespread and Member States are not doing enough to prevent it. "In many Member States internal controls across the country (particularly at local level) are weak and uncoordinated. There is a need to reinforce such controls and match them with strong prevention policies in order to deliver tangible and sustainable results against corruption."¹

Problems with EU funded projects arose in Slovakia recently, too. They resulted in suspended financial support to OPs by EC which will significantly affect the state budget.² In Slovakia, the medialized reason that was stated in a report issued by European Commission³ was that EC "does not trust to Slovak control mechanisms as a whole." Therefore, EC implemented articles 70 and 92 of ES no. 1083/2006. As Slovak representatives did not comply with the EC recommendations, part of the payments were cancelled permanently. The problem arose when EC auditors replicated an audit of a same project sample after Slovak auditors and came to different conclusions regarding the efficiency of the projects. Therefore, one of the crucial controlling actor – Slovak Audit Authority, was criticized by EC.

Auditing represents an important part of the process of implementation of the European Funds – it should "verify correctness of the substance matter and financial management of the implementation process and at the same time it should provide feedback to the management bodies regarding the system they had established."⁴ Therefore, if not functioning properly, audit as a part of implementation of EU funds represents a corruption risk which was also highlighted by Transparency International in several works.⁵

Our aim in this paper is to explore whether national audit authorities in Hungary, Czech Republic and Slovakia comply with one of the EC requirements that is crucial for fighting and preventing corruption – functional independence of audit authority.⁶ Does similar problem with auditors of EU – funds as in Slovakia exist in other two countries? The importance of this question is quite straightforward – if an audit authority was independent and professional, it could deter or impede EU funds fraud and mismanagement. We are aware that independent and professional audit authority is only one of the controlling mechanisms and would not be panacea to corruption connected with EU funds. However, if functioning properly, the corruptors would never be certain whether their fraudulent project would not be selected, audited and revealed.

Firstly, we will describe the official requirements imposed by EC to institutions of Member States that control and monitor EU funds regarding the Audit Authorities. Secondly, we will explore whether in each country EC stepped in and criticized/stopped the EU payments due to insuffi-

cient auditing of EU funded projects. Subsequently, we will examine whether these rules are obeyed in the countries by comparing the laws regarding functional independence of national audit authority with publicly available information regarding the position of auditors. We will conclude by comparing the institutional setting and actual position of auditors in the compared countries.

Audit Authority – its role and EC requirements

Audit is a process carried out by a body that is independent from the audited organisation.⁷

To ensure validity and reliability, auditors use transparent internationally approved methods and processes. In business environment, audit validates and evaluates variables such as balance sheet, annual report, statement of profit and loss, etc. It is useful for shareholders because they need an objective evaluation of their share worth that is independent from the management of the organisation. Auditors are usually paid by clients that are audited by them, however, they are obliged to follow public interest in conducting their work which is a standard for business as well as for governmental clients.

The EU institutions have only limited capacities to control spending of EU funds. "As a group, the 28 EU Commissioners have the ultimate political responsibility for ensuring that EU funds are spent properly. But because most of the funding is managed within the beneficiary countries, responsibility for conducting checks and annual audits lies with national governments."⁸

In the EU law, guidelines have been set to specify what kinds of institutions must be established in order to manage the structural support resources. According to the Council Regulation (EC) No. 1083/2006 for the programming period 2007–2013 regarding the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund, every member country receiving EU funds must establish controlling and monitoring institutions for every operational program – managing authority, certifying authority, audit authority and monitoring committee.

Audit Authority is a national, regional or local public authority body, or a public entity designated for each operational programme. According to article 59 c) of the Council Regulation (EC) No. 1083/2006, Audit Authority shall be "functionally independent from the Managing and Certifying Authorities and responsible for the verification of the efficiency of the governance and control system. The same audit authority may be designated for more than one OP and responsible for verifying the effective functioning of the management and control system." In other words, audit by a Member State is the last check-point at the national level – auditors select a sample of

projects from operational programme(s), evaluate their efficiency and processes.⁹

Afterwards, they send an annual report to the EU Commission whether the funds are allocated efficiently and legally. These selected projects can be double checked by EC auditors. If they conclude that national auditors are unable to identify the problematic projects, EC stops the payments since they cannot rely on national control and they require reforms of the system. Unblocking the payments can be achieved by systemic changes in the management and control. If the Member State does not follow EC recommendations for reforming the system, EC can cancel the funds permanently.¹⁰ Therefore, it is essential for the proper functionality that the audit is independent from political or other special interests.

Slovakia

Problems with the OPs Audit Authority

European funds became a synonym for political corruption in Slovakia.¹¹ EC auditors replicated the same audits of projects (181 projects) as Slovak auditors did. Slovak auditors approved all the examined projects as sound and efficient. Contrary to that, EC auditors found serious inefficiencies and mismanagement in most of them. Before April 2014, European Commission sent a note to Slovak Ministry of Finance that they found serious shortcomings in audits conducted by Slovak Audit Authority – The Section of Audit and Control of the Ministry of Finance. As a result, EC stopped payment from 9 OPs at the end of June 2014.¹²

At the beginning of October 2014, EC renewed payments in 4 OP, yet 5 payments remain stopped. At this point, EC will definitely not refund 245 million eur and 330 million eur in payments are still suspended.¹³

As a result, EC required action in Slovakia. The Minister of Finance suspended the Director General of the Section of Audit and Control and also dismissed other public servants. In addition to that, several criminal prosecutions started.

Institutional setting

Fourteen Slovak OPs¹⁴ for the programming period 2006–2013 have been audited centrally from Audit and Control Section of the Ministry of Finance of the Slovak Republic since Slovakia became an EU funds recipient. The head of this section is a Director General (currently, the Director General is Iveta Turcanova who succeeded Martin Danko after he was dismissed due to problems with audited projects in May 2014). Managing Authorities for OP are various Slovak ministries, Agricultural Paying Agency, Self-Governing region Bratislava and also the Slovak Government.¹⁵

The appointment and dismissal of auditors of EU funds is stated in the Law of Financial Control and Internal Audit no. 502/2001. According to § 28, auditors that are responsible for auditing operational programmes at the Ministry of Finance are appointed and dismissed by the Minister of Finance. Formally, the auditors are obliged to follow only the Slovak Constitution, Slovak laws and norms while conducting their work.¹⁶

We can observe that independence of these auditors is required by this law and the EC regulation. However, the institutional setting creates environment where political influences on auditors from the governing parties are possible without any institutional barriers. Auditors are hired by the Ministry whose employees are subordinated to the Minister of Finance only, their work is evaluated by ministerial subordinates in their section, and they can be dismissed as easily as other public servants. In fact, ministerial methodology materials on EU funds control (Procedures for Audit of Structural Funds, Cohesion Fund and European Fund of Fisheries for programming Period 2007–2013) in regard of auditor's independence use the direct subordination to the Minister as an argument for independence, not against it.

The material also mentions that the Section of Audit and Control is independent because the Managing Authorities, Coordination Authorities and other Ministerial Sections are institutionally independent and segregated from the Audit Authority. Therefore, the regulations do not mention nor prevent the political interference by the governing party. In other words, they rely on the goodwill of the Minister of Finance not to interfere into the independence of auditors. The current environment does not offer any guarantees for "functional independence" of Audit Authority required by EC and makes violations of the independence of auditors by governing party viable without institutional obstacles (The obstacles are declaratory).

In September, another opportunity to make systemic changes in the audit systems appeared due to the beginning of new programming period 2014–2020 which requires enacting a new law on Contribution provided from European Structural and Investment Funds. Therefore, in September, Slovak parliament enacted the new rules for European Funds for the programming period 2014–2020.¹⁷

Apart from other proposals, s\ a member of the opposition in the parliament, Miroslav Beblavy, proposed stricter institutional guarantees of auditor's independence. Regarding the selection of new auditors, he proposed selection by committee that would be composed of members of Slovak Audit Chamber, Ministry of Finance, and The Supreme Audit Office of the Slovak Republic and auditors would be selected in a transparent process with fixed rules. This committee would also evaluate the work of auditors according to transparent rules. He also proposed that the auditors should be protected against dismissal and the only criteria for that would be their level of suc-

cessfully revealed cases of mismanagement and corruption. However, the proposal was refused in the first reading and no changes in institutional standing of the Audit Authority were made.¹⁸ In fact, no proposals from the opposition were accepted and the institutional setting for 2014–2020 period remains the same regarding the position of auditors. Ministry of Finance should be the audit authority for the new programming period. The changes were rather concentrated on switching the Managing Authorities. In the upcoming programming period, the Office of the Government will be in the position of the Managing Authority.¹⁹

Hungary

When examining the national system for EU funds in Hungary (e.g. the managing authority, certifying authority, audit authority and monitoring committee), it can be seen that the main reasons for EC critique are fundamentally different from that of Slovakia. Or, at least, the problems cannot be blamed straightforwardly on the Audit Authority.

The present national system for the distribution of EU funds (and thus, for controlling and monitoring) is relatively new. Or, in fact, it is only the system itself as a whole that is new, since some of the previously existing authorities – such as ministries – have taken over the roles and duties of the late National Development Agency. The year 2014 brought a whole new setup, a reform, of the institutions of EU funds in Hungary, and the new system did not come into force without any difficulties. The changes were fundamental – the termination of the work of the National Development Agency, the role and architecture of which is going to be further described in the present paper, caused major concerns in Brussels.

The architecture of the programming period 2007–2013. The National Development Agency

In the programming period 2007–2013, the central authority in charge of distributing EU funds was the National Development Agency. With its internal departments set up according to the 14 OPs, and with the Intermediary Bodies (IBs) responsible for payments, it surely fulfilled the 'management authority' and the 'audit authority' criteria mentioned earlier in the present paper.

Audits were organized by the IBs, with investigating of documentation and with on-the-spot checks and audits of projects and companies. As for the paying body and the certifying body, they are incorporated into the National Authorising Officer's Office, and as for the audit of the whole system, it is the responsibility of the Audit Authority, which is an independent, governmental bureau. The Audit Authority can audit the NDA, the managing authorities, the IBs and the paying and the certifying body, too.²⁰

A number of institutions are responsible for the control and audit of the EU Funds. These functions are conferred on various levels of the institutional system. It was additionally the Hungarian State Treasury that increasingly had the right to examine the system responsible for the funds. It is not the only authority monitoring and auditing the system, though. The Government Control Office's task is to control the payments from the European Social Funds, the European Regional Development Funds, and the Cohesion Funds (This task was later conferred to the Directorate General for Audit of European Funds, run by government officials).

The above mentioned study by Vincze points out, though, that because of the complex controlling, monitoring, and auditing system, there is a need for a controlling authority that would be able to synthesize all the previous experience of all the controlling bodies.

This was the state of the art between 2007 and 2013, and it can be concluded that apart from certain problems mainly connected to procurement procedures found out by the EC's auditors, there were not so many serious mismanagement cases that would be criticized. Problematic cases are discussed later in the present paper.

The NDA and the institutional setup seen by TI

The above mentioned institutional setup was described by Transparency International²¹ as follows: "The Hungarian institutional system for the implementation of the EU Funds had been well designed and contains all the necessary checks and balances for appropriate operations." The study even details how the NDA could instruct Ministers and how its power grew: "The National Development Agency was set up in 2006 by merging the National Development Office and the implementing agencies. This restructuring introduced the dominance of expertise of the technical management over the professional influence of the relevant Ministries."

The study was published in 2013, and even then there were already hints for the approaching institutional centralisation that later turned out to be a huge problem for the EC. The first major step, which made visible the changes yet to come, was the establishment of the Governmental Committee on National Development. This institution had the right to modify and approve all OPs and priority projects, too. The Committee is headed by the Prime Minister, two Ministers, and a Secretary of State. The main problem with this is that the decision making process of the Committee is not transparent and not public.

The study of TI points out that once the topic of EU funds is brought up, the usual thought associated to the given topic are corruption and the tendering system. TI mentions manipulated decisions, corrupt decision makers, etc. Also, they point out that the lack of public access

up-to-date makes it difficult to examine the question in depth, which also adds up the transparency problems. The report points out several times that the complex auditing and controlling system ensured that "all administrative and financial aspects of the implementation procedure are in accordance with the regulations both at the level of fund management institutions and that of the beneficiaries." However, it is the lack of monitoring which causes discrepancies and mismanagement. Projects are properly administered, but they are of poor quality and overpriced. The value-for-money kind of investigation is missing from the controlling phase. It was back then that TI warned that the centralization of the decision making can lead to less transparency and more opportunity for politics to intervene and influence.

Based on the above description, it can be concluded that for the systemic problems present in the architecture of EU fund distribution, centralisation does not seem to be the adequate answer.

The Audit Body

The above mentioned centralization resulted in the termination of the NDA, and the re-organisation of auditing roles.

The State Audit Office of Hungary (SAO) is the supreme financial and economic audit organisation of the National Assembly. The present senior management (the president and the vice-president) of SAO was appointed by the National Assembly as of 5 July 2010. On 1st of July the New Act on SAO entered into force. The SAO's legal status determines its independence – it is subject to the National Assembly, and also, a two-thirds parliamentary majority is required for the election of the president and the vice-president of the SAO. Although, it should be born in mind that Fidesz party in Hungary has a two thirds majority (and got re-elected for a second term in 2014), and the management of the SAO is elected for an unusual 12 years in office.

The SAO audits the utilization of public funds and properties, and as such, it also audits EU funds in certain cases. Since its powers also entails to "Suspend the utilization of funds for investment funded from the central budget in order to prevent damage", it often deals with EU funds, too. EU funds that are flowing through the state budget – since the SAO is the external auditor of public finances, it has the power the conduct audits in any fields using public money.

Although, there is another body entitled especially for the audit of EU funds: the Directorate General for Audit of European Funds. It was established on 1st July 2010 (it was formed from parts of the Government Control Office), and it is an autonomously operating central budgetary organisation within the chapter of the Ministry for National Economy. The organisation is headed by a Director General, and the employees of the Directorate General are gov-

ernment officials. The head is appointed by the Minister for National Economy. The DGAEF's task is to carry out audits regarding international funds, and thus, EU funds. The Directorate General performs audit tasks in connection with the following programmes:

- funds from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the programming period 2007 to 2013;
 - General Programme "Solidarity and Management of Migration Flows";
 - PHARE and Transition Facility;
 - INTERREG III Community Initiative Programmes;
 - European Territorial Cooperation Programme;
 - Norwegian Financial Mechanism and EEA Financial Mechanism;
 - Swiss–Hungarian Cooperation Programme;
 - European Union Solidarity Fund.
- The above mentioned bodies did not report any kind of discrepancies that would be available through the media or public channels.²²

Cases with fund suspension

Stemmed from the above described system, several problems coincided at once, and they all surfaced at the same time, in the spring of 2014. First, the media reported that the EC would not pay for the receipts handed in by Hungary for the research and development projects. The main reason behind this was that the EC found serious discrepancies and problems with the management and supervision system of EU funds in Hungary.

The process for payments for the projects works as follows: the Member States send receipts to the EC for the projects financed by the EU. After examining the receipts the EC either pays the bill, or, if it finds something problematic with them, asks the MS not to send additional receipts until the problem is discussed and solved. After this, the EC can either reimburse the payments, or the payment is stopped for a longer time in order to further investigate the discrepancies.

If the previously mentioned examinations and discussions do not lead to a solution and the funds are suspended, then, the Commissioners are to decide how to further handle the matter. All of the previously mentioned cases happened with Hungary in the spring of 2014.

The following OPs were affected: Operational Programme for Economic Development – the European Court of Auditors found some 'significant problems'. Under the random review of the projects the auditors found that on the one

hand, the funds were not always spent as intended, and on the other hand, the consulting fees were far greater than reasonable. Sampling or random review is a standard procedure, meaning the auditors do not investigate each and every receipt and other supporting documents (eg. contracts, certificate of completion).

In another case, also in the very same OP, it was OLAF who spotted the discrepancies of tendering, this time in connection with tendering broadband Internet providers. There were no consequences in this issue.²³

All OPs involved road pavement – more precisely, asphalt. The public procurement process related to road pavement tenders came under investigation and failed. The EC investigators found that Hungary applied a law during the tenders which restricted competition. As a result, Hungary is obliged to pay a fine.

Similar problems arise in 2013, too, and there were three affected OPs. The problem detected by the auditors of the EC, and payments were suspended. The reason behind this was the one that kept recurring reasons (or, at least, it seems to be recurring): restriction of competition during public procurements.

The procedure of public procurement seems to be the most problematic issue. This is parallel to TI's findings, too. So, one observation can be that corruption is present in the system from the very beginning, from the entry point: in public procurements.

Problems with all OPs

Although, all the above mentioned problems, ie. the partial suspension of one or several OPs seems to be a lighter problem compared to the one actually surfaced in the spring of 2014: then, all EU fiscal transfers were affected. In spring 2014, when the new system for the usage of EU funds came into force, the EC reacted more harshly than ever. In a letter sent out to the Hungarian Government on April 16, the Commission raised concerns about the transformation of the system, mainly about the effective operation of the management and control system. The EC asked detailed information. But meanwhile, the payments were not suspended, although, the EC itself was not sure, whether the system is sufficient enough.

"We need to be sure that the management and control system for the EU investments, verifications, etc. are working properly and that the administrative capacity to deal with the investments is sufficient" said Shirin Wheeler, spokeswoman for Johannes Hahn, the EU Commissioner for Regional Policy.²⁴ Later on, media reported the suspension of funds, although, all parties involved (eg. the government and the EC) tried not to use the word 'suspension'.²⁵

This 'Big Change' in the system – as the media call it – affected the whole fund distribution system, including the

management, the monitoring, the controlling, and the audit agencies.

The government, instead of using the previous institutional setup for the management of the EU funds, dissolved them, and took up nearly all of their roles and tasks. One of the main concerns of the EC was that the government's staff was not prepared and trained for those kind of tasks. The new system is now in place, but we have yet to see whether the EC would approve it. Also, later investigations can determine whether the new centralized institutions would be able to deal with the deeply-rooted problems present in the system.

Czech Republic

The European Commission in the Annual Activity Report of the DG Regional and Urban Policy criticized the Czech Republic for low reliability of auditing of the individual OPs.²⁶ They concluded that audit authority essentially does not function and an action plan, linked to payment interruptions, was carried out in 2011–2012 leading to two flat rate financial corrections accepted in 2012.

A control system for European subsidies was created by the Minister of Finance Miroslav Kalousek in the second half of 2007. Documents from this period show that the crucial requirement of the European Union to establish independent internal audit in ministries and other public offices were not applied.

The Czech government promised to establish an independent internal audit in 2004, when the Treaty of Accession to the Union was signed. Independence – in the European concept means that the minister cannot dismiss the Director of Internal Audit Department at the Ministry without the permission of the Audit Committee. (In the Audit Committee government officials meet representatives of professional organizations and the public.)

In the Czech Republic, the heads of the departments could at many times withdraw its auditors by law. The only rule is to deliver notification about the withdrawal to the Minister of Finance. (In the EU, the auditors should be protected by the committee. This helps them to control how the departments spend money, including those received from Brussels). The “delaying” prescription was also ignored in practice.

In July 2007, Minister of Labor and Social Affairs Petr Nečas dismissed the head of its audit Marie Bilková and informed Miroslav Kalousek about this. The Minister of Finance decided after this issue to change the rules and created a bill stating that notification about employee dismissal will not be obliged anymore. The proposal was not accepted by the government, and the practice that the ministers can dispose uncomfortable auditors continues. For example, in October 2010, the Minister of Education Josef Dobeš fired the head of internal audit, Evžen Mrázek. This happened because Mrázek wrote a critical

report in which he stated the huge problems caused by the personal changes in the program “Research and Development for Innovation,” (According to Mrázek, the personal changes made a delay in the financial drawing).

Brussels officials use lack of internal control at the Ministry to explain why the money promised by the European Union is spent by the institutions on pointless projects like lifting a railway bridge in Kolín, which costs about 1.2 million euros. In July 2011, Commissioner for Regional Policy Johannes Hahn noticed the troubles with money drawing and audit in Czech Republic. He warned about it in a letter to the Czech Prime Minister, Petr Nečas. In the document, he pointed out that a major obstacle to smooth drawing is no independent examination and audit.

Because of this, the Czech officials in charge of the programs are afraid to pass the projects to the EU, because there is a fear of rejection for payment of some projects. The reimbursement of all three operational programs – Transport, Environment and Northwest – has been delayed.

All in all, the problem has been caused by the fact that auditing bodies were subordinated to each operational programme management authorities – ministries and mainly Regional self-governments. While the auditing bodies were formally independent from the direct influence of the political leadership of the institutions they were associated with, in fact they were under strong political influence. As a result of this criticism, the whole system was changed and authorised auditing bodies (PAS) were centralised under Ministry of Finance.

Conclusions

In Hungary, a new centralized system for management and control took place recently, where all concerned authorities are centralized for all OPs under the Prime Minister's Office, with other Ministries also involved. The Directorate General for Audit of European Funds is an autonomously operating central budgetary organisation within the chapter of the Ministry for National Economy, and its employees are government officials. EC has identified problems with the division of tasks in this organisation. However, in the old setup that was problematic (OPs stopped), audit has never been publicly mentioned as the primary problem. The Audit Authorities did not intercept some of the problematic projects present in 2007–2013. However, we found no evidence nor EC critique that this was due to its dependence of auditors on political or other will.

Contrary to the Hungarian case, payments from OPs in the Czech Republic and Slovakia were suspended explicitly due to dysfunctional Audit Authorities. In Slovakia, the audit was (and still is) centralized under the Ministry of Finance and the EC explicitly stated that they do not trust the Slovak Auditors (they did not specify whether it was

due to lack of competences or political influence). In the Czech Republic, the problems stemmed from excessive decentralisation of OP's management and control – the Audit Authorities were too many. As a solution to the problem, the Czech Republic centralized the audit and currently, the auditors of EU funds are appointed by the Ministry of Finance.

The older system in Czech Republic had one remarkable specialty: it contained a special institutional brake against influencing the auditors, so other actors were obliged to consult their personal changes of auditors with the Minister of Finance. In fact, they often did not follow the rule. On one hand, this setup could have possibly impeded chances of some ministers to influence audit. Nevertheless, the Audit Authorities were criticized by the EC for being dependent on political will.

Currently, all three compared countries have their Audit Authorities governed by the respective Ministry of Finance and they declare their independence. In Czech Re-

public, this centralization was seen as an advancement. In Hungary, it is perceived by EC as possible risk. It is questionable whether the centralization under the Ministry of Finance could secure the independence of Audit Authorities. According to the Slovak example, it is not a panacea. We think that centralization just reduces the risks of improper influences to one actor – to the political party that currently holds the Ministry of Finance. Although we did not find a causality between institutional set-up and independence, we believe that centralization might help (as in the case of CR). However, introduction of institutional checks and balances would be more helpful to the independence of Audit Authorities than centralization (for instance, appointment and dismissal of auditors by more than one institution). Therefore, we conclude with a statement that the “functional independence of the Audit Authority” required by EC is not secured.

Annotations

¹European Commission, Report from the commission to the council and the European Parliament. EU anti-corruption report (2014), 11, http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf (accessed 19 October 2014).

²Payments to projects will be financed from the budget instead of european subsidies.

³The report was not made public. Yet, many public officials have read it through unofficial channels and shared the results with the public. The government and the opposition consent on the contents of the report

⁴Transparency International, EU Funds Watch Report: Summary (2013), 18, http://www.transparency.cz/doc/EU_funds_watch_Summary.pdf (accessed 19 October 2014).

⁵e.g. Transparency International, EU Funds Watch project – Czech Republic (September 2014), 19, http://www.transparency.hu/uploads/docs/EU_funds_watch_Report_Czech_Republic.pdf (accessed 19 October 2014) or Transparency International, EU Funds Watch Report: Summary (2013), 4, http://www.transparency.cz/doc/EU_funds_watch_Summary.pdf (accessed 19 October 2014).

⁶Article 59, c), in “The Council Regulation (EC),” Official Journal of the European Union 1083 (2006), <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1083&from=EN> (accessed 19 October 2014)

⁷PricewaterhouseCoopers, What is an audit? (2014), <http://www.pwc.com.au/assurance/financial/statements/audit.htm> (accessed 19 October 2014).

⁸European Union, EU Funding: Management of Funds (2014), http://europa.eu/about-eu/funding-grants/index_en.htm (accessed 19 October 2014).

⁹Article 62, in “The Council Regulation (EC),” Official Journal of the European Union 1083 (2006), <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1083&from=EN> (accessed 19 October 2014); Although EC issued a new regulation for the programming period 2014 –2020, the definitions of audit functions remained the same as well as the standards for audit. OPs in our interest are regulated by the (EC) no. 1083/2006, since the new OPs have not started yet.

¹⁰Article 92, in “The Council Regulation (EC),” Official Journal of the European Union 1083 (2006), <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1083&from=EN> (accessed 19 October 2014).

¹¹A recent example of corruption connected with Slovak EU funds: municipal politician Ivan Kuhn revealed that 70 public

procurements for European Funds were organized by the same agency in municipalities, where the mayor is from the governing party. The agency won every such procurement. Prosecution in the matter has already begun, see aktualne.sk, Kauzu víťazných tendrov Star EU už rieši aj polícia (August 2014), <http://aktualne.atlas.sk/kauzu-vitaznych-tendrov-firmy-star-eu-uz-riesi-aj-policia/dnes/kauzy/> (accessed 19 October 2014).

¹²OP Healthcare; OP Research and Development, Regional OP, OP Education; OP Transportation; OP Informatisation and Societ; OP Competitiveness and Economic Growth; OP Bratislava Region; OP Technical Assistance and partially also OP Employment and Social Inclusion; Slovak Information Press Agency, Európska Komisia zadržala Slovensku stovky miliónov eur (August 2014). Available at <http://www.webnoviny.sk/ekonomika/clanok/856256-europska-komisia-zadrzala-slovensku-stovky-milionov-eur/> (accessed 19 October 2014).

¹³Euractiv, Komisia uvoľnila Slovensku časť zastavených eurofondov (September 2014), <http://www.euractiv.sk/regionalny-rozvoj/clanok/komisia-uvolnila-slovensku-cast-zastavenych-eurofondov-022904> (accessed 19 October 2014)

¹⁴Slovakia has 11 OP in the programming period 2006–2013: Regional OP; OP Environment; OP Competitiveness and Economic Growth; OP Research and Development; OP Healthcare; OP Employment and Social Inclusion; OP Bratislava Region; OP Education; OP Informatisation and Society; OP Transportation; OP Technical Assistance. OP INTERACT II, OP Cezhraničná spolupráca SR–ČR 2007–2013 a OP Rybné hospodárstvo.

¹⁵The Slovak Republic Ministry of Finance, Organizácia ministerstva (14 October 2014). Available at <http://www.finance.gov.sk/Default.aspx?CatID=8345> (accessed 19 October 2014).

¹⁶Zákony pre ľudí.sk, Law of Financial Control and Internal Audit no. 502/2001 (18 October 2011), <http://www.zakony-preludi.sk/zz/2001-502> (accessed 19 October 2014).

¹⁷The Slovak Republic. The National Council, Vládny návrh zákona o príspevku poskytovanom z európskych štrukturálnych a investičných fondov a o zmene a doplnení niektorých zákonov (6 June 2014). Available at <https://www.nrsr.sk/web/Default.aspx?sid=zakony/zakon&MasterID=5001> (accessed 19 October 2014).

¹⁸Aktuality.sk, Eurofondy treba kontrolovať viac, tvrdí Miroslav Beblavý (September 2014), <http://www.aktuality.sk/clanok/261016/eurofondy-treba-kontrolovat-viac-tvrdi-miroslav-beblavy/> (accessed 19 October 2014).

¹⁹Euractiv, Gestorom eurofondov má byť úrad vlády (September 2014), <http://www.euractiv.sk/regionalny-rozvoj/clanok/gestorom-eurofondov-ma-byt-urad-vlady-022876#sthash.GLxAE4fQ.dpuf> (accessed 19 October 2014); *Ekonomika.sme.sk*, Kontrolovať eurofondy bude naďalej ministerstvo financií (June 2014), <http://ekonomika.sme.sk/c/6841302/kontrolovat-eurofondy-bude-nadalej-ministerstvo-financii.html> (accessed 19 October 2014).

²⁰I. Vincze, Az EU-s támogatások irányítási és ellenőrzési rendszereinek működése Magyarországon. Managing, controlling and auditing systems in Hungary providing subsidies from European Funds (2011), <http://www.asz.hu/publikaciok/2011/az-eu-s-tamogatások-iranyitasi-es-ellenorzesi-rendszereinek-mukodese-magyarorszagon-managing-controlling-and-auditing-systems-in-hungary-providing-subsidies-from-european-funds/get-2011-152-163-oldal-vincze-ibolya.pdf> (accessed 19 October 2014).

²¹Transparency International, Final Report: Hungary (2013). Available at http://www.transparency.hu/uploads1/docs/final_report_hungary.pdf (accessed 19 October 2014).

²²<http://www.asz.hu/en/home> (accessed 19 October 2014); <http://eutaf.kormany.hu/english> (accessed 19 October 2014).

²³B. Novak, "Hungary's frozen EU funds," The Budapest Beacon (May 2014), <http://budapestbeacon.com/economics/eu-funds/> (accessed 19 October 2014).

²⁴Diplomacy&Trade, EU Puts on Hold Paying New Bills to Hungary (April 2014), <http://www.dteurope.com/economy/news/eu-puts-on-hold-paying-new-bills-to-hungary.html> (accessed 19 October 2014).

²⁵P. Magyari, Magyarország nem küld számlát Brüsszelbe, mert úgyse fizetnék ki, 444.hu (April 2014), <http://444.hu/2014/04/28/magyarország-nem-kuld-a-szamlat-brusszelbe-mert-ugyse-fizetnek-ki/> (accessed 19 October 2014).

²⁶DG Regional and Urban Policy, Annual Activity Report (2013), 21, http://ec.europa.eu/atwork/synthesis/aar/index_en.htm (accessed 19 October 2014).

Energy Security of the Visegrád Countries

Energy security was always a key element of state security, however by the end of the 20th century its importance rose to a level never seen before. With the fall of the Berlin Wall a crucial process started what fulfilled as the dissolution of the Soviet Union in 1991. This process caused an end of an era, the end of the Cold War. This process brought changes in political, economic and social terms and despite the Visegrád countries winning their freedom, they still have not yet acquired their independence from the Eastern Block. All Visegrád states are highly dependent on the Russian gas exports, therefore the economic captivity still can be observed.

But how could the dependence on Russian gas imports influence the Visegrád countries energy security and how could these countries successfully fight against Gazprom's dominant position? However, not just Russia has its trump cards. The Visegrád countries could use their geopolitical position as a strategic weapon against their vulnerability in their energy sector.

As key transit states of natural gas to Europe, they could open new possibilities and challenges for energy security. New European gas market models and the gradual decline of the Groningen concept could lead these countries into a more sustainable energy model. Consensus and collaboration could re-establish their chances. For example, diversification of gas suppliers and shifting into a more short-term contracting could undermine Gazprom's dominant position.

However, one of the main problems of possible deeper energy cooperation between the Visegrád countries are the inadequate funding mechanism of new infrastructure and the insufficient cooperation on national and regional energy policies and strategies. Gas interconnections could enhance bilateral cooperation and could create a whole V4 energy security approach. But it is possible for the Visegrád countries to adopt a common energy security approach?

If yes, then how should they do it? These are some of the key questions that this study tries to answer. This paper can be divided into two parts. The first part contains the specific country reports which analyse each Visegrád country's energy policy, energy profile and dependency. The second part of the paper will try to formulate recommendations for Visegrád countries, how they should improve their energy policy and also tries to answer if it's possible to achieve a common approach or not.

Although it's quite interesting how contemporary deals could change each country's attitude towards questions like energy security. For example, the withdrawals of the Czech nuclear power plant amelioration or the Hungarian

Paks deal, which could influence the Visegrád country's independence and credibility.

SLOVAKIA

With circa 90 percent of its primary energy sources being imported from abroad, the Slovak republic can be labelled as an economy with significant external dependence. With nearly all of Slovakia's major energy sources – be it oil, natural gas or even nuclear fuel to reactors – being imported from only one source (namely Russia), Slovakia is positioned to the highest place on list of the most vulnerable European states in terms of its energy security.

In terms of the proportional composition of the country's energy supply package: the share of natural gas represents 30 percent, nuclear power stands for 24 percent, coal for 20 percent and oil for 18 percent. Over 75 percent of current energy fuels (virtually everything except the coal and the renewable sources) are imported from the Russian federation – mostly through the territory of Ukraine. The events of the hitherto most serious energy crisis in Slovakia, the 2009 gas dispute, unveiled the level of threat the country was exposed to. Even a relatively short period of outage (11 days) caused considerable damage to the economy of Slovakia. During almost a dozen days, Slovakia lost 100 million euros per day or one billion euros over the overall duration of the entire crisis. At the end of the year, the impact over the domestic economic production was a 1-1.5 percent decrease in Slovakia's annual GDP. In order to increase the level of energy security and to enhance the levels of diversification, Slovakia decided to implement a series of structural changes in diversification of energy sources, supply routes and contractual settings - across all the energy sectors with a relatively small exception of nuclear energy. These changes encompassed modifications in the supply security standards, development of numerous natural gas storages, contractual (non-Russia oriented) diversification of gas supplies, reverse flow capability establishment for pipeline networks and further enhancement of the inland transmission systems.

Energy profile of Slovakia

As mentioned above, the energy mix of Slovakia consists of predominantly fossil (natural gas, oil and coal) and nuclear fuel. Renewable energy sources still represent a relatively minor share within the energy mix – i.e. cca. nine percent. While certain common features (lack of domestic sources or one sided trade dependence on Russia) tend to be present across the sector, each individual sector has its own specific set of features and characteristics.

Gas sector of Slovakia

Aside minimal domestic supply, almost 98 percent of the total natural gas consumption of Slovakia has its route in imports. On the side of importers, the Russian federation constitutes almost a 100 percent share among natural gas providers – this level of dependence places Slovakia (alongside Austria, Bulgaria and Finland) at the very top of the list of most dependent European nation on Russian gas.

In order to have diversification among gas suppliers, Slovakia decided to enter into contractual agreements with various European gas companies. Since 2009, the SPP (Slovenský plynárenský priemysel a.s. – the country's largest gas company) has aligned itself to German E.ON Ruhrgas, the Verbundnetz Gas and the French GDF SUEZ companies. While the ownership agreements had changed lately, their agreements remain to symbolize the intent of Slovakia to seek gas providers on the west of its boundaries. Another important way to diversify the gas sector is via building new interconnecting infrastructure between neighbouring countries. Slovakia and Hungary agreed to establish a mutually beneficial connection via a reversible pipeline with the annual carrying capacity of five billion cubic meters of gas. During the 2009 gas crisis, it became apparent that the most vulnerable part of the country is its Eastern region, where no gas storage capacity existed.

In addition, there was no reverse gas flow ability established within Slovakia's own pipelines either. Now, both the reverse flow capability establishment for the inland pipeline system, and the development of gas storage capacity in the Eastern part of the country have been established.

Oil sector

The oil sector produces many similarities to the gas sector in Slovakia. In the case of oil, Slovakia is an absolute net (100 percent) importer of crude oil – again with Russia being the primary source of supplies. The Družba (i.e. Friendship) pipeline, pumps oil to Slovakia from Tatarstan, western Siberia, the Urals, and the Caspian Sea. Slovakia has an additional route for oil supplies as well – the Adria pipeline which starts at the Croatian shore. Although, the carrying capacity of this pipeline (3.5 mil. of barrels of oil / annum) is relatively limited, especially compared to the Družba line, it is a valuable source of supply.

Another strategic alternative to the existing infrastructure is the enhancement of the reverse flow capability of oil from the Czech IKL pipeline into Slovakia. Czech Republic has placed a significantly higher emphasis on the diversification of its own energy sources and is able to import oil from Germany and Italy. Slovakia also intends to finalize the project of an oil pipeline interlink with Austria. Although the plans have been in place for many years, a significant majority of the population, numerous non-gov-

ernmental organizations and regional (municipal) authorities have been actively advocating the cancellation of the project. This is due to that fact that it is almost unfeasible to circumvent the Žitný isle, which holds the biggest reserves of drinking water in the region and is objected to the highest levels of environmental protection. Similarly to the gas storage system's development, Slovakia decided (post 2009) to enhance its oil reserve framework. Currently, Slovakia maintains oil and oil product reserves sufficient to cover the need for 95-day domestic consumption.

The place of nuclear energy and of the renewables within the energy mix

With the heightening regulatory pressures aimed on offsetting fossil sources of renewable energy, biomass, geothermal, wind, hydro, solar and biomass have all been considered as alternative sources for meeting energy needs of Slovakia. Based on European Commission Directives, energy production in member states must be covered up to 20 percent by utilizing renewable sources of energy – effectively by the year 2020. In the case of Slovakia, the “green” benchmark to be reached is at a slightly lower level – 14 percent. Given the facts that renewables represent only six percent of domestic electricity production and with regards to the natural conditions that are characteristic of Slovakia, it is unrealistic to expect fulfilment of the above mentioned goal by 2020. The most realistic predictions assume that, until the year 2020, the renewable sources would provide the Slovak energy market with 12 percent of the total energy demands. While the current total share of the renewables represents cca. 6 percent of the energy supply, within the sphere of electricity production the share is understandably higher, i.e. around 17 percent - whereas hydropower by itself accounts for more than 50 percent of renewables. Less than half of the supply is provided by sources such as: biomass, geothermal wind and solar energy.

While there is global apathy for nuclear energy, Slovakia seems to stand outside the corridors of scepticism. Currently, Slovakia runs four operational nuclear reactors (in the municipalities of Jaslovské Bohunice and Mochovce) that produce over 50 percent of electricity – surpassing any other source. Slovakia's energy appetite is projected to grow constantly, and they are currently building two new reactors, which will be operational by the middle of this decade. With the two new installed nuclear reactors and with the modestly increasing role of renewable sources of energy, Slovakia aims to produce the 80 percent of electricity supply via carbon-free platforms by 2030. In terms of the fuel to the four existing (soviet designed) nuclear reactors, Slovakia has signed a long term contract with Russia for the delivery of the low enriched uranium (LEU). Similarly to natural gas and oil, the dependence of Slovakia on Russian material is present within the nuclear sector as well.

POLAND

Situation of energy security in Poland

Energy security is one of the main issues of the energy politics in Europe. It is an important factor of the wellbeing of the state economy and the society. Poland is systematically developing its energy security sector by finding ways to diversify suppliers. The Polish government produced a document with its strategy and policies until 2030, "Energy Policy of Poland until 2030." This document introduces a strategy for energy development in the country.

Polish energy policies are focusing primarily on improving energy efficiency, enhancing security of fuel and energy supplies, and also the diversification of the electric generation structure, by introducing nuclear energy. Moreover, Poland is hoping to develop the use of renewable energy sources (inc. biofuels), competitive fuels, and energy markets. Lastly, Poland aims to reduce the environmental impact of the power industry.

Main sources of energy in Poland

Coal

Coal is Poland's main source of energy so far and it will be for the coming years. The decision was made by the current government to use coal to secure the energy. A set of objectives were agreed upon to improve the situation in coal mining areas. Following the agreement Poland will implement regulations which will take into account proposed objectives under the energy policy. Furthermore, Poland will abolish legal barriers, and support research and development of technologies permitting the use of coal for liquid and gas fuel production.

The coal sector produces around 90 percent of electricity in Poland. So far it is the cheapest way to produce energy even if it creates obstacles that hinder its ability to meet the EU greenhouse gas emission targets. The state production was covering most of the current demand for coal. However, decrease of the coal production can be observed since early 1990s which shows the decrease of the demand, and in addition, low cost effectiveness. Despite this, Poland will remain a top ten producer of coal in the world. Since the early nineties, Poland implemented installations to reduce the amount of ash and sulphur.

Poland has a large number of coal resources and reserves which constitute the following; 3.79 billion tons of lignite, and 219.65 billion tons of coal resources. With the current production of coal, the resources would last 200 years. In Poland there is a common belief that coal is a secure source of energy for the future.

Gas

The main aim of the energy policy for Poland is to ensure security by the diversification of sources of natural gas supplies. Poland is covering 36 percent of its consumption, and the rest is imported, mainly from Russia. Demand for natural gas in Poland is increasing and will increase up to 30 percent by 2020 and 50 percent by 2050. Research shows that Poland has large sources of unconventional gas on its territory. So far the Polish government provided around 70 concessions for companies to undertake a search for shale gas. Its extraction would change the energy landscape not only for Poland but also for Europe.

The Polish pipeline system is connected to the European pipeline network, mainly in east-west. There are four main entrances to the Polish system: Lasów from Germany, Drozdowicze from Ukraine, Wysokoje and Kondratki from Belarus (Yamal pipeline).

In 2007 Poland implemented a law stating that the gas companies which are undertaking international gas transactions or imports must ensure the gas storage. The gas must be kept in installations that enable supply within 40 days. The amount of mandatory storage is controlled by the Chief of The Energy Regulatory Office. A dangerous problem for extracting the shale gas is the pollution that it generates.

As mentioned above, the main objective for Poland is to find alternative sources of gas supplies thus, close cooperation with Visegrád countries is required.

Petrol

Petrol remains as the second largest energy source in Poland. Poland produced around 1.5 million tons of petrol in 2009 which covered 5 percent of demand in the country. 94 percent of petrol is imported from Russia which comes through the pipeline called "friendship". The remaining amount of petrol is imported from Algeria, United Kingdom and Norway.

For Poland the main objective is diversification of the petrol supplies. In times of liquid and fuel competitiveness there is still a threat to security of oil supplies and threat of monopolistic price fixing. It is a consequence of a market dominated by one supply direction. To improve the situation, the Polish government agreed on a strategy which aims to increase the amount of oil transiting through the country. It enhances competitiveness in the sector in order to minimise the negative effects for the economy. Additionally, it supports Polish enterprises by gaining access to oil resources outside of Poland, retaining ownership in key companies in the sector, and its infrastructure. Poland has improved its oil sector security. The government is aware of the risk of being dependent on only a few number of sources, and is undertaking actions providing alternative sources of oil supply.

Renewable energy sources

In Poland the renewable energy sector is intensely developing. The primary renewable energy source is wind. Currently, in Poland there are 663 wind turbines. Most of them are located in the North-West part of the country. The second renewable source in Poland is hydro power plants, which produce 958 MW. The third source is biogas plants, which produce 124MW. Renewable energy covers approximately six percent of the energy demand in the country.

Nuclear energy

The Polish government agreed in 2009 to begin necessary work on the Polish Nuclear Energy Program. Its aim is to develop nuclear energy by 2020 to fulfil the needs in electricity generation with reasonable prices. Within the EU, nuclear energy became the most efficient and desired energy source. Currently the government is preparing the infrastructure needed for the nuclear energy plants, sharing its plans with the public. The nuclear energy plants would be located in the North of Poland. After the Fukushima disaster, there is a risk remaining in terms of security and the matter of nuclear waste.

Challenges of the Polish energy sector

Poland is on a strong path to improving its energy by implementing policies to improve the energy security. The energy sector is developing very fast and soon the changes will bring the expected results.

The Polish energy sector challenges include the following: high demand for energy, energy generation, infrastructural transmission, dependence on external supplies of natural gas, and absolute dependence of supplies of crude oil. Additionally, another significant challenge is environment and climate protection. Furthermore, Poland faces global scale challenges such as fluctuations in prices of energy production, the increasing demand of developing countries for energy, several breakdowns of energy systems, and continuously increasing environmental pollution.

The Polish energy situation is stable, however further developments are needed in order to combat the main challenges.

The infrequent use of the renewable energy resources, and high dependence on Russian energy supplies are two common problems which Poland is trying to tackle. For instance, the import of gas from one direction is 89 percent of the whole import. The situation is also complicated due to the infrastructural shortages.

The above challenges shows that Poland must continue its work on energy sources and infrastructure in order to provide efficient energy security for its self.

HUNGARY

Main characteristics

One of the main characteristics of Hungary's energy landscape, just like all other Visegrád Group countries, is high dependence on Russian imports. Hungary has the highest gas dependency ratio 71 percent¹ in Central and South Eastern Europe² and the bulk of the gas consumed comes from Russia. Such dependency is a typical Eastern and Middle European socialist inheritance, just like the energy infrastructure which was built during the Socialist era.

The overall picture of the country's domestic energy landscape shows limited reserves, relatively low quality, and not enough quantity to satisfy the country's needs.

Hungary's energy mix

The primary sources of energy are natural gas (40 percent) and oil (26 percent), with natural gas representing the majority of imported energy source. The nuclear energy, which is the most important source of domestic energy accounts for approximately 12 percent of Hungary's energy sources. Renewable energy sources, predominantly biomass, account for only 4.3 percent of all energy supply, even though the use of renewable energy exhibited a dramatic increase in 2004.³

Energy consumption in Hungary, but in V4 in general, slightly differs from the EU average, as households alone account for more than a third of energy consumption (EU25 average being 26 percent in 2007).

Gas

Accounting for 40 percent of the total use of energy of the country, natural gas is the most important component of Hungary's energy mix. Hungary's natural gas consumption was expected to reach 12.6 billion cubic metres in 2012 and the share of natural gas in the energy mix has more than doubled over the last 40 years, making the country fourth in the EU by percentage. Because domestic output meets only a quarter of the demand, the rest is provided by imports. Imported gas comes from two directions: on one hand through the Brotherhood pipeline from Ukraine and on the other hand through the HAG pipeline via Austria. Yet it is important to note, that in both cases the primary source of the imported gas is Russia which causes an almost 80 percent dependence on gas from that country.

In the past, some quantities of unconventional gas were found in the Makó area in Southeastern Hungary. Yet, extraction with currently known techniques seems to be commercially unviable.

In terms of infrastructure for gas storage and transportation Hungary boasts the most advanced position among the V4. This is mainly thanks to a consistent policy to secure energy supply from as early as the 1990s when Hungary engaged itself in comprehensive infrastructure projects. But the increased efforts were stimulated – like in the case of all other countries in the region – by the 2006 Russia-Ukraine gas crisis. These efforts aim not just to develop the country's own infrastructural assets and technology, but also to integrate it further into the regional gas market. Right now the country already has interconnectors joining its transmission system with five of its seven neighbours (Austria, Croatia, Romania, Serbia, and Ukraine) and the construction of a further one with Slovakia is due to be completed in 2015. The interconnector with Slovenia is still at the planning stage. Developing cross-border connections has a dual aim: to contribute to the supply source diversification in the long run, and to ensure alternative routes and access to gas at more competitive prices. However, the interconnectors need to be upgraded with reverse flow capabilities.

Of all the states in the region, Hungary not only stands best in terms of interconnectors with its neighbours, but it also has the largest underground gas storage system. This is due to the five gas storage units it owns which have a total capacity of 6.1 bcm. If properly linked to the interconnectors, these storage facilities can efficiently manage risk against regional crises in the future. An encouraging example is the crisis in 2009 when Hungary not only managed to satisfy its own consumption during the import supply interruption, but was even able to make emergency deliveries from its stockpiles to some of the Western Balkan states.

Oil

Oil's share in the country's total primary energy supply has declined progressively since the 1970s. In 1973 it stood at 39 percent, and by the year 2010, it dropped to a mere 26 percent. This is one of the lowest records among the member countries of the International Energy Agency (where the average is above 35 percent), yet for the V4 standards it is still the highest, as oil share in Slovakia makes up 20 percent of the energy mix, in the Czech Republic 21 percent) and in Poland 26 percent.

Hungary has some domestic oil reserves, mostly in the South-east of the country. Oil production peaked in 1985 and has been in decline ever since, and this trend is about to continue.

In 2010 domestic production, including crude oil and condensate, amounted to 13 percent of the total oil supply, and the rest of consumption was being provided by imports. Looking at the demand side, however, one can observe a growing trend: the demand for oil products is expected to grow by about two percent, per year, between 2010 and 2020. The key driver for growth is diesel use, increasing by about three to four percent yearly until 2020.

In terms of imports, close to 90 percent of Hungary's crude oil supply is externally supplied, with most of the imports coming from Russia via the Druzhba pipeline system. Due to the declining domestic production, such import dependency is expected to grow further.

Nuclear energy

Hungary turned to the use of nuclear energy in the 1980s, and in time it became the largest source of electric power production in the country after natural gas, providing 40 percent of the national energy production. In 2010, the four units of the nuclear power plant produced 15,761 GWh electric energy. As a proof of Hungary's continued commitment to the use of nuclear power, in 2009, the parliament gave its preliminary permission to begin preparations for the setup of new units at Paks.

Coal

The domestic coal reserves are estimated to be sufficient for the country's needs for around 200 years, but the high costs of mining and the CO₂ emissions cause serious concern. In Hungary, unlike in the other V4 countries, coal ceased to be in the forefront of energy supply. Its share of total energy mix has been rapidly declining in recent decades from close to 40 percent in the 1970s to just 11 percent in 2010.

Renewable energy

The usage of renewable energy sources (RES) and the greening of economies, industries, transport, and the infrastructure became more and more relevant with the 2004 EU accession. Consequently, Hungary has adopted its Hungarian Renewable Strategy (2007-2020) which was approved by the Parliament in April 2008. In this strategy Hungary set out the aim of covering 13 percent to 15 percent of its energy demand from renewables, where most of the excess capacity would be provided for by new biomass power plants (as biomass represents around 90 percent of all RES production). It also targets a 13 percent share of RES on the final consumption of energy in 2020 and at least 10 percent share of renewable energy in final consumption of energy in transport by 2020. These RES targets were set thanks to the 2004 EU accession which had a generally positive influence on the energy market.

To achieve such ambitious goals several programs have been launched by the government, namely the Environment Protection and Infrastructure Operative Programme (EPIO) of Hungary's National Development Plan, the Operative Programme for Environment and Energy (KEOP) for the period of 2007–2013 and the National Energy-Saving Programme (NEP).

The importance of investing in renewables should be promoted, mainly by the government, as to diversify our energy sources which is one of the possible ways of

breaking the Russian dependency. Investing in renewables and their use however is expensive and therefore even more subsidies should be given by the state for this purpose. Nonetheless, due to the past commonly shared by the Visegrád countries as well as the Hungarian market mechanism, the state spends much more on social subsidies to energy costs, rather than on the costs of renewable energy. Policy instruments used in the case RES include feed-in tariffs (mainly for electricity), investment subsidies (for heating and cooling as well as in general to all RES) and tax exemption (for biofuels).⁴

The potential is undoubtedly there as Hungary is blessed with a wealth of natural resources such as biomass, photovoltaic, geothermal energy, wind and solar energy, and shale gas. The share of renewables in the energy mix is very low, thus the challenge remains of exploiting the given potential.

Evolution of Hungary's energy policy

The system change in the early 1990s marked a new era for many things among the national energy policy. Interests were now focused on the country's energy security. The best way to achieve it was to lower the unilateral import dependency as well as to increase strategic storage levels. The same applied for electricity, as Hungary was part of the East European Integrated Power System, which meant that Russia was Hungary's primary electricity supplier. By 2000, the basic energy security issues were addressed in the oil and electricity fields.

A legal framework was established and the privatisation of the oil and electricity sectors were launched. As for gas, the country had historically significant reserves within it. However, the residential needs grew and the country soon turned into a net importer. In addition, regulated natural gas prices were kept artificially low for the end-use customer. The dual effect of residential gas needs and electricity generation demand increase was that natural gas became the dominant energy source in the country (even though domestic production could only meet up to 20 per cent demand).⁵

*

Today, amidst the Europe-wide economic crisis and the persistent regional concerns about energy security, energy policy continues to be prominent in the economic recovery plan of Hungarian government. It is seen as a key element in the country's efforts to promote green growth and job creation. It is also seen as of utmost importance that energy is supplied reliably and at a price.

In October 2011 Hungary's parliament approved a new energy strategy up until 2030, which revised the previous 2008 strategy that was set up to 2020. One of the key changes brought by the new document is that the 2008 strategy foresaw a slight increase of total gas demand

from 13 bcm in 2008 to 16 bcm by 2020, while one scenario in the new draft energy strategy foresees a stabilisation of gas demand at 9–10 bcm in the longer term. The main objectives of the strategy are increasing renewable energy utilisation, enhancing the share of nuclear energy in the total energy mix, developing the regional energy infrastructure, developing the new energy institutional framework, and increasing energy efficiency and energy saving.

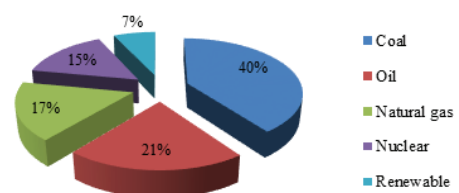
As the 2011 strategy, along with the consistent acts of the government demonstrates, regional co operation is the core element of Hungary's security policy. To this end, several projects to diversify supply sources and routes are under way currently in Hungary. At the same time the government is also active in developing the regional electricity market, including new interconnectors and market coupling. Having in mind that Hungary has as much as seven neighbours, the country is well placed to continue to catalyse the development of closely integrated regional markets for electricity and gas.

CZECH REPUBLIC

The Czech Republic faces a number of challenges in the energy sector which include modernisation of national energy concepts, boosting mutual cooperation in the Central and Eastern Europe (CEE) region, improvement of the cross-border infrastructure, development of nuclear power plants, resolving the issue of limits for coal mining, greening of energy sector, and increasing the share of energy from renewable sources.

One of the main priorities of the Czech Republic's energy policy is to increase energy security and the diversification of energy sources and transportation routes. In order to increase its energy security and self-reliance, the Czech Republic should reduce the share of natural gas in its energy mix; improve safety and efficiency of the nuclear power plants in Dukovany and Temelin; invest into infrastructure projects both in oil and gas sectors, particularly in North-South oil and gas interconnections, which will provide access to the extended network of the European oil pipelines, as well as to the Liquefied Natural Gas (LNG) terminals; and promote and develop through investments of renewable sources of energy.

Energy Mix / Czech Republic (2011)



Coal is the only significant indigenous energy resource in the Czech Republic. The country's coal resources have been estimated at some 2.4 billion tons. Brown coal, which accounts for more than 70 percent of these resources, is mainly produced in North-Western Bohemia, while hard coal is mined in Northern Moravia.⁶ The Czech Republic exports its hard coal to mainly Slovakia, Austria, and Poland.

According to the current National Energy Concept, coal is expected to remain an important energy resource in the Czech Republic until 2030.⁷ The concept, which is currently being updated, suggests that the long-term availability of coal reserves should be ensured, and the options for extraction outside the mining limits imposed by the Czech government in 1991 should be reviewed.

In 1991, the Czech government set limits for the brown coal mining in North-Western Bohemia. These limits prevent the pulling down of the municipalities of Horní Jirčín and Cernice beneath which brown coal deposits are located, and they further protect 28 towns and villages against the extension of the mines.⁸ The issue of mining limits is still on the agenda of the government and closely followed by the Czech public and political parties, who have rather different views on the issue (see table below).

Political Parties	Nuclear	Renewable	Coal
ODS	YES	RATHER YES	YES
TOP09	YES	YES	RATHER YES
KSČM	YES	YES	YES
Greens	NO	YES	NO
ANO	YES	YES	GRADUAL LIMITATION
KDU-ČSL	YES*	YES	GRADUAL LIMITATION
ČSSD	YES*	YES	GRADUAL LIMITATION
SPOZ	YES	RATHER YES	YES

*WITH SOME RESERVATION

Source: <http://www.ceskapozice.cz/byznys/energetika/volebni-inspirace-uhli-nebo-bezemisni-zdroje?page=0,1>

There are several challenges which will shape coal production in the Czech Republic. One of them is the reduction of emissions and greening the coal sector, another is availability of cheap coal imports, which may affect the Czech domestic coal production.

Nuclear energy

In the Czech Republic, the nuclear energy plays a very important role in the energy mixture. With 35.3 percent (2012)⁹ of overall energy productivity, it is the second most important source of energy in the Czech Republic (after coal) and is on the rise. With the planned construction of two more reactors at Temelin power plant and one at Dukovany power plant, the overall share of electric productivity could go up to 50 percent.¹⁰ And at the same time, part of the heating energy produced by reactors should be used to heat up larger city agglomerations.¹¹ For future long-term development (after year 2040), the new sites for construction of future power plants should be explored prepared.¹²

There are currently six nuclear reactors running in Czech Republic, producing 28.6 TWh (2012).¹³ Four reactors are at Dukovany and two at Temelin. The construction of the first power plant – Dukovany began in 1978 and its four reactors started to operate between 1985 and 1988. Since that time the power plant has undergone several upgrades.

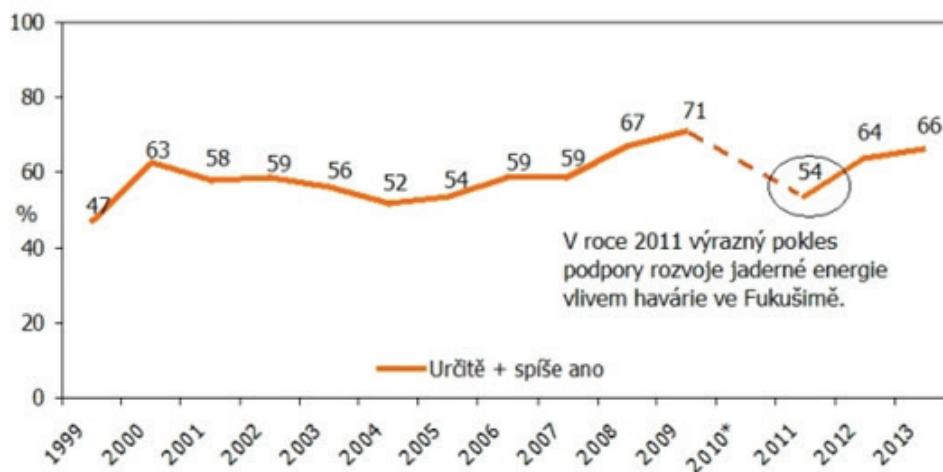
In 1982, work started on the Temelin power plant with four blocks planned to be built. In 1990 however, following the Velvet Revolution the construction slowed down, but the work on the first two blocks continued. This was subject to some protests, especially from the Austrian part of the border (including blockages of the border crossings). The American company Westinghouse, won the tender for the completion and the reactors started to work in years 2002 and 2003.¹⁴

Since 2008 when ČEZ announced the plan to build two more reactors in Temelin this became a hot topic in the Czech Republic. As of now, two companies are competing to get a contract to build these reactors – the Czech-Russian consortium MIR-1200 and American-Japanese Westinghouse.

As with almost everything, the crucial question that comes into play here is the financing. As the authors of the newest World Nuclear Industry Status Report 2013 state “the current market price for electricity falls below the break-even point for nuclear new-build. In this case, the Finance Minister has stated the electricity from new reactors at Temelin would cost €60-65/MWh, well above the current market price of €40.548 Consequently, CEZ is looking for a Contract for Difference which leads to a Government guaranteed electricity price for a fixed, multi-decade, period.”¹⁵

Market research of IBRS/STEM agencies shows us the majority of Czech people support nuclear energy and its development. The research further stated that if at that time a referendum about a completion of Temelin power plant would take place, 50 percent of the population would participate, and 84 percent of respondents would vote for the completion.¹⁶

Jste Vy osobně pro rozvoj jaderné energie v naší republice?
(zdroj dat IBRS/STEM, * v roce 2010 nerealizováno)



As to recommendations, the Czech Republic should continue the construction and development of nuclear power plants (build two new Temelin reactors and modernize all Dukovany reactors) as publicly supported and efficient energy source for the Czech Republic. This doesn't have to be necessarily sensible from the economic point of view (as was also showed in the text), but some sacrifices on the way to a more secure energy mix can and should be done.

Oil

The Czech Republic does not have significant oil reserves. Production of crude oil equates to roughly three percent of the country's total oil demand.¹⁷ In the Czech Republic 97 percent of oil demand is met by imports, largely in the form of crude oil, primarily from Russia (more than 70 percent), Azerbaijan (nearly 25 percent)¹⁸, and Kazakhstan. About two-thirds of this is delivered through the Druzhba (Friendship) pipeline, originating in Russia, and transiting Belarus, Ukraine, and Slovakia before ending in the Czech Republic at Litvinov. Another pipeline, which secures oil flow in case of disruption of Russian supplies through the Druzhba pipeline, is the Ingolstadt–Kralupy–Litvinov (IKL pipeline), which connects in Germany to the international Trans Alpine Pipeline (TAL). Approximately one-third of the Czech Republic's annual crude oil imports are sourced through IKL. In 2012, the Czech company MERO ČR, a.s. acquired a five percent share in companies owning and operating the Trans-alpine Pipeline (TAL).¹⁹

The flow direction of the product pipeline network within the Czech Republic is fully reversible. Total storage capac-

ity of the Czech Republic is 25.4 million barrels (nearly 3 mln tons), and the country is building additional oil storage facilities. The present oil reserves of the Czech Republic amounts slightly more than 2 mln tons of oil and oil products.²⁰

In order to secure regular oil supply into the country, the Czech Republic should continue to acquire an equity stake in the TAL oil pipeline, which is an alternative route to the Druzhba pipeline. The country should intensify cooperation with oil producers from the Caspian region, such as Azerbaijan, Turkmenistan, and Kazakhstan, as well as with transit-countries, such as Turkey and Ukraine, which will help to reduce oil dependence on Russia, as a single supplier. Investments into the North-South interconnections, as well as oil storage facilities, would strengthen Czech Republic's oil independence.

Natural gas

Only a small portion (less than two percent) of the Czech Republic's natural gas demand is met from domestic production, the rest is ensured by imports. In 2012, total imports of gas amounted to 7.4 billion cubic meters (bcm), with around three-quarters of it coming from Russia, and the rest from Norway and other EU-countries.²¹

The Czech Republic is an important transit country for Russian gas to Western Europe. Most of this gas enters from Slovakia at the Lanzhot interconnection point and leaves the country on the German border at Waidhaus and Hora Svate Kateriny.

In recent years, the Czech Republic improved its gas transportation routes, transmission capacity, and the infrastructure necessary for the reverse flow of gas, as well as gas storage capacity. One of the most important projects was completed and launched in January 2013, which was the Gazelle gas pipeline connecting to the OPAL gas pipeline. This would then be supplying the south of Germany and the east of France via the Waidhaus border transfer station.²² Another important project launched in 2012, was the Czech-Polish interconnector ("STORK"), which unites the Czech and Polish gas transmission systems near Český Těšín.²³ It should be noted that the Czech-Polish interconnector may in the long run give the Czech Republic access to Liquefied Natural Gas (LNG) terminals. The Czech–Austrian interconnector Oberkappel (planned year of completion 2018) will connect the Czech Republic with Austrian Penta West and TGL pipelines, with the possibility of connection to the Nabucco West, which is a modified concept of the Nabucco Gas Pipeline Project.²⁴

Other investment projects focus on increasing flexibility through underground gas storage and reverse flow capabilities. The European Commission's European Energy Programme for Recovery (EEPR) is co-financing gas storage extension in UGS Tranovice²⁵ and UGS Tvrdonice.²⁶

Investments in the development of the gas system have been significantly influenced by the January 2009 gas crisis and the ensuing need to enhance the security of supply for customers in the Czech Republic. Three storage system operators operate in the Czech Republic; in 2012, their total storage capacity amounted to 3.487 million m³.²⁷

Shale gas

The Czech Republic recently introduced a moratorium²⁸ on exploration of shale gas, initially proposed by the Ministry of the Environment. The main reasons for the suspension of the exploration area approval introduced by the Ministry were "technological similarity between exploration and extraction, high consumption of water per well, risk of groundwater pollution under conditions of technological lack of restraint, or accidents and landscape degradation as well as deterioration of air quality."²⁹ Public debate on exploration of shale gas in the Czech Republic is highly polarized.

One side is arguing that the exploration of shale gas will contribute to the security of the energy supply to the country. The other side is bringing attention to the environmental risks, particularly contamination of the drinking water at the exploration sites.³⁰

The recommendations for the Czech Republic in the gas sector include: expanding capacity of the gas storage facilities; increasing reversibility of gas flows in pipeline network; as well as in long-term contracts, especially in terms of termination of destination clause, which prohibits the resale into third countries, and easing of the

take-or-pay clause³¹; further extension of the country's gas infrastructure, specifically in case of North-South interconnectors. By decreasing the share of natural gas in the Czech Republic's energy mix, the country will increase its energy security. As for shale gas, the Czech Republic should make further research in terms of the environmental impact of shale gas exploration, and monitor closely Poland's experience in the shale gas exploration process.

Renewable sources

Gross electricity production from the renewable sources in the year 2012 contributed to the overall gross electricity production by 9.2 percent.³² Main sources of renewable energy in the Czech Republic during that year were photovoltaic power plants (26.7 percent), hydro power plants (26.4 percent), biomass (22.4 percent), biogas (18.3 percent), wind power plants (5.2 percent) and burning of a solid residential waste (1.1 percent).³³ By the year 2020, the Czech Republic is obliged to have 13 percent of its gross final consumption of energy covered from renewable sources.

Hydro power plants

When we look into the specific forms of renewable energy production, hydro power plants are a traditional source of energy in the Czech Republic. Their main role in the Czech Republic is "to act as a complementary source of electricity generation, mainly utilizing their ability to quickly ramp up to full output, which is an advantage when immediate power is needed to maintain the balance between electricity generation and consumption."³⁴ Unfortunately the possibilities to build more large hydro power plants are almost gone, and thus their share on electricity production will probably not significantly increase.³⁵

Wind and solar power plants

The Czech Republic's geographical position is far from ideal when it comes to using wind and solar power plants. Solar power plants are now a subject of controversy thanks to its wrongfully set subsidizing schemes. (in detail, see the chapter The solar power plants boom) Wind power plants are controversial in terms of its impact on the character of the nature and the noise production. Nowadays there are some 50 localities in the Czech Republic where the circumstances to produce energy using wind power plants are favourable.³⁶

Others

Energetic usage of residential waste is useful because it can replace primary energy sources, and at the same time deals with the problem of what to do with waste itself.³⁷ It is estimated that around 4.4 million tons of residential

waste is created every year in the Czech Republic, and from this amount, 78 percent goes to the waste dump, 14 percent gets materially used and only 8 percent is used in energetics.³⁸ These numbers clearly shows us how significant energetic use of residential waste is.

Another promising source is biomass. This term usually means a substance of biological origin, such as plant biomass grown in soil or water, animal biomass, organic by-products, and/or organic waste.³⁹ In 2012, there was 1,802.6 GWh of electricity produced in the Czech Republic and as server issar.cenia.cz states, "it is the source where the biggest increase is calculated to come in the next years."⁴⁰

Biogas typically refers to a gas produced by the breakdown of organic matter in the absence of oxygen⁴¹ and biogas is practically produced as landfill gas (LFG) or digested gas.⁴² It is a traditional form of energy production in the Czech Republic with the first biogas plants constructed in 1960s.⁴³

The solar power plants boom

The big problem and the target of extensive public and political debate was the topic of supporting renewable sources of energy. During recent years, the cost of such support (especially in connection with solar power plants) became excessive, and thus politics, as well as the public opinion, gradually turned against it. There were several factors to blame, particularly the generous feed-in-tariff system which was not prepared to the sudden drop in prices of photovoltaic panels in 2010, and the following boom of construction of solar power plants fields (as we can see in the table the production of energy from photovoltaic sources raised from some 12.9 GWh in 2008 to 2,118.0 in 2011). The whole solar power plants business thus became extremely profitable. Under the former feed-in-tariff system, producers were guaranteed high fix sale prices of their electricity from 15 to 25 years.⁴⁴ This significantly raised electricity prices for consumers as well as for companies, and put a heavy burden on the state budget as well – the overall year subsidization reached 44 billion CZK, with 11.7 coming from the state budget and the rest from consumers.⁴⁵

This development gradually lead to the introduction of a special solar tax that owners of photovoltaic power plants had to pay and ultimately in September 2013, led to the introduction of a new bill for renewable energies. As the PV magazine summarized: "The bill ends FIT support for all types of renewable energy starting January 2014, with the exception of wind, hydropower and biomass projects that secured construction permits this year and are completed in 2014. Furthermore, the bill extends the 28% tax currently applied retroactively on solar PV plants larger than 30 kW electrified in 2010. The 28% solar tax was to be in force until the end of this year, however the new bill passed on Friday brings an open-ended 10% tax on these installations."⁴⁶ The support will remain only for wind, wa-

ter, and biomass power plants that were commissioned before December 31, 2015 in the case that they received an authorization before the bill came into effect.⁴⁷ Some owners of solar power plants are already considering potential court proceedings and international arbitrations because they feel discriminated.⁴⁸

Recommendations

Slovakia

Basically, all of the V4 have their energy pipeline infrastructure built in the East-West direction while the North-South links have not been so far sufficiently established. Finalizing the Poland – Slovakia and Slovakia – Hungary gas interconnectors would produce a considerable push effect not only in bilateral terms, but it would increase the energy security for the whole V4.

In order to enhance coordinated energy diplomacy and negotiations with third parties (mostly importantly Russia) seriously consider the establishment of a Visegrád Energy Policy Secretariat.

As a part of V4 energy "Ostpolitik", provide the utmost assistance to the European Commission in current and future antitrust probes against Gazprom, coordinate negotiations on gas prices with Gazprom, and advocate for the transposition of EU market rules via promotion of ratification of the Energy Community and the Energy Charter in the case of Ukraine.

Poland

Strengthening the energy cooperation among V4 countries is important and it is a basis for further developments. Poland is aiming to cooperate in gas, oil, and electric sectors within the Visegrád members. As a result of arrears in infrastructure and regulations, Poland is aiming to work on memorandum on cooperation in the North-South corridor in Central-Eastern Europe. Moreover, Poland is systematically contributing in progressive works of regional cooperation in gas and oil sectors, including Eastern countries. During its presidency in the Visegrád Group, Poland aimed to work towards facilitating cooperation between inter-transmission system operators and institutions regulating implementations supporting the North-South corridor. Moreover, strengthening cooperation of the V4 states with the Eastern Partnership states is important to diversify sources of energy.

The Polish government strictly cooperates with V4 countries in gas and oil sector in areas of security. There are several promotional initiatives, exchange of experience meetings, or coordinating meetings where common stands are debated. Joint search for diversification is more likely the most important task for the Visegrád family. It is necessary that countries expand cooperation outside of their borders, including states for example Turkey,

Ukraine or Moldova, in order to maximise the cohesion of initiatives.

Cooperation in the electrical energy sector is crucial to improve the electricity flows within the countries. Exchange of information is needed to strengthen works on the electric infrastructure. Without strengthening solidarity among the Visegrád states, nothing can be achieved.

Hungary

More ambitious goals should be defined at the national level. Quick but well analysed financially backed and long-term decisions are needed to react fast and to keep up with the rest of the EU member states. More money should be spent on R&D and new innovative technologies that create added value and employment within the country.

Political stability and transparency just as a predictable legal framework within the country, are essential for foreign investors to plan on a long-term basis. Red tape and administrative burdens related to e.g. licensing, permit process, etc. should be eased and possibly erased.

The market mechanism strategies, policy instruments, and the system of state subsidies should be revisited. Efforts should be intensified to improve energy efficiency in all sectors, through abolishing subsidies for energy use, and replacing them with direct support to those in need.

In a regional perspective, Hungary should continue to play a leading role in the regional energy market integration, and to build on the existing regional synergies to improve security and flexibility of the energy supply.

Czech Republic

As for the recommendations, the new state energetic concept includes the 13 percent requirement, and is encouraging interstate cooperation. When one state could start building more production facilities and strengthening their infrastructure, this would allow them to reach the obliged criteria.⁴⁴ The Czech Republic should also continue the trend that was set during the last few years in strengthening the share of renewable sources on the energy mixture of the country. But if the Czech Republic doesn't want to repeat the same mistake as explained in the case of solar power plants, any steps to subsidize any type of energy type should be well-thought-out and planned.

Towards a common approach?

As we can see, all Visegrád members agree with a need of a common regional approach. In many cases the interests are nearly the same. All participants agree on the need of further development in the regional pipeline infrastructure, in order to gain more transit capacity which could strengthen the strategic position of the Visegrád countries. Coordinated energy diplomacy needs to be the next step, which could enhance the cooperation between the V4 countries. All member countries agree on the importance of regional cooperation, but unfortunately not all of them are willing to truly cooperate. However, without a common approach, the V4 countries could face serious economic risks.

The set-up of a common Visegrád Energy Policy Secretariat would be evidence for the need of a common energy security approach, and a new era of regional cooperation.

Annotations

¹ http://www.barenergy.eu/uploads/media/D13_Hungary.pdf (accessed 15 November 2013).

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The Role of Cultural Diplomacy in the V4 Countries

Art and culture are at the forefront of many countries' promotional efforts. These countries recognize that showing their cultural heritage provides them with an opportunity to show who they are and create a positive image, thus helping to achieve their political aims. Cultural diplomacy is also an important element of a country's foreign policy toolbox, which can deploy the country's soft power to promote national interests, to improve the attractiveness of the country, and to contribute to a government's "traditional" diplomacy. Cultural diplomacy enhances mutual understanding between different countries, different cultures and languages.

The interconnection between politics and culture highlights the concept of "soft power". Its father, Joseph S. Nye differs it from the so called "hard power", which is the ability to influence the behaviour of others to get the outcomes you want with the means of coercion or payments. In contrast, soft power aims to co-opt and attract people to do what you want. Basic resources of soft power are culture, political values, and foreign policies. It is obvious that the results of acting in this field are influenced by all the three key sectors: the public sector, the private sector, and the non-governmental/non-profit sector. Every single international activity of an official institution, private company, or independent organization contributes to the mosaic of the image of the particular country abroad, which also has been decentralized and fragmented in the Central and East European region after the political changes in 1989, when the independent sector in particular started its boom.

Institutional framework of cultural diplomacy in the V4

Hungary

Cultural diplomacy is a historical phenomenon and practice in Hungary. These roots go back to the era between the two world wars, when the first so-called "Collegium Hungaricum" were founded in Vienna, Roma, Berlin and Paris by the Minister of Education and Science at the time, Mr. Kunó Klebersberg. This was to ensure the presence of Hungarian scholars and elite in the given country via different scholarship-possibilities, and to function as main bastions of Hungarian cultural diplomacy. These centres worked successfully until the end of WW II.

After the change of regime, the affairs and institutions of cultural diplomacy belonged to the realm of cultural and educational ministries (which had several names in the past two decades), where different ministerial departments were responsible for the coordination of top governmental "tools" of cultural diplomacy, for the so-called "Hungarian institutes abroad" (functioning in several European countries). In 2007 the Balassi Institute¹ (previously responsible only for coordination of the Hungarian Studies) was enlarged, and the affairs of the cultural institutes became an organic part of the Institute. This Institute became the organizational centre for coordinating and directing all activities provided by the Hungarian institutes abroad. As a result, the name "Balassi Institute" (BI) became a synonym for the Hungarian cultural institutes. Since 2010 the BI belonged to the Ministry of Public Administration and Justice, but the Ministry of Human Capacities and its State Secretary for Culture also have a certain responsibility over the Institute.

In the Spring of 2014, the position of "state secretary on cultural diplomacy" was established within the realm of the Ministry of Foreign Affairs and Trade. As a result of the restructuring of the Foreign Ministry, the Balassi Institute became a subordinate body of this new cultural diplomacy department. As a result of these institutional changes, this year and the coming years will surely be an important turning point for Hungarian cultural diplomacy. However, it is too early right now to judge the results and consequences of this shift.

As a background institute of the Ministry of Foreign Affairs and Trade, the Balassi Institute plays a key role in the professional direction of cultural affairs. Similar to Germany's Goethe Institute or the United Kingdom's British Council, the Balassi Institute's main objective is to draw international attention to our common values, thereby establishing a quality-oriented image of the country in the world. Additionally, they strive to introduce the traditions and cultures preserved by Hungarians living outside of the borders to those living in Hungary and to the outside world.

As an organizational hub, the Balassi Institute – among others – coordinates and directs all activities provided by 23 Hungarian institutes located in 21 countries.² In Vienna, Belgrade, Berlin, Paris, Rome, and Moscow, the cultural institutes also function as a Collegium Hungaricum, a strategic bastion for Hungary's presence in the scientific life. In the past year, four new institutes opened in Istanbul, Beijing, Zagreb, and Belgrade. The goal of the

Hungarian institutes abroad is to promote and support Hungary's cultural heritage through the development of cultural diplomatic relations between Hungary and the given host country, the encouragement of international cooperation in culture and science, the furthering of Hungarian language education, and the introduction of Hungary's vibrant culture and society to foreign audiences by means of various cultural programs.

Another tool of cultural diplomacy is the Balassi Institute's "network of guest educators", which provides essential support for the teaching of Hungarian Studies and Language at foreign universities. Lecturers and guest educators are sent from Hungary to participate in programs at 33 universities throughout Europe, thereby laying the groundwork for cultural and scientific programs in the field of Hungarian studies. Furthermore, for more than ten years, the BI has been responsible for the publication of the so-called "Yearbook of National Anniversaries", a series that follows memorable national anniversaries in the areas of culture, science, public affairs, and sports as they occur throughout the year. These anniversaries and the dates of birth or death of well-known Hungarians have also been promoted by the cultural institute's events, which could result in a larger or stronger attention towards "Hungaricums" in the given countries.

The budget appropriation of the Balassi Institute for the year 2014 – which covers all of its activities, not only the costs of the cultural institutes – was only around 4.1 billion Forint, or approximately 13,5 million EUR. Finally, further important players of cultural diplomacy should be mentioned. First, the cultural attaches at the diplomatic missions of Hungary are entrusted with the responsibility to foster cultural and scientific relations. Unfortunately not all the embassies have a separate post for these activities. Second, the Hungarian Tourism Office, which has several representations around the world, and via its local centres and activities related to tourism contributes to the branding and mapping of Hungarian culture around the world.³ Third, the institutions on any given area (film, publishing, design, etc.) also actively contribute to the spreading and promotion of the Hungarian culture.

Czech Republic

On the level of state administration of the Czech Republic, we can evidence several institutions dealing with cultural diplomacy. From the administration's point of view, the Ministry of Culture is responsible for the whole cultural sector covering the promotion of Czech arts and culture abroad.

The Department of Foreign Relations in particular uses tools such as grant programs for the export of Czech artistic projects abroad, intergovernmental cultural cooperation agreements, and a special budget for so-called "priority events" (big international festivals, anniversaries of outstanding Czech cultural personalities, etc.). The priorities of Czech foreign cultural policy are the develop-

ment of bilateral cultural exchange and common projects with neighbouring states and European cultural powers, as well as contribution to an intercultural dialogue between Central and Southeast Europe, where the cooperation of the Visegrad Group ranks among the priorities. Other departments of the Ministry also indirectly support international cooperation projects, mainly through their programs of support for professional artistic bodies and grant programs (artistic creation, a special co-financing program for projects supported in the EC Culture/Creative Program, etc.). The Ministry of Culture also administrates twenty organizations such as museums, libraries, galleries, artistic bodies, and archives. In particular, the National Theatre, the National Gallery, and the Czech Philharmonic are key players for the continuity of Czech national identity and bodies for international representation. Special budgets for the promotion of Czech theatre, dance, music, and literature are provided to the Arts and Theatre Institute as one of the organizations administrated by the Ministry of Culture.

Czech regions and municipalities also have noticeable positions in the international presentation of the Czech Republic. Mainly, the most important cultural heritage centres elaborated their own cultural policy including international relations strategies (the City of Prague, for example).

Another key player in the field of cultural diplomacy is the Ministry of Foreign Affairs. Its department of Public Diplomacy administers not only diplomatic missions of the Czech Republic abroad, but also the network of Czech Centres. This network is comprised of twenty-three total centres, mainly located in European countries with the exception of Russia, Japan, South Korea, Israel, and the United States. Their main mission is enhancing the positive image and perceptions of the Czech Republic abroad. The operational conditions of each centre differ. Some of them can use their own premises for cultural events, but others operate on a very limited scale. Czech Centres offer language courses and scientific cooperation, but the main focus of their program is the exportation of Czech artists and artistic works. Budget cuts in last several years have been the biggest limit on the activity of Czech Centres in connection with the recent development of the Czech diplomacy, which centers its attention on economic diplomacy rather than cultural diplomacy.

Culture is also mentioned and used in activities of organizations established with the goal of fostering the economic and tourist sectors. In this field we can evidence Czech Tourism administered by the Ministry for Regional Development, and further Czech Trade and Czech Invest, both administered by the Ministry of Industry and Trade. Both institutions belonging under the administration of the Ministry of Industry and Trade were established in order to foster investment, business development, and the growth of Czech exports. They use strong symbols of Czech culture and identity in their activities and strategies, such as important and successful personalities

from the fields of politics, arts, and sports, but also some cultural attributes traditionally connected with the Czech mentality and history. Cultural heritage is predominately used in the promotion strategy of the Czech Republic by the Czech Tourism agency.

Generally, it could seem that the promotion and branding of the Czech Republic abroad with the help or partial use of arts and culture is systematically distributed well among different sectors and institutions. However, lack of synergy and coherence of the country's image building strategies abroad can be a disadvantage not only on the state level, but also in cooperation with independent, academic or commercial fields. This has unfortunately been the situation the last few years in the Czech Republic, when the global economy crisis weakened the position of the country internationally. This combined with financial cuts impeded the implementation of long term promotional plans.

Poland

Cultural Diplomacy is a very new term in the domain of Polish foreign policy. Although this term is used increasingly often by political scientists, communications experts, and politicians, it is still an area where there is relatively little known. With a debate currently under way on the subject of public diplomacy, it is worth reflecting on the role that could be played by culture and art in Poland's foreign policy. Currently, cultural diplomacy is not only a valuable ally of classical diplomacy but also its inseparable part or even its avant-garde. Culture is therefore intrinsically linked to the complicated history of Polish statehood, and there was a period when culture was the most important determinant of Polish national identity and sovereignty. Today culture is an element of Polish presence in Europe, and it is one of the best instruments for fostering international dialogue and the promotion of knowledge about our country in the world.

In this connection, cultural cooperation implemented by Polish diplomatic missions is linked closely with the objectives of Poland's foreign policy, and is becoming its most important pillar. One vivid trend is the selection of those aspects of Poland's rich culture that appeal the strongest to local audiences in individual countries. This difficult task lies primarily in the hands of our representatives at diplomatic missions across the world. These representatives know the specific character of a given market the best, so they know what the local people expect and what sort of art they would prefer. Furthermore, demand for art differs from area to area within the same country. As a result, the notion developed that Poland's cultural diplomacy is a valuable ally of classical diplomacy, its inseparable part, and sometimes its avant-garde.

Presently, the goals of Poland's cultural diplomacy are implemented by a group of experts, both in Poland and abroad. All actions aimed at the promotion of Polish cul-

ture have been coordinated by the Ministry of Foreign Affairs and the Ministry of Culture and National Heritage, and the two Ministries jointly set up the Centre of International Cultural Cooperation (the Adam Mickiewicz Institute) and prepared the guidelines of "Poland's foreign cultural policy and its priorities". This comprehensive promotion campaign resulted in various cultural events, such as Poland's participation at the World Exhibition in Hanover, at the Europalia festival in Belgium, Poland's Year in Austria and promotional campaign in Germany, and presenting our country at "Saisons culturelles" in France. The network of Polish cultural institutes abroad has gradually expanded. These institutes exist to ensure that Polish culture has a strong presence and is appreciated around the world. They aim at achieving this through public cultural events, pinpointing the most effective spheres, formats, and topics for promoting Poland, giving it international recognition and a competitive advantage. The activity of the 25 Polish Institutes is reinforced by Poland's local friends and promoters, who include people in positions of authority with the power to form public opinion. Each Polish Institute is well-versed in local interests and knows which groups to target in their promotional activities aimed at enhancing Poland's brand awareness and appeal. They also cooperate on an everyday basis with other national cultural organizations, such as the Polish Film Institute, the Fryderyk Chopin Institute, and the Adam Mickiewicz Institute.

Polish Institutes are subordinate to the Ministry of Foreign Affairs. Their primary task is to promote Polish culture and to foster better knowledge and understanding of Polish history and national heritage, as well as to support international cooperation in culture, education, science and social life. In many places, Polish Institutes also act as departments of Polish Embassies for cultural and scientific affairs. The key task of these institutions is to play the role of promotional offices operating on the basis of local infrastructure, rather than Polish culture centers. Additionally, the mission of cultural diplomacy is to effectively influence – to the greatest extent possible – local artists, experts and opinion-makers. Other key priorities of Polish Institutes include creating and maintaining close relations with local journalists.

Polish Institutes aim to build a group of future allies in order to boost the visibility of Polish culture – lecturers and students of Polish, Slavonic and Central European studies. They also work to deepen the involvement of Polish academic staff in the educational process of the given country. Structurally, each institute's agenda is implemented by teams of six to eight people, composed of a director and one employee delegated from Poland, two or three local experts with excellent knowledge of the local language and conditions prevailing in the given country, who maintain close relations with local cultural groups, as well as two support employees, subject to local conditions. This division ensures balance and in-depth knowledge of not only Polish culture, but also of local trends. Apart from the assistance provided by the Ministry of

Foreign Affairs, Polish Institutes are also supported by domestic cultural institutions involved in international cooperation, including the Polish Film Institute, the Book Institute, the Theatre Institute, the Fryderyk Chopin Institute, and the Adam Mickiewicz Institute.

Problems connected with cultural and scientific cooperation are also handled by a few dozen civil servants who hold independent diplomatic posts in Polish embassies and consulates. Even if a given embassy or consulate has no separate post to deal with these issues, one of the diplomats is always entrusted with the duty of foster cultural and scientific cooperation, and many ambassadors are directly responsible for this task.

Slovakia

The main body responsible for cultural diplomacy in Slovakia is the Cultural Diplomacy Department at the Ministry of Foreign and European Affairs. However, a close institutionalized cooperation, guided by a 2009 agreement, is in place between this department and the Ministry of Culture. The foreign ministry's website highlights that "cultural diplomacy is part of the foreign policy and one of the means to promote interest of a state, increasing the attractiveness and trustworthiness of Slovakia in the world." The Cultural Diplomacy Department does so mainly through a subordinated network of Slovak Institutes in selected European capitals (Berlin, Budapest, Moscow, Paris, Prague, Rome, Vienna and Warsaw). These detached offices aim at promoting Slovak art and culture in order to create a positive relations with the foreign publics. Their activities include exhibitions, concerts, debates, expert workshops, theatre, and books and films presentations.⁴

According to the 2009 agreement, cultural diplomacy of Slovakia and the responsible bodies (including the Slovak Institutes) is guided by a joint interdepartmental group in which both the foreign and culture ministries have equal representation of three people. The group "proposes joint priorities of the cultural presentation in line with the foreign policy priorities of the Slovak Republic, coordinates cooperation on joint projects, cooperates on the preparation of strategic, conceptual and informative documents related to the presentation of culture abroad and of the cultural dimension of diplomacy, as well as evaluates cooperation of the two ministries in the realm of cultural presentation."⁵

A widely used communication channel and opportunity is the commemoration of important anniversaries, such as the 2013's 20th anniversary of the creation of the Slovak Republic and the 1150th anniversary of the arrival of St. Cyril and St. Methodius to Grand Moravia, which resulted in the adoption of Orthodox Christianity and writing by the Slavic peoples. 2014 highlights include the 10th anniversary of the EU and NATO integration, the 100th anniversary

of the World War I, and the 25th anniversary of the Velvet Revolution.⁶

Two other bodies subordinated to the Ministry of Economy also act to present the Slovak Republic abroad: SARIO (Slovak Investment and Trade Development Agency) aims at "designing and using all kinds of stimuli to increase the influx of foreign investment while promoting Slovak companies in their effort to transform into high-performance subjects successful in the globalized world market"⁷, while SACR (Slovak Tourism Board) "markets tourism at the national level, provides information on travel opportunities in Slovakia, promotes Slovakia as a travel destination, contributes to creation of a positive image of Slovakia abroad and supports the sale of travel products of the Slovak Republic and is authorised to officially represent the country abroad and establish detached offices both at home and abroad".

Priorities of inter-governmental cooperation in cultural field in the V4 countries

Visegrad Group's cooperation in the field of culture is intense and regular. Every year V4 organizes meetings of ministers of culture and experts. The goal of these meetings is to formulate together aims of the cultural politics in the member states. The most important goals are fostering shared cultural heritage of Central Europe and creating an environment for many varied projects in the field of culture.

Cooperation in the V4 framework enables the Czech Republic, Slovakia, Hungary, and Poland to identify already existing problems in the cultural sector – in the Central European context, as well as in the context of European Union membership – and to look for common solutions, especially in the field of cultural promotion and branding. Within the EU, the pivot of V4 countries' activity is to enrich the spectrum of cultural activities and projects and strengthen European identity of the Group by sharing a creative dialog with Europe.

International Visegrad Prize

The International Visegrad Prize was established during the meeting of the Ministers of Culture of the Visegrad Group in the Hungarian city Sarospatak in November 2004. It is awarded for contribution to the development of cultural cooperation between the V4 countries. The winner of the International Visegrad Prize receives a diploma, a statuette, and 20 000 €. The winners of the previous editions are: 2005 – László Szigeti (Hungary), 2006 – International Cultural Centre in Cracow (Poland), 2007 – International Festival Theatre in Pilsen (Czech Republic), 2008 – György Spiró (Hungary), 2009 – Vladimír Godár (Slovakia), 2010 – the Villa Decius Association (Poland),

2011 – Jan Amos Komensky Museum In Uhersky Brod (Czech Republic), 2012 – Hungarian National Philharmonic Orchestra (Hungary), 2013 – TV Magazine „Quartet” (Slovakia).

Presidency programmes and goals

The pillars of Visegrad Group cultural cooperation are ministers of culture meetings, flagship projects coordinated by governmental agencies, determining common challenges for development, and the International Visegrad Prize. The Visegrad Group's cultural diplomacy is focused on a shared cultural experience. The actions and initiatives aim to create cooperation within the member states. For the external initiatives presenting V4 countries as a homogenic group, special programmes are being made. Their format is always "V4+", such as "V4+ Japan" or "V4+EaP".

Programmes of presidencies constitute the framework of future fields of activities. Every year one of the V4 countries presents a programme of its presidency in the group. The programme includes list of ongoing projects as well as new initiatives, mainly coordinated by governmental cultural institutions.

The country which holds presidency is also obligated to organize the meeting of ministers of culture from all four member states. The analysis of the presidency programmes from the year 2000 shows the change in the cooperation in the field of culture. The early years' programmes were general guidelines for possible initiatives. They did not contain any particular scheme of work for the upcoming years, although there were undoubtedly various different events made with the support of the Visegrad Group.

In this period of time, V4 was defining future mechanisms and structures which were supposed to organize future cooperation. One of many worth mentioning is an annual meeting of ministers of culture from all member states of V4. Another important one could be the International Visegrad Prize (described above).

Finally, the early years were the time to develop statutory aims, priorities, and the main goals which were indicating the development of future cooperation. One example could be the expert meeting on joint PR projects in the European Union countries. This type of project shows fundamental reason for the Visegrad countries' informal union- the cultural impact and significance of the individual country was much weaker than of the united group. This was especially important in the years preceding accession to the EU.

That leads us to the theme of EU which is very visible in the presidency programmes. All of them include aspects of cooperation which were supposed to help in joining the European Union. The common projects were supposed to

promote and present the candidates for new members. After accession, the priorities have changed. The most emphasized are currently financial matters. Countries now pay more attention to issues like the EU funds or proposal of common strategies for the negotiations of the EU multiannual Financial Perspectives.

Nevertheless, Visegrad Group has continued to work on joint statements in the cultural politics within the European Union, mainly regarding the acknowledgement of the role and eligibility of culture. The idea of common standpoints to make the voice of Central Europe more forceful and meaningful has remained the most important part of each Visegrad country's presidency.

Another significant organization which strongly influences the work in the field of culture in V4 countries is UNESCO. One of the most important reasons for close cooperation with this organization is the special role of cultural heritage in the Visegrad Group. The cultural heritage is one of the strongest links between V4 countries, and is an intensively explored topic when it comes to shared projects. It has been embraced by the countries and it is a fundament of their collaboration. Every presidency supports the activities of the Working Group for Culture Heritage in the V4 Countries and their new proposals. During annual meetings the representatives from all countries exchange experiences and discuss regular projects such as the Summer School for Managers of UNESCO World Heritage. Apart from heritage, the fields that have been intensively explored are film, performing arts, creative industries, collaboration of libraries, and digitization. Some of the mentioned fields of cooperation may appear more as a "daring search" for new perspectives than an establishment for long-term projects. Nevertheless this type of intellectual search for ideas might be enlivening for the V4 Group.

Another frequently appearing point in the presidency programmes is designated anniversaries and dedicated years such as in 2010 "Common programmes of dedicated years of the famous composers – Fryderyk Chopin and Ferenc Erkel" or in 2012 the "Bruno Schulz anniversary". The V4 group also shares designated anniversaries with European Union such as The European Year of Creativity and Innovation in 2009, or The European Year of Voluntary Activities Promoting Active Citizenship in 2011. Through such actions, countries underline, promote, and support values shared by them: intercultural dialogue, cultural diversity, and cooperation of border regions.

Finally, presidency programmes include many projects coordinated by cultural institutions. Some of them were successful enough to be continued in the next years, such as PACE.V4, "Performing Arts Central Europe – Focus on Visegrad Countries", but some of them were not even started, like the Visegrad Children's Book Prize. This clearly indicates that the presidency programmes are not binding and they depend on many factors, such as success of the project.

European Capitals of Culture in the V4 region

The objective of the European Capital of Culture (ECC) programme is the promotion of greater mutual acquaintanceship and intercultural dialogue between European citizens. The ECC plays a crucial role in searching for the new identity of united Europe. All of Europe's attention for one year focuses on cities hosting the ECC event. They are offered a unique chance and may contribute to solving the issues which are important for our continent, as well as accelerate their development and promote themselves effectively.

Pécs 2010

In the year 2010, the third European Capital of Culture was Pécs, a south-Hungarian city located next to Istanbul and Essen. This gave the city and country a unique chance to gain higher attention and to brand its strengths and its 'hungaricums'. The aims of the Pécs2010 project were to create and support new international artistic, urbanistic, social and inter-disciplinary projects; to provide opportunity for culture of minorities, to initiate multi-ethnic projects; to promote artistic and cultural exchanges on local, regional, national and international levels; and to strengthen and involve the civil society.

Four main projects were in the focus of, and has been financed and planned for "Pécs2010": The opening of the South Transdanubian Library and Knowledge Centre, the opening of the Kodály Centre, a multifunctional concert-hall with a unique acoustic characteristics, the renewal of the Zsolnay ceramic factory and establishment of the "Zsolnay Cultural Quarter", and revitalisation of the city's public spaces and parks.

Additionally, during 2010 a series of cultural events, festivals, exhibitions and concerts followed one another. The Fringe Festival that took place at multiple venues – streets and squares – was a huge success where amateur artists got the chance for introduction beside those who were already popular and famous. The president of the CinePécs international film festival was the world-popular Jiří Menzel. A wide-scale circus and street-theatre series of events took place starting in the middle of summer, while the adult puppet festival was held in August and the international dance festivals were organised in September.

Since Pécs has historical relics from the time of the Turkish occupation dating back to the 16th and 17th centuries, the connection between Istanbul and Pécs was easy to make. A one-month-long general arts festival entitled 'Travel around the Turkish Crescent' gave insight to the local variations of Turkish culture. Essen and the Ruhr Region have also taken part in countless concerts, scientific meetings, and exhibitions in the Pécs2010 ECC

Programme. The different nationalities dwelling in Pécs – Greek, Romany, Serbian, German, Croatian, Polish, Ruthenian – also got a chance to give performances during their own festivals in the spirit of tolerance and acceptance. The Pécs2010 could truly contribute to the involvement of civil society and local NGOs into the city's life and programs.

In the framework of Pécs2010 was an outstanding and unique investment project was realized that resulted in creating a new cultural "city" within the city, namely the Zsolnay Cultural Quarter.² The still active parts of the porcelain factory were all moved into the eastern part of its premises, so the 50,000 square metres of the former manufactory was fully rebuilt and renovated, and provided more space for outstanding cultural and artistic venues in Pécs.³

The original aims were met via the realisation of the project, however the evaluation about the long-term repercussions is twofold. The evaluation – among many successes, and positive indicator – lists certain missing potentials, innovations, and possibilities, which could not be utilized by the different players of the city.⁴

Krakow 2000

Poland's participation in the ECC programme dates back to the year 2000, when the European Union put a lot of effort into strengthening cultural bonds throughout the world. For this purpose as many as 8 cities were selected to co-hold the title of the European Capital of Culture. It was Cracow that became the Polish ECC.

The main motivations behind the city bidding to become Capital of Culture were to provide stable funds and direction for culture in Cracow, to promote Cracow internationally, to attract investment from the state and abroad, and to contribute to Poland's image in its aspiration to join EU. The official missions and broad aims were to present to an international public the unique role of Cracow as a cultural centre for Poland and Europe.

The objectives rated as having the highest importance were raising the international profile, long-term cultural development, and running a programme of cultural activities. These next rank of importance included cultural infrastructure improvement, attracting visitors from abroad, economic development, growing and expanding local audiences for culture, and encouraging artistic and philosophical debate. Finally, other objectives included celebrating an anniversary or the history of the city and developing the talent/career of local artists.

Sector	Events in the official Cracow 2000 programme	Events "held as part of the main schemes"
Visual arts/exhibitions	32	76
Music	20	106
Interdisciplinary	13	144
Theatre	9	136
Shows/spectacles	7	7
Dance	4	58
Literature	2	22
Other	12	25
CRACOW 2000 TOTAL	100	574
Oponcza ('Cloak') project	21	82

The most important infrastructural projects were the renovation of the Cultural Information Centre, Villa Decius palace and park complex, Museum of Civil Engineering (an old tram depot), and part of the city rampsarts.

Wrocław 2016

Wrocław will become Europe's cultural centre for the period of one year in 2016. During this time a lot of festi-

vals, concerts, conferences and other artistic and cultural enterprises will be held; they will attract the attention of the inhabitants of the city, region, and country as well as of the entire continent. The motto of the bid, "Spaces for Beauty", was well translated into the city's objective to affirm and further develop the multi-ethnic and multicultural past of this European city by focusing very specifically on intercultural and interreligious dialogue as well as cultural development and social inclusion.

The convincing programme's main goals were to improve social cohesion as well as education in culture and art, to enhance the participation of people in culture, to foster creativity, and to have the city better known internationally. The advanced process of urban revival through culture was achieved through important cultural investments already made in the city - many of which are already completed or under way - and was based on a convincing long term cultural strategy, accompanied by its well-developed links with cities in neighbouring countries. The energetic and cosmopolitan leadership of the city, together with the political and administrative support of the programme and the very dynamic business sector, seemed to provide the necessary stability for the rather complex governance system of the 2016 project.

According to the latest assignation between the city of Wrocław and the Ministry of Culture and National Heritage, financial support for the program of the European Capital of Culture 2016 will be divided into two instalments. In 2015 Wrocław will obtain a specific subsidy for the organization ECoC 2016 of 20 million PLN. The multi-annual financial program, European Capital of Culture, will also be supported for the years 2016 to 2017. The expected amount for this program is approximately

Budget (Euros)

	1996	1997	1998	1999	2000	TOTAL
OPERATING INCOME						
National government	251.988	285.903	796.580	1.880.293	3.162.363	6.377.127
City	551.574	664.656	724.618	909.518	1.441.866	4.292.232
Sponsors/festival income	45.638	60.851	438.064	465.734	1.093.290	2.103.577
TOTAL OPERATING INCOME	849.200	1.011.410	1.959.262	3.255.545	5.697.519	12.772.936
OPERATING EXPENDITURE						
Administration, office and wages	-	-	-	-	414.000	-
Promotion and marketing	-	-	-	-	1.346.000	-
Programme	-	-	-	-	3.940.000	-
TOTAL OPERATING EXPENDITURE	-	-	-	-	5.700.000	unknown

99 million PLN. By law, the operation of the multi-annual program may be established only in cooperation with the Ministry. The operator of the measures for realisation of ECoC 2016 will be the National Forum of Music company. The agreement with the Ministry and the decision on financial support for the ECoC program for cultural development in different regions of Europe is always a crucial moment for each project, and it represents an important milestone for its implementation.

Košice 2013

The city of Košice, located in the eastern part of Slovakia, won the title of the European Capital of Culture in 2008 with a project entitled Interface 2013. In 2010, the government decided to invest amount of €60 million from the structural funds in the project. Besides that, the government decided to spend additional resources for cultural events in the following amounts: 166 thousands in 2009; 1.2 million in 2010; 2 million in 2011; 3.3 million in 2012 and 3.3 million in 2013.⁵

The main goal of the project was to support the creativity of talented people and thus promote the development of the creative economy. According to the plan, Košice, one of the industrial centres of Slovakia, should become a post-industrial city. This should be achieved through an interconnection of economy "with art which is the best way how to promote creative industries, such as design, media, architecture, music, film-making, ICT, computer games and creative tourism."⁶

The main investment projects include a new creative, educational, and relaxing quartier "Kulturpark" build from the old military barracks; SPOTs community centres transformed from old heating centres located in the city's neighbourhoods; Kunsthalle in the old building of swimming pool; and the reconstruction of city parks, castle, chateau and the cathedral.

International Visegrad Fund

Interpretation of funding results of cultural cooperation within and outside of V4 region:

Beginning with the first Small Grants deadline in 2014, some basic conditions were laid out within the Small, Standard, and Strategic Grant change. Its requests that all applicants – especially those who are re-applying – carefully read the new rules (rules for Small, Standard and Strategic Grants), as well as the Grant Guidelines. Grant projects submitted in 2013 and earlier follow the rules valid at the time of their submission.⁷ Following are the main changes in the grant process and an overview of the principal budgetary limitations in each program.

The Fund covers up to 80% of total project costs within

Small and Standard Grants, and up to 70% within Strategic Grants. The remaining 20–30% of the budget shall consist of other financial (the applicant's, partners' or other donors' financial contributions) or non-financial contributions.

The organization or volunteer work of the applicant and the partners, as well as other operational costs, are considered a nonfinancial contribution and shall be included in the budget.

The Visegrad Artist Residency Program was created in 2006 for the purposes of facilitating art mobility and exchange for citizens of the Visegrad Group (V4) countries. Starting as a general artist-in-residence exchange, the program grew into three separate subprograms:

- VARP – Visual & Sound Arts (individual mobility within the V4 region)
- VARP – Performing Arts (individual and group mobility program focused on scenic arts)
- VARP in New York (individual artist in residence program in Brooklyn, NY)
- Visegrad Literary Residency Program (individual residencies within the V4 region)

In general the following conditions are necessary for every applicant: The right funding results of cultural cooperation show the International Visegrad Prize⁸ – also known as the "Visegrad Cultural Prize" – is awarded on an annual basis in appreciation of support rendered to and the development of cultural cooperation of the Visegrad Group countries.

Tendencies and trends in funding

It is very important to define the tendencies of society, policy, and culture that are leading global change in Central and Eastern Europe, in addition to supporting regional development by each focused project. Each subject is different from its own base source, and the timeframe following the trends into the future will be useful for society. Some of these trends are evidence of a coming change though, such as the project PACE.V4 – Performing Art in Central Europe. Supported by the Visegrad Fund, the project has now entered its final stage, part of which we are releasing a special issue. It is a continuous project of the Czech Theatre Institute, the Hungarian Theatre Institute and Museum, the Polish Institute of A. Mickiewicz, and the Slovak Theatre Institute. The main idea of PACE.V4 is to present performing arts in V4 countries, not only by producing performances by selected ensembles from the Czech Republic, Slovakia, Hungary, and Poland, but also by running lecture series, stage readings and small music events. Looking back at the four presentations on the various types of events, it seems that this ambitious goal has been achieved. Moreover, we are continuing with

new forms of presentation and new cooperative projects, such as anthologies of theatre plays from V4 countries in Spanish. Every stage of the project justifies the relevance of our activity.⁹

V4 as brand, (self-)image of the IVF



„A brand is more than just a logo – it is the emotions, values, and connotations behind the graphic symbol. Does the designation “International Visegrad Fund” evoke the members four countries of V4? It is a graphical symbol of the geographical capital cities’ positions. Could we make a better and more known brand? Could the creation of a brand usher in a new vision of Central Europe? Finally, is it really the logic of the market, of supply and demand, that should be the deciding factor of political projects and cultural exchange? Today, national and regional brands pop up on a mass scale: nearly every city has its own logo and boasts a slogan. Yet, very few of these identities leave a lasting impression, arouse strong connotations, or bind our emotions to the given territory. Using market logic in reference to national identification only goes so far. A brand is, above all, an expression of certain values, a condensation of “user” expectations embodied in a graphic symbol. It is also a manifestation of us being different from the rest. The paradox lies in that a good brand is both unambiguous (embodies certain idea or vision enabling the consumer to decipher the values behind the product) and enigmatic – unpredictable, awakening imagination, intriguing. Only when it fulfils the latter does a brand become memorable.

„Common symbols include flags and sashes, suns and sunflowers, and butterflies and sea waves. Their dynamics and colours reflect the tourism options available (sea, mountains, greenery). An examination of these logos shows that, aside from the mass of national colours, there is another element at play. They all attempt to create the impression that they belong to the realm of the market; that countries are not nations, but modern corporations. National logos only differ from corporate ones by trying to mean too much or, on the other end of the spectrum, by distancing themselves from any clear, unequivocal associations. Is it even possible today to imagine a logic other than the market logic that is rooted in competition, cost reduction, and pro fit maximisation? Such driving forces are equally present in the realm of culture which, it may seem,

constitutes a different type of order and is governed by different rules. It is increasingly apparent that in politics and politically-dependent finance the word “culture” is being replaced with the term “creative industries”, which can be generally interpreted as indicating that market forces are being applied to the realm of culture. The logic governing creative industries increasingly permeates the field of national identification. The slogan of Poland, “Move Your Imagination”, belongs to the very same category. Doesn’t it also belong to the category of catchphrases and intense colours that do not relate to anything specific, failing to identify difference and emphasise a unique character?”¹⁰

Timeframe: What is possible to do – last 15 years?

Are our chances of success in the competitive national brand market better if we enter it as a group? „Why should one section of the European Union be different from the others? Could this not foreshadow the fracturing of the European Union into smaller, regional political agendas? Its inherent aim involved reciprocal support in efforts to join the European Union and Western European security structures. But both goals have been achieved. It was never possible to fully utilise the structure towards other goals or to generate a new concept to branding countries blossom within the existing framework, a project that would breed a collaborative effort. In this aspect, the problems of the Visegrad Group seem to be consistent with the dilemmas accompanying the multiple deliberations on the subject of Central Europe. The abundance of literature on the region has not been exploited to alter the political and cultural reality. Over the course of the last few centuries, Central Europe has never emerged as an entity culturally strong enough to transcend the East – West dichotomy.”¹¹

Difficulties of the Visegrad Group are also linked to the geopolitical circumstances that do not necessarily correlate directly with historical experience or matters of identity. Today what is most needed is a new task. The key is to identify an interesting perspective for the future, new challenges, and new goals. The question is whether we will be able to come up with new goals and worthy tasks, because that is what will enable us to see the region’s potential. That is no doubt greater than we believed for over the past thirty years when we successfully carried out economic, social and political modernisation on a presentation and support of cultural, industrial and economical diversity of the V4 region and Central Europe;

Support for regional industries, production, and companies’ synergy and cooperation with other European countries regional policy. Regional development is the most important element currently, and is influenced by the European Union’s norms and rights supporting globalization. Anyway, globalization is a common phenomenon around the whole world. There are suppressed traditional habits and cultural thinking by citizens, and in

the last fifteen years electronic development has shifted to displacement of cultural values and planning for our next generations.

Recommendations

Cultural diplomacy is an important element of any country's foreign policy. In the era of austerity, the regional groupings, such as the Visegrad Four could provide additional framework for the four countries' promotion abroad. The same logic behind an agreement to establish a diplomatic representation in the form of the Visegrad House in Cape Town could be applied in the field of cultural diplomacy. Visegrad countries should explore the possibility of sharing existing cultural institutes that are struggling with insufficient money, or even building new joint V4 cultural centres on a collaborative basis.

The Visegrad countries should also continue their practice of intensive and regular cooperation in the form of ministerial and expert meetings. Their aim should be to coordinate national cultural diplomacy policy so that they create synergies and support the brand of Central Europe and the Visegrad Group. A tradition of joint Visegrad cul-

tural events abroad should be established to improve the visibility of the region, increase the effectivity, and improve participation and media coverage. Future applications for the European Capital of Culture should include regional elements in both the historic narrative and planned investments and cultural programme activities.

Additionally, an element of tourism promotion should always be included in the Visegrad countries' cultural diplomacy activities abroad. The four countries should also explore the possibility of elaborating a joint regional plan in support of tourism aimed at the presentation of the region, especially in the countries where our individual efforts are significantly limited by the amount of financial resources.

Finally, special attention should be paid to intraregional cultural diplomacy, especially the promotion of each other's culture beyond the capital cities. Activities organized in other major cities or even in the countryside might have positive effects on the improvement of mutual relations, because they would reach the population that is not exposed to the multicultural environment on a daily basis.

Annotations

¹ The Balassi Institute is named after Bálint Balassi (1554–1594), who was a Renaissance lyric poet and regarded as a Hungarian in the deepest sense, the first to write the words "my sweet homeland" in reference to Hungary, a phrase which became a renowned canon of patriotism in Hungarian literature throughout the centuries that followed. Born into one of the wealthiest and most powerful noble families of the country, with strong ties to the Habsburg court, Balassi was educated by the Protestant reformer Péter Bornemissza and was already writing notable verse at a very young age. Unfortunately, his short life was marked by financial ruin and a series of social failures: an unhappy marriage, unrequited love, slander, legal troubles and a less than prominent military career. He died early in the war against the Turkish occupation of Hungary during the siege of Esztergom.

²K. Andzsans Balogh, "The Road to Hungarian Energy Security," IAGS Journal of Energy Security (March 2011), http://www.ensec.org/index.php?option=com_content&view=article&id=278:the-road-to-hungarian-energy-security&catid=114:content0211&Itemid=374 (accessed 15 November 2013).

³Balassi Institute, International Directorate, <http://www.balassiintezet.hu/en/international-relations/> (accessed 14 October 2014).

⁴https://www.mzv.sk/sk/ministerstvo/kulturna_diplomacia (accessed 14 October 2014).

⁵The Slovak Republic. Ministry of Foreign and European Affairs, Dohoda medzi Ministerstvom zahraničných vecí Slovenskej republiky a Ministerstvom kultúry Slovenskej republiky o spolupráci pri zabezpečovaní úloh kultúrnej diplomacie a prezentácie slovenského umenia a kultúry v zahraničí (2009). Available at [https://www.mzv.sk/App/wcm/media.nsf/vw_BylD/ID_CB414BC742BFAAF8C1257C470048D962_SK/\\$File/dohoda_o_spolupraci_MZV_a_MK.pdf](https://www.mzv.sk/App/wcm/media.nsf/vw_BylD/ID_CB414BC742BFAAF8C1257C470048D962_SK/$File/dohoda_o_spolupraci_MZV_a_MK.pdf)

⁶https://www.mzv.sk/sk/ministerstvo/kulturna_diplomacia (accessed 14 October 2014).

⁷Slovak Investment and Trade Development Agency, About Us, <http://www.sario.sk/en/about-us> (accessed 14 October 2014).

¹<http://www.pecs2010.hu/en/> (accessed 14 October 2014).

²<http://www.zsolnaynegyed.hu/index.php?nyelv=english> (accessed 14 October 2014).

³In the Quarter the visitors can be acquainted with history of Zsolnay family and factory and the neo-roman building of the Zsolnay Mausoleum can be visited. In the Zsolnay Live Manufacture it is possible to witness the more 150-year-old production processes of the Zsolnay Manufacture. In the former Sikorsky villa the private Zsolnay collection of Dr. László Gyugyi is exhibited, comprising of around 600 pieces represents an unparalleled value.

⁴Elemző értékelés a Pécs2010 Európa Kulturális Fővárosa program tapasztalatairól (July 2011), http://ekf.afal.hu/user-files/file/ekf_elemzes.pdf (accessed 14 October 2014).

⁵Košice 2013 – Európske hlavné mesto kultúry, Krátka história projektu, <http://www.kosice2013.sk/o-nas/kratka-historia-projektu/> (accessed 14 October 2014).

⁶Wikipédia. Slobodna encyklopedia, Košice – Európske hlavné mesto kultúry 2013, https://sk.wikipedia.org/wiki/Ko%C5%A1ice_-_Eur%C3%B3pske_hlavn%C3%A9_mesto_kult%C3%BAry_2013 (accessed 14 October 2014).

⁷<http://visegradfund.org/grants/> (accessed 14 October 2014).

⁸<http://visegradfund.org/media/international-visegrad-prize/> (accessed 14 October 2014).

⁹http://www.theatre.sk/uploads/Kod/annual%20in%20English/kod2013_V4_vnutro.pdf (accessed 14 October 2014).

¹⁰Ibid.

¹¹Ibid.

Can the Eastern Partnership Region Live up to Visegrad Example?

Launched in May 2009, Eastern Partnership (EaP) embodies a more narrow European Union approach to its Eastern neighborhood. With a primary goal of expanding political and economic ties between EU and the six partner countries (Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan), EaP was envisioned as a framework for deeper cooperation and eventually, EU integration. EaP, as well as European Neighborhood policy (ENP), the more general structure of cooperation, derives from the constant need of reassessing EU's normative power. By "exporting" its values and standards, EU legitimizes its domestic construction and ensures lower costs of interaction with external world.¹ By means of political association and economic integration, EU ensures the europeanization of its neighborhood. As a result of conditionality, socialization or lesson-drawing,² EU already gained the status of "missionary" normative power by relying soft power mechanisms only. The logic of attractiveness works well in persuading EaP countries of the rationality behind adopting EU values and standards.

Despite this EU normative power approach, EaP was primarily conceptualized by EU eastern member states (Poland, Sweden, Baltic States, Czech Republic). Thus, certain security concerns were also attached to the soft power logic. By making the proximate neighborhood predictable and stable, these countries gained a degree of certainty

concerning their eastern borders. On the other hand, EaP epitomizes their contribution within EU decision-making and their response to the launching of Mediterranean Union. EaP exemplified their intra-EU visibility³ dressed in a "sharing experience" cloak. The common socialist past and the painful road towards reforms, serves as a rational argument in making EaP a fruitful ground not only for the europeanization exercise, but also for developing Central and Eastern Europe (CEE), plus Sweden – EaP cooperation towards European integration.

Despite being an EU project, EaP countries also represent a region with common past and similar political, social and economic problems. Thus, a number of questions with major political ramification arise. Is there room for a common identity of EaP countries? Can these countries develop a common foreign policy mechanism in advancing their relations with EU? Can these countries surpass the tag of being an outside-born mechanism of partnership and build-up an intra-regional framework of cooperation?

**"Return to Europe" vs.
"Rapprochement to Europe"
GUM – "new Visegrad"?**

Five years from its inauguration, EaP become a two-tier frame of cooperation. Moldova, Georgia, Ukraine signed and ratified their Association Agreements (AA) and DCFTAs, thus, making their choice for European integration and their commitment to pursue structural reforms clear. The other half of EaP countries either showed no interest in advancing their relation with EU (Belarus and Azerbaijan) or changed their option for other economic integration structures. Beside their preference in slowing down the path of reforms (Armenia, Azerbaijan) or choosing the “no EU reforms” option at all (Belarus), there is a trend of opinion rooted in the socialist past that European values clash with local ethics.⁴ Respect of sexual minority rights or religious non-discrimination coupled with general values of democracy and economic pluralism are not suited for the local cultural background. Certainly, there are significant “domestic veto players” which only identify EU with LGBT rights, but still this was not the main reason for choosing a more diluted way of cooperating with EU. The choice these countries made suggest that “EU’s attractiveness” can still be countered by other poles of power and that these countries, due to their political construct, are not yet prepared to undertake costly reforms for still a blurred membership perspective.

So, there remain three “prominent pupils” – Moldova, Ukraine, and Georgia (GUM) that are committed to their European choice. Based on this common foreign policy goal, can these countries develop a common identity and cooperate on their own in achieving EU or/and NATO membership? Can GUM share the Visegrad Group “raison d’être,” i.e. European membership? In addition to its primary goal of furthering European integration, Visegrad Group was also designed as a framework for advancing intra-group military, economic and energy cooperation.⁵

These efforts were rooted in a common foreign policy identity of “return to Europe” – return to democracy, liberal economic and social order.⁶ Return to values already experienced by CEE countries during the inter-war period. In case of GUM countries, there was no such previous experience of sovereignty and “free choice” before the fall of USSR. Thus, “return to Europe” identity can be substituted by “rapprochement to Europe,” based on their free and voluntary choice of EU association and economic integration.

Beside their shared common past, GUM countries experience common security concerns coming from Russia’s “neuralgic imperial hangover”.⁷ The recent destabilization in Ukraine reminds Georgia and Moldova about their separatists regions and security drawbacks. Are this security needs sufficient to foster a regional security alliance? Being a military neutral country, Moldova will hardly renounce its current status for an uncertain regional alliance with few security guarantees. Georgia and Ukraine are also more eager to find security protection under the umbrella of robust political-military structures, rather than be engaged in weak regional security groupings.

Can thus, European integration and commitment to EU values cultivate a sense of regional common identity? The magnetic power of europeanization incites the governments of these countries to pursue reforms supported by the majority of population who favor European integration. Europe’s attractiveness, coupled with tangible incentives (such as visa liberalization), created a desired “European we” vs. a “post-Soviet other” identity dilemma. European membership can mitigate the post-Soviet labels of democratic transition, high-level corruption, monopolized economy etc. Based on this eagerness to overcome such stereotypes, GUM countries can create a regional model of active EU integration and adherence to EU values and standards, in contrast to “the second EaP tier.” But, is a “rapprochement to Europe” foreign policy identity strong enough to foster intra-regional cooperation? Can this identity be irreversible?

Why is cooperation unlikely?

Despite the fact that European integration is the choice of the majority in GUM countries, important “domestic veto players” still make the process hardly irreversible. Ratification of AA and DCFTAs, coupled with the reward of visa liberalization (in case of Moldova) on the backdrop of increased assertiveness from Russia, make GUM countries ever more determined to an irreversible path. There is little chance that the process of adjustment to EU legal requirements and implementing serious reforms will be overturned for the sake of another option of economic integration (i.e. Eurasian Economic Union).⁸ This will bring not only serious adjustment costs, but also major popular upheavals (as was the case in Ukraine).

Both Tbilisi and Chisinau governments learned the “Yanukovich lesson.” Even if this were enough to make the European path irreversible, it is not sufficient for building a strong and consistent “rapprochement to Europe” identity. “Rapprochement to Europe” is not only associated with tangible rewards from EU but also with important structural changes inside these countries. EU’s “more-for-more” principle seems to be exhausted. The ratification of AA and DCFTAs, together with visa liberalization process, were perceived as the main incentives for reforms. Now that these incentives no longer apply, there is an expectation for new “carrots” from the EU side (i.e. labor market access, membership perspective etc.). On the other hand, there is a perception that rewards offered by the EU and the speed of signing and ratifying the AA and DCFTAs were triggered mainly, firstly by the need to make EaP a success story and later by the Ukrainian crisis. Therefore, real reforms did not matter so much. All GUM countries relapsed on their corruption perception index in 2013 compared to 2012.⁹

Nevertheless, all three countries concluded AA and DCFTA negotiations in 2013, despite serious high-level corruption scandals in Moldova and Georgia. In such circumstances, EU as a normative power compromises itself and brings

about disapproval of GUM countries' electorate, who are mostly eager to see serious structural reforms. Without firm conditionality from the EU, "rapprochement to Europe" identity risks losing its attractiveness.

On the other hand, the still fragile "rapprochement to Europe" identity is not the only cause for weak intra-regional cooperation. In order for GUM countries to become a unified cooperation bloc, there is a need for strong interconnections. Georgia is geographically isolated from Ukraine and Moldova, furthermore there seems to be no other mechanisms of cohesion. Visegrad group countries, besides their European integration goals, had a considerable degree of intra-group trade exchanges. GUM countries occupy a small share in each other's trade balances, which does not allow for an economic interdependence,¹⁰ but even fosters regional competition. This competition varies from energy security concerns (competing energy projects), access to sea routes (the case of Giurgiulesti port construction),¹¹ access to EU assistance and maintaining strong EU interest in each particular country. By taking advantage of each others' weaknesses, each country tries to excel in front of Bruxelles in order to be rated higher on the EaP progress index, surpass others and receive better rewards.

Another major factor inhibiting regional cooperation is the security concerns. Even if all three countries face serious security threats to their territorial integrity, few signs of solidarity and support have gone beyond a declarative level. Reluctance to be involved in each others' difficult security milieu is manifest by the unwillingness to annoy Russia. Thus, any signs of solidarity will be reduced to formal declarations and, at best, to high-level visits of support.

Conclusions

Under these circumstances, it is highly unlikely that GUM countries will develop a level of cooperation that could live up to a new Visegrad group in Eastern Europe. Intra-regional cooperation is inhibited by the competitive nature of EaP policy and by the difficult security and geopolitical context in which these countries are trapped. However, this will not disrupt their European integration choice, quite the opposite, the competitive nature of EaP will encourage GUM countries to perform better and gain more EU rewards. From the EU side, there is a need to reconceptualize its normative power approach that has been discredited by the poor anti-corruption record of these countries. EU's attractiveness is based on a set of political, economic and social values that the people in these countries aim for. They identify deeper European integration with the respect of rule of law, healthy market economy and higher social tolerance towards diversity. Thus, new EU "carrots" must be offered following deeper structural reforms. There is no doubt that GUM countries have undertaken serious reforms, compared to the "second-tier" EaP countries, but these reforms still need reinforcement. At the same time, there is a need to identifying a new generation of incentives for GUM countries. In this aspect, Swedish-led proposal of the "European package" at the Vilnius Summit is a good roadmap towards outlining the future cooperation between EU and GUM countries. Putting more emphasis on public diplomacy efforts, designing appropriate answers to possible security concerns and finding ways of involving EaP countries in EU missions¹² offer interesting perspectives of new partnership dimensions.

Annotations

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¹¹Ibid.

¹²20 Points on the Eastern Partnership post-Vilnius (paper presented at the monthly meeting of EU Ministers of Foreign Affairs, Brussels, February 2014). Available at <http://www.scribd.com/doc/206150753/20-Points-on-the-Eastern-Partnership-post-Vilnius> (accessed 20 September 2014).

Ukraine in the European Security Architecture: towards new approaches

The creation of the European security architecture is one of the most important events of the twentieth century, which was the result of a desire to unite nation-states as well as a number of circumstances and factors: Germany's reunification and Soviet Union's collapse. showed evidence of the fact that NATO started to play on the multilateral platform while OSCE lost its central role being originally envisaged for it. At the same time, Europe initiated advocacy towards its own security and defense system development. However, over the two decades, this existing order is under revision again.

The debate at the beginning of the XXI century about Europe's security has received a new impetus since Russian Federation's diverging views with NATO and EU on the evolution of the countries of the "common neighborhood" such as Ukraine. This research is aimed at analyzing European security architecture as well as Ukraine's role and place in it. Such an analysis is important due to the fact that the security assurance of all spheres of life raised its visibility at the beginning of the XXI century. The research is representing an attempt to focus on external and internal benchmark of Ukraine's challenges and opportunities in the European security system.

Where are we now? Domestic context of Ukrainian policy

Undoubtedly, our country might be characterized as a main actor in the overall European security and economic architecture. After the USSR dissolution, Ukraine proved

to become a real subject in global geopolitics. Being a non-aligned country, it creates a stabilizing geographical space between Russia on one side and EU on the other. However, despite huge potential for a long-term prosperity, Ukraine remains even now one of the most complicated geopolitical areas, being at the same time extremely vulnerable to emerging security threats, as at the beginning of the XXI century.

What might be the reasons for such vulnerability? The answer lies in the peculiarity of the Ukrainian state-building in the 1990s. The actual Ukraine's transition towards democratic and economic development has been determined by one internal malice which blocks all other attempts for prosperous future - lack of good governance.

As a system of economic, equitable, just and citizen-caring tools Ukrainian good governance machine should have implications of being both responsible and accountable. Moreover, it has to be predicated upon mutual cooperation of government, civil society and private sector. The lack of cooperation within such a triangle represents a backbone of all the current disputes and controversies in Ukraine. The nature of these relationship and need to coordinate these interactions is to assume critical importance in the nearest future.

The art of good governance measurement lies in ranking such public tools as rule of law, political freedoms, an access to economic activity, education, healthcare and security. Together, with the management, supply and delivery of these tools, they constitute the system of governance and its efficiency to be measured.

The empowerment of these preconditions sets basis to create security helmet in the country. The construction of the security architecture of the state is regarded to be the central facet of the stabilization and state-building processes in especially such newly-born democracies as Ukraine. Paraphrasing Kant's famous quotation, the link between security and good governance is to be vital since good governance helps to prevent conflicts and in such a way advocates for peace and prosperity.

Being the monumental landmark for Ukrainian security, good governance should not remain a standalone concept. It is essential to understand that good governance can't be limited only to its development pattern but should encompass all the sectors of human society. Creating transparent and accountable government is considered to be the most effective national strategy. However, its effect is minimal without confidence and trust building in the society. The effective political development of a country depends less on the immediate fulfillment of goals and reforms established by its democratic transformation and more on the methods in which the nation achieve its democracy.

Where are all of us now? European spectrum of Ukraine's importance for European security on cross-border cooperation

Nowadays, our world becomes smaller and globalized while it remains more and more unstable. We are evidencing the rise of two controversial tendencies. From one side, the end of bipolar competition led to the appearance of new actors on the international stage: international organizations, NGOs and non-state entities that are playing an active role in international relations. From the other side, while the risks of inter-state conflicts decreased, it marked the rise of new threats being taken insufficiently into account before. The most vivid factors of such instability are intra-state conflicts, international terrorism, extreme poverty, threat of weapons of mass destruction enriched by the general feeling of anxiety and insecurity. One of the issues to analyze is a cross-border cooperation in Europe. Similar to the state level on the supranational level we may observe that the process of greater penetration in the "fuzzy" borders is accompanied by new over-whelming challenges like drugs and human trafficking and finally terrorism which are turning to be more crucial in terms of value.

Ukraine should be valued as an important partner in resolving frozen conflicts of EU neighborhood. Our country has already been playing its mediator's role since 1994 in the Transnistrian conflict resolution being the only frozen conflict located on the EU border. Ukraine was the country which initiated to develop a Transnistrian conflict resolution plan and EU Border Assistance Mission has been implementing it by providing necessary consultancies

and trainings. The core issue in this respect hindering the cross-border understanding lies in the approaches each of the government is undertaking in order to overcome the problem. The vast array of governmental programs, regional planning efforts, cross-border task forces is viewing the way-out of dealing with the new challenges. However, a large number of such initiatives both from EU and Ukrainian side being well-intentioned are overlapping or performing the same task repetitively. It is due to the lack of over-whelming vision of how to trigger cross-border partnership platform and come to the common ground of understanding the ways of tackling the joint challenges. Primarily it concerns ENP countries, in particular Ukraine and other members of Eastern Partnership group. Some attempts should be made to consolidate cross-border dialogue into a set of uniform mechanisms that are used consistently in and outside the borders of the European Union. Moreover, it is worth recalling having political support from the policy and decision-makers in the national and EU governments on the facilitation of cross-border relationships.

Ukraine might become one of the pioneers among Eastern neighbors in development and implementation of examples of good practices for further effective cross-border cooperation. However, there are some of the obstacles in constructing essential dialogue with the EU in security matters generally. Since 2005 Ukraine has had a privileged status under CSDP. It made attempts to align its security policy towards European in order to ensure peace on its territory together with other members of the EU. However, our country is still underestimated in terms of security influence in Europe. European Security Strategy determines Russia being a key actor for developing further strategic partnership regardless the fact that Russia denied to withdraw the troops from Transnistria still providing economic support for it. Moreover, the official Kremlin is criticizing Eastern Partnership cooperation viewing it as a potential threat to its "strategic area of influence."

To my mind the key solution of EU-Ukraine security misunderstanding lies in believing in Eastern Partnership mechanism. Training and capacity-building are to be provided in the countries of "wider Europe" being crucial issues for the joint policies implementation. It will lead to the regions and states rapprochement in tackling the same challenges. In doing so disparities between and among the countries would diminish thriving to economic development and mutual political and cultural understanding.

Where will we all be? Conclusion

Ukraine approaches the end of 2014 having reached a political, economical and military stalemate, which it won't be able to come out alone. The pace of change for our common future will depend a lot on the pressure that people will be able to bring to the essential dialogue building between Ukraine, Russia and EU. Eastern Partnership will help to enhance alliance building also at the international

political community level helping to overcome transnational threats and challenges.

It will help to create a real security roof promoted by NATO. The foundations of security order should be shared despite existing political and governmental disputes on EU-Ukraine level.

All these points are to be essentially focused on the national and EU community levels with the unanimous help of member states. Only in this case the security helmet will be a conciliatory way of promoting peace and stability in the world especially nowadays, in the challenging world, where traditional tools of public policy and diplomacy are inefficient

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