



Cohesion policy implementation, performance and communication

Report on Hungary

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Introduction

The objective of this case study is to **analyse implications of Cohesion policy for the European identity in Hungary**. The study refers to programme periods 2007-2013 and 2014-2020 (up to the end of 2017).

The key methodological requirement in the Horizon 2020 project call was a **comparative case study** approach based on “genuine and innovative case studies from Members States with different current and historical territorial administrative frameworks and regional identities.”

The case study is based on **mixed-methods design** employing qualitative and quantitative methods (surveys of citizens and stakeholders, in-depth interviews, focus groups, documentary analysis, content analysis of political party manifestos and media framing analysis); and by adopting a cross-cutting approach with a common case study structure to facilitate comparative analysis.

Part 1 of the case study is focused on the socio-economic context and background of identity formation. Part 2 discusses the implementation and performance of Cohesion policy, relying desk research, stakeholder surveys and interviews. Part 3 analyses the communication aspects in terms of the effectiveness of communication strategies, based on media framing analysis, surveys and stakeholder interviews on the public perceptions of Cohesion policy. Finally, part 4 tackles the impact of Cohesion policy on identification with the EU, drawing on the citizens survey and focus group tasks.

1. Context and background

1.1. Socio-economic background

Soon after the start of the 2007-2013 programming period, Hungary has been facing one of the most severe recessions within the EU. Already at the beginning of the crisis, Hungary received financial assistance from the EU and the IMF and there was a need for considerable fiscal consolidation in the country. At this time, Hungary has been facing multiple challenges, among them were the challenges to restore fiscal stability, to raise labour force participation and to increase the labour supply of under-represented groups, to improve general public administration and to improve the efficiency of the health and education systems¹. Furthermore, Hungary also faced challenges necessitating structural reforms in the product and labour markets.

After the crisis, the main drivers of faster growth have been the inflows of FDI and EU structural funds. The domestic business environment has been impacted by the frequently changing regulatory environment. Skill requirements on the labour market have increased the demand for higher skills, while the education system reacted slowly. Increasing labour market participation has been bolstered by the expanded public works schemes, however, training within these schemes was not effective enough to improve relevant labour market skills. Administrative burdens and regulatory instability had a detrimental impact on the overall business environment.

Currently, growth in the Hungarian economy has been picking up (from 1,9% in 2016 to an estimated 3.5% in 2017), and growth has been mainly driven by domestic demand. Real GDP surpassed its pre-crisis peak. Towards the end of the 2007-2013 programming period, GDP growth has been significantly bolstered by the inflow of EU funds into the Hungarian economy. The temporary decline of EU-funded investment in 2016 reduced growth for 2016, but the impact of the inflow of EU funds on GDP growth in Hungary should again pick up with the gradually increasing absorption of EU funds. The drop in the inflow of EU funds after 2015 affected private investment, too.

In 2017, the labour market situation has been gradually improving in Hungary, the activity rate has rapidly increased and unemployment has been falling, due to the orientation of social policy and the influence of pension policies. Recently, labour market shortages are showing up at all skill levels, indicating the tightening of the Hungarian labour market in 2017.

1.2. Political context

With the exception of JOBBIK, national parties in Hungary are strongly in favour of both European integration and EU Cohesion policy (Debus and Gross 2017). Note, however, that Fidesz, governing with an absolute majority, changed its position on European integration radically in 2014. Fidesz is now heavily opposed to European integration issues but still in favour of CP (see Table 1).

Table 1. National party positions on European integration and EU Cohesion policy in Hungary

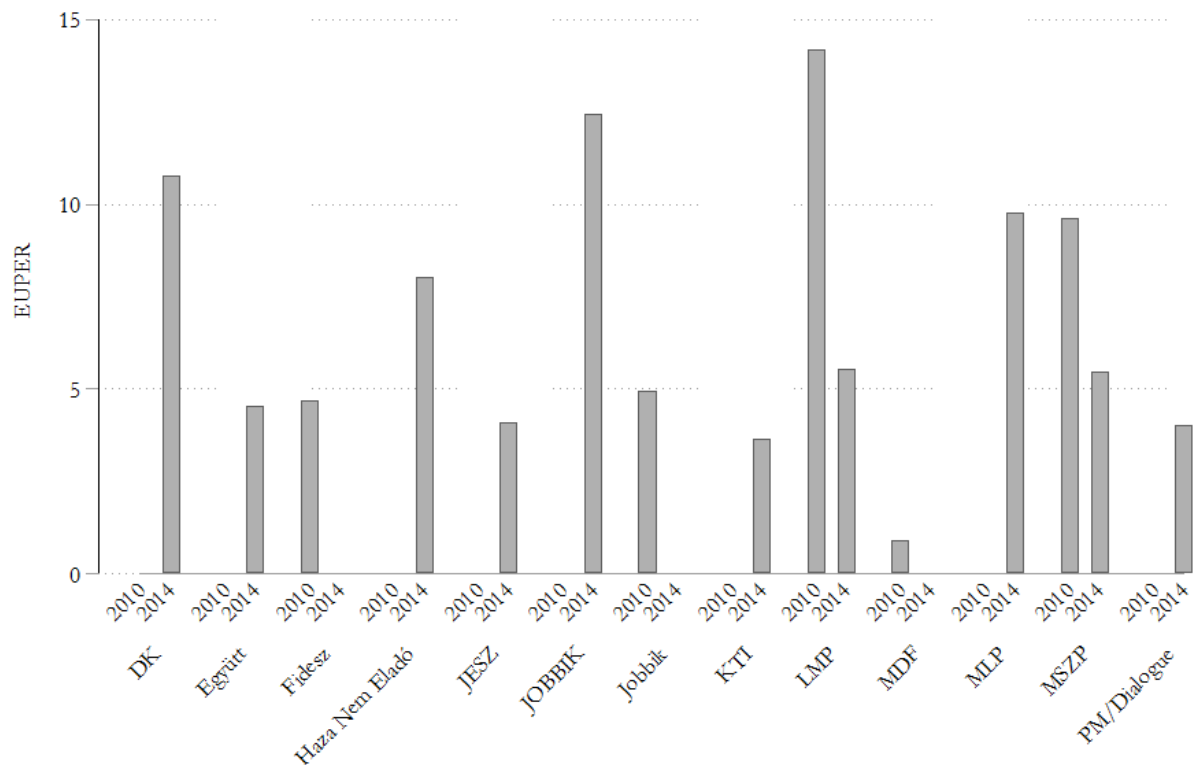
¹ The contribution of EU funds to the economic development of Hungary and to the tackling of these challenges are described in more detail in the subsequent sections of the report.

Party	European integration			Cohesion policy		
	2006	2010	2014	2006	2010	2014
MSZP	6.83	6.85	6.07	6.40	6.47	6.50
FIDESZ-MPP	5.50	5.35	2.70	6.20	6.06	5.92
MDF	6.60	5.93	-	6.40	6.00	-
SZDSZ	7.00	6.60	-	6.40	6.25	-
KDNP	4.50	4.88	-	6.20	5.47	-
JOBBIK	-	2.35	1.21	-	4.31	4.50
LMP	-	6.47	5.29	-	6.19	6.09
E14	-	-	6.64	-	-	6.42
DK	-	-	6.71	-	-	6.58

Note: Party policy positions are based on a CHES seven-point scale, ranging from 'strongly opposed' (1) to 'strongly in favour' (7); see (Bakker et al., 2015).

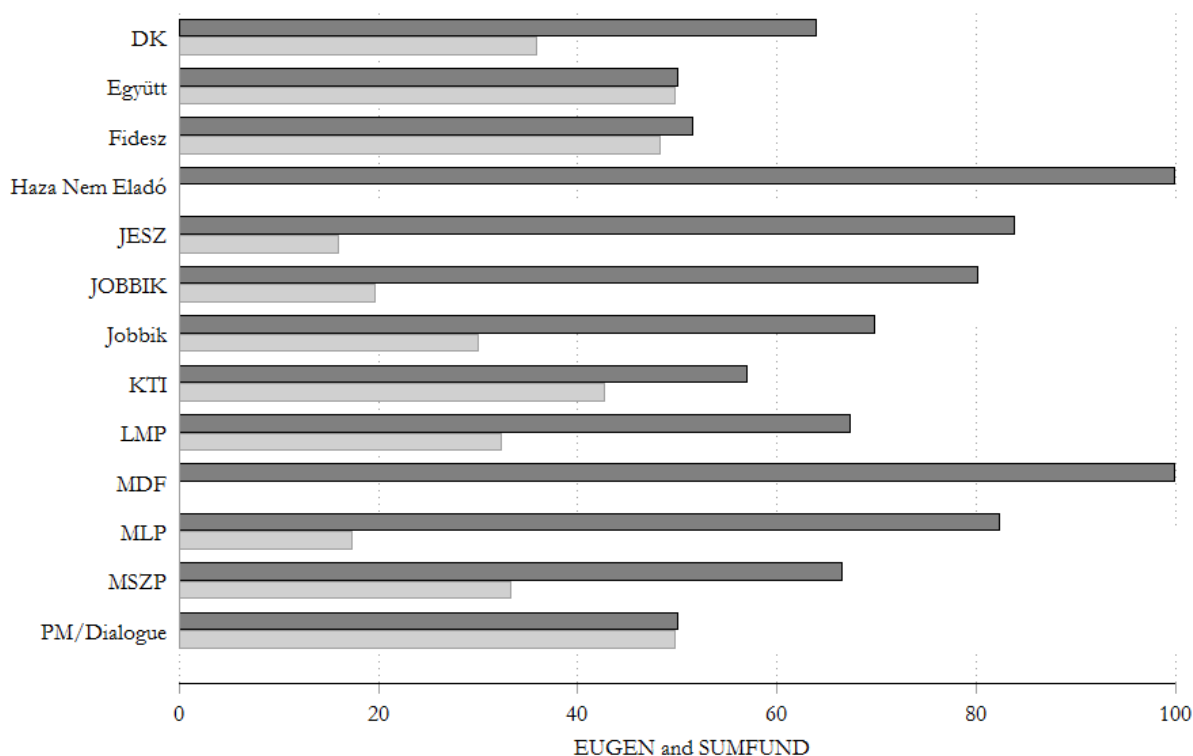
Unfortunately, only the 2010 Fidesz election manifesto was available for coding European issues. Hence, there is no possibility to draw any conclusion regarding if Fidesz' radical shift on its policy stances towards European integration in 2014 might be mirrored in an increasing or decreasing issue emphasis of European issues in the 2014 election manifesto. Yet, it seems that European issues featured more prominently in the 2010 elections than in the following election (see Figure 1). CP does play a role for parties' election campaigns but most of the Hungarian parties talk more about Europe and the EU in general than about EU funding (see Figure 2).

Figure 1. EUPER by parties by election year in Hungary



Note: Bars show the percentage of the national manifestos (grouped by party and election year) that focuses on European issues (EUPER). A blank space indicates that a party's election manifesto could not be coded.

Figure 2. EUGEN and SUMFUND by parties in Hungary



Note: Bars in dark grey show the average percentage of the national manifestos (grouped by party) that focuses on Europe in general (EUGEN). Bars in light grey show the average sum of all categories related to EU funding (SUMFUND) in parties' national manifestos.

1.3. European identity

In the first years after accession, Hungarians exhibited a higher level of trust in the EU as compared to the EU average. Eurobarometer data show that in 2006, 61 percent of the Hungarians trusted the EU, compared to 45 percent of EU average.² **The trust of Hungarians in the EU moved in line with trust in the EU in the whole EU**, and consistently stayed above EU average. In 2017, 46% of Hungarians trusted the EU, compared to 42 percent of EU average.

The attachment of Hungarians to the European Union is close to the EU average within the EU. In 2017, according to Eurobarometer, 55 percent have been very attached or fairly attached to the EU in Hungary, as compared to 54 percent at the EU average. This represents some decline in attachment to the EU in Hungary since the years following accession.

At the same time, **the level of optimism about the future of the EU amongst Hungarians is somewhat higher than the EU average.** The level of optimism of Hungarians about the future of the EU declined somewhat during the economic and financial crisis and started to pick up since. In 2017, 49% of Hungarians are optimistic about the future of the EU.

Support for key European policies remained relatively stable over time in Hungary. The pattern of support for the European economic and monetary union did not change substantively over time. **Hungarians have been and still are supportive of the free movement of persons, goods and**

² The Eurobarometer data can be accessed at: <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Chart/index>

services. At the same time, **Hungarians are somewhat less supportive of a common European migration policy** than the EU average – but in this respect, several other EU countries (among them Austria and the Czech Republic) are even less supportive of such a policy. Hungarians support future enlargements of the EU.

Trust in political parties, in the national public administration and in regional and national institutions has been relatively stable in Hungary and similar to the pattern of support of these at the EU average. **Trust in the national public administration is somewhat higher in Hungary** than in average within the EU.

2. Cohesion policy implementation and performance

2.1 EU Cohesion policy strategic and implementation framework

In Hungary, the case study looks at Cohesion Policy implementation both at the level of the whole country and in the West Pannon region. Thus, the discussion below addresses funding priorities and their changes in 2007-2013 and 2014-2020 both at the national and at the level of the West Pannon region. The following sections discuss the two programming periods sequentially.

The 2007-2013 strategy, programs, objectives and thematic allocations in Hungary

The Hungarian National Strategic Reference Framework (NSRF) of the 2007-2013 programming period set out the two main goals to support long-term growth and to increase employment, along six main thematic priorities of economic development, transport development, social renewal, environment and energy, regional development and state reform.

The strategy was implemented through 15 Operational Programmes: seven regional and eight sectoral; two co-financed by the European Social Fund (ESF) and 13 by the European Regional Development Fund (ERDF) and Cohesion Fund (CF). The West Pannon regional programme has been co-financed by the ERDF and the CF.

Priorities	Operational Programme
Economic development	Economic Development OP
Transport development	Transport OP
Social renewal	Social Renewal OP
	Social Infrastructure OP
Environment and energy developments	Environment and Energy OP
Regional development	West Pannon Operational Programme
	Central Transdanubia Operational Programme
	South Transdanubia Operational Programme
	North Hungary Operational Programme
	North Great Plain Operational Programme
	South Great Plain Operational Programme

	Central Hungary Operational Programme
State reform	State Reform Operational Programme
	Electronic Public Administration Operational Programme
Coordination and communication	Implementation OP

Table 2: Priorities and Operational Programmes within the Hungarian NSRF in 2007-2013

With the implementation of separate Operational Programmes in each region with a broad scope of activities, the aim of Hungary was to address the specific dimensions of regional disparities. The focus of each regional OP was economic development. Sectoral OPs monitored the flow of funds to less developed regions, so that the contribution of sectoral (national level) OPs to regional development could be identified. The NSRF proposed to use EU Cohesion Policy to support the development of regional growth poles, to focus regional funding on sectors in which the region has comparative advantage. Research and development funding was allocated to each of these regional growth poles.

In 2007-2013, the allocation of Cohesion Policy funding to thematic priorities was strongly influenced by the priorities of the Lisbon Agenda and the priorities of the National Reform Programme³. 52% of the funding was earmarked to support the Lisbon goals. Figure 3 shows the allocation of the Cohesion Policy budget to themes in 2007-2013.

³ Each year, EU Member States submit their National Reform Programmes to the European Commission. Up until 2010 it was done in the context of the implementation of the Lisbon Strategy, while since 2010 this is done in the context of the European Semester. The National Reform Programmes outline the progress of Member States with the implement structural reforms and their prospective plans to implement them.

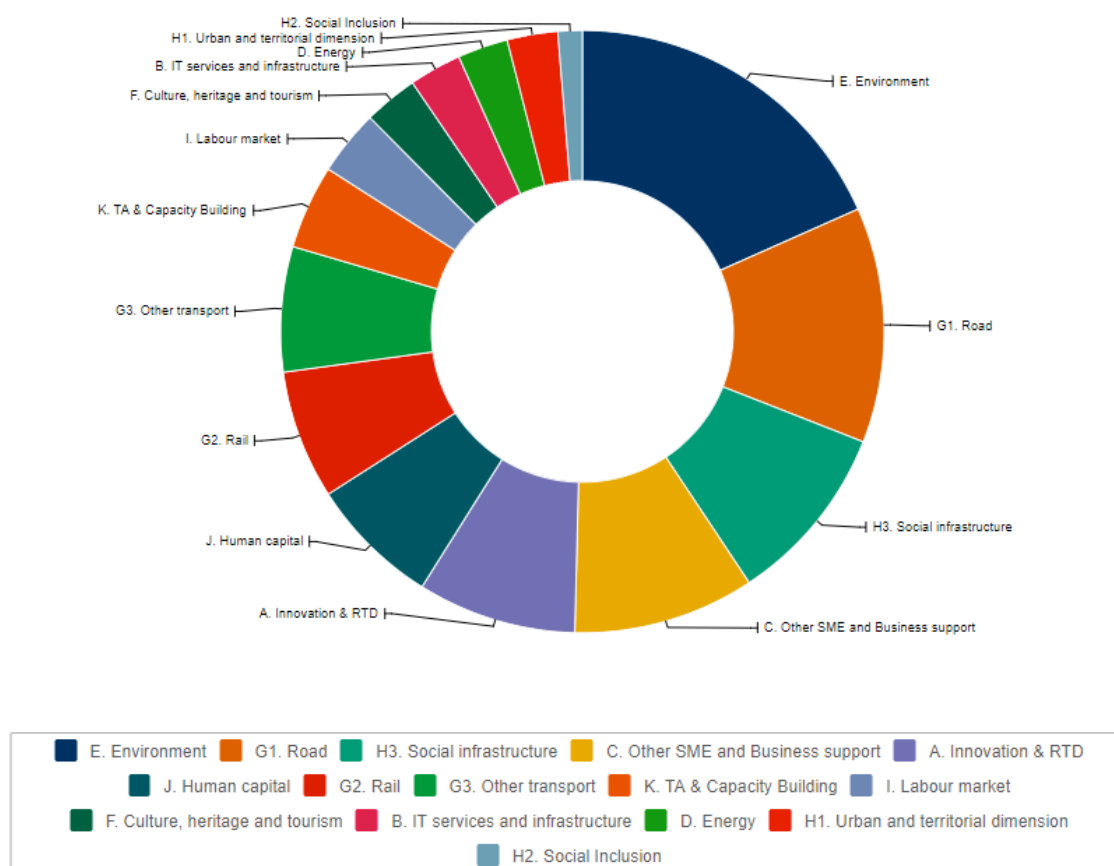


Figure 3: The allocation of Cohesion Policy resources in Hungary by themes, 2007-2013.

Source: cohesiondata.ec.europa.eu, Breakdown of the Available Funds by Theme for 2007-2013, last updated on 15 December 2015.

Initial funding priorities set out in the programming documents were not changed significantly during the whole 2007-2013 period. However, significant shifts took place between thematic areas, within the priority axes of the individual OPs (Applica, Ismeri Europa and Cambridge Economic Associates, 2016). Funding for environmental, road and other transport investments was reduced, by less than 2 percentage points in each case. The corresponding funding was redirected mainly to energy investments and to other investments in enterprises. The main reason for these reallocations has been the aim to secure a high absorption rate.

As Figure 3 (above) shows, in 2007-2013 in Hungary the largest thematic allocations were devoted to environment and transport infrastructure, due to the important infrastructure investment needs of the country both in the environmental and transport fields. Nearly 38% of the total Cohesion Policy budget were allocated to environment projects and 30% to transport projects. Environmental funding also contributed to the financing needs of European environmental legislation; ca. half of the funding to transport went to Trans-European Network Transport (TEN-T) projects. Moreover, Hungary devoted 3% of the Cohesion Policy budget to developing ICT infrastructure, to increase broadband access in the Convergence regions.

The main aims of social infrastructure investments in 2007-2013 were to establish multifunctional human services centers, to modernize social and child protection institutions, to develop day-care services, to invest into vocational training, to develop the IT infrastructure in education and

healthcare, to invest into the basic infrastructure of higher education and to support the restructuring of the healthcare system.

Support for entrepreneurship was an important component of policy implementation in 2007-2013. From ERDF, support was channeled to SMEs and funds were earmarked for financial engineering (JEREMIE), to leverage additional resources. Regional programmes provided support to clusters and to business advisory services in the regions. From ESF, entrepreneurship support was provided to increase the adaptability of workers, firms, enterprises and entrepreneurs, by facilitating access to training, developing the institutional system, and providing targeted support to social partners and non-governmental organizations.

Investment into human capital amounted to 7% of the total allocation. Actions in this field aimed at providing quality education and ensuring access for all, and included support for expanding skill-based education. Furthermore, special emphasis was placed on improving higher education and enhancing R&D capacities.

Efforts to improve labour market participation accompanied support to human capital development: funds aimed to improve employability, to activate the working age people, to prevent exit from the labour market and to train workers. Also, actions were devised to promote the social economy and to create innovative and local employment initiatives. The NSRF highlighted the importance of increasing labour market participation among women, young people, older age groups, the Roma population and people living with disabilities. Support was earmarked for developing the employment services and establishing an integrated employment and social service system. Furthermore, ESF funding was channeled to reinforce social inclusion through complex actions targeted at the most disadvantaged groups, through improving access to health and social services, youth programmes, development of local communities and civil society.

Investment into capacity building was carried out through the Operational Programmes for State Reform and for Electronic Public Administration; activities supported related to organizational developments within the public administration, e-governance, e-service provision and training and supported the effective and efficient implementation of Cohesion Policy itself.

For 2007-2013, Hungary devised an integrated urban development strategy, to build a polycentric, co-operative and competitive urban network. The strategy intended to strengthen the competitiveness of the capital, to develop six regional growth poles in cities with a strong university tradition and scientific culture to mitigate the central role of Budapest and to develop secondary poles in medium-sized towns, while it also set out to support small towns. Sustainable urban development was incorporated into all seven regional programmes, with integrated, action-based rehabilitation and development of micro-regional centres and rural settlements.

The 2014-2020 strategy, programs, objectives and thematic allocations in Hungary

For 2014-2020, the Partnership Agreement (PA) of Hungary with the European Commission covers five funds: along with the ERDF, CF and ESF, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). The PA focuses on five main national development priorities: 1) competitiveness of the business sector, 2) promoting employment, 3) energy and resource efficiency, 4) social inclusion and demographic challenges, 5) local and territorial development.

A stated goal of the strategy has been to increase thematic concentration, with focus on fewer, better defined development policy goals and thematic priorities. This goal has been followed both at the level of the strategy and within each OP. For 2014-2020, the structure of OPs has been streamlined, too: there are now 9 OPs in Hungary instead of the previous 15. There is one single

Operational Programme for all regions and towns, instead of the separate regional OPs in 2007-2013 (the exact changes and their implications will be outlined in detail later on).

The most striking feature of the new strategy is its focus on support to economic development: its emphasis on investments in enhancing innovation activity and the competitiveness of enterprises. The PA states that 60% of the total EU Cohesion Policy allocation (calculated with the exclusion of the EAFRD and the EMFF) is to be spent on this goal, through three Operational Programmes: the Territorial and Settlement Development OP, the Competitive Central Hungary OP and the Economic Development and Innovation OP.

Another new element of the 2014-2020 strategy is its emphasis on Hungary's shift to a low carbon economy. Further points of emphasis include a focus within labour market actions to combat youth unemployment; investment in education and training that intends to improve on skill mismatches. Vocational training and early childhood education and care investments are important components of the investment mix. In the field of social inclusion, children, marginalized Roma communities and people with disabilities are in the focus of support.

Operational programme	Share in ESIF
Human Resources Development OP (ERDF, ESF)	10%
Economic Development and Innovation OP (ERDF, ESF, YEI)	31%
Public Administration and Services OP (ESF, CF)	3%
Environmental and Energy Efficiency OP (ERDF, CF)	13%
Integrated Transport OP (ERDF, CF)	13%
Territorial OP (ERDF, ESF)	14%
Competitive Central Hungary OP (ERDF, ESF)	2%
Rural Development Programme (EAFRD)	14%
OP Fisheries (EMFF)	0%

Table 3. Operational Programmes and funding allocations in 2014-2020 in Hungary, ESIF – European Structural and Investment Funds. Source: Partnership Agreement

Thematic objective	ESIF (EUR)	Share
(1) research, technological development and innovation;	2 234 470 075	9%
(2) access to, and use and quality of, ICT;	689 265 295	3%
(3) competitiveness of SMEs	2 944 954 200	12%
(4) shift towards a low-carbon economy in all sectors;	2 808 263 293	11%
(5) climate change adaptation, risk prevention and management;	1 014 748 354	4%
(6) environment and resource efficiency;	3 392 440 948	14%
(7) sustainable transport, key network infrastructures;	3 331 808 225	13%
(8) employment, labour mobility;	3 514 377 912	14%
(9) social inclusion, combating poverty and any discrimination;	2 377 317 798	10%
(10) education, training, vocational training;	1 719 549 459	7%
(11) public institutional capacity, efficient public administration.	684 855 782	3%
Technical assistance	276 729 072	1%

Table 4. Funding allocations by thematic objectives in 2014-2020 in Hungary. Source: Partnership Agreement

Figure 4 below presents how the priorities of funding from EU Cohesion Policy have changed for 2014-2020. As it incorporates information on EAFRD, EMFF and YEI funding, the graph is not directly comparable with Graph 1. Graph 2 shows that environmental and transport infrastructure investments remain the largest components of planned EU Cohesion Policy allocations in Hungary. The relative importance of environmental investments increased for 2014-2020 at the national, strategic level, due to an increased focus on actions to promote a low-carbon economy, climate change adaptation and prevention. At the same time, the share of transport investments has substantially decreased for 2014-2020. A large increase can be observed in the funding devoted to the labour market, the share of funding increased from 3% to 13% - however, part of this increase may be due to the fact that the category of human capital investment has been removed from the classification. According to this graph, investments in the promotion of entrepreneurship and funding of SMEs increased slightly, to 13% of the total Cohesion Policy allocation, while the share of funding devoted to research and innovation remained the same – yet the stated aim of the strategy is to spend 60% of the total ERDF, CF and ESF allocation on promoting economic development through support to enterprises, thus in fact, support from other priorities is also mainly channelled to enterprises. The allocation to social inclusion increased, yet this heading presumably also contains projects that were previously presented under the heading of social infrastructure.

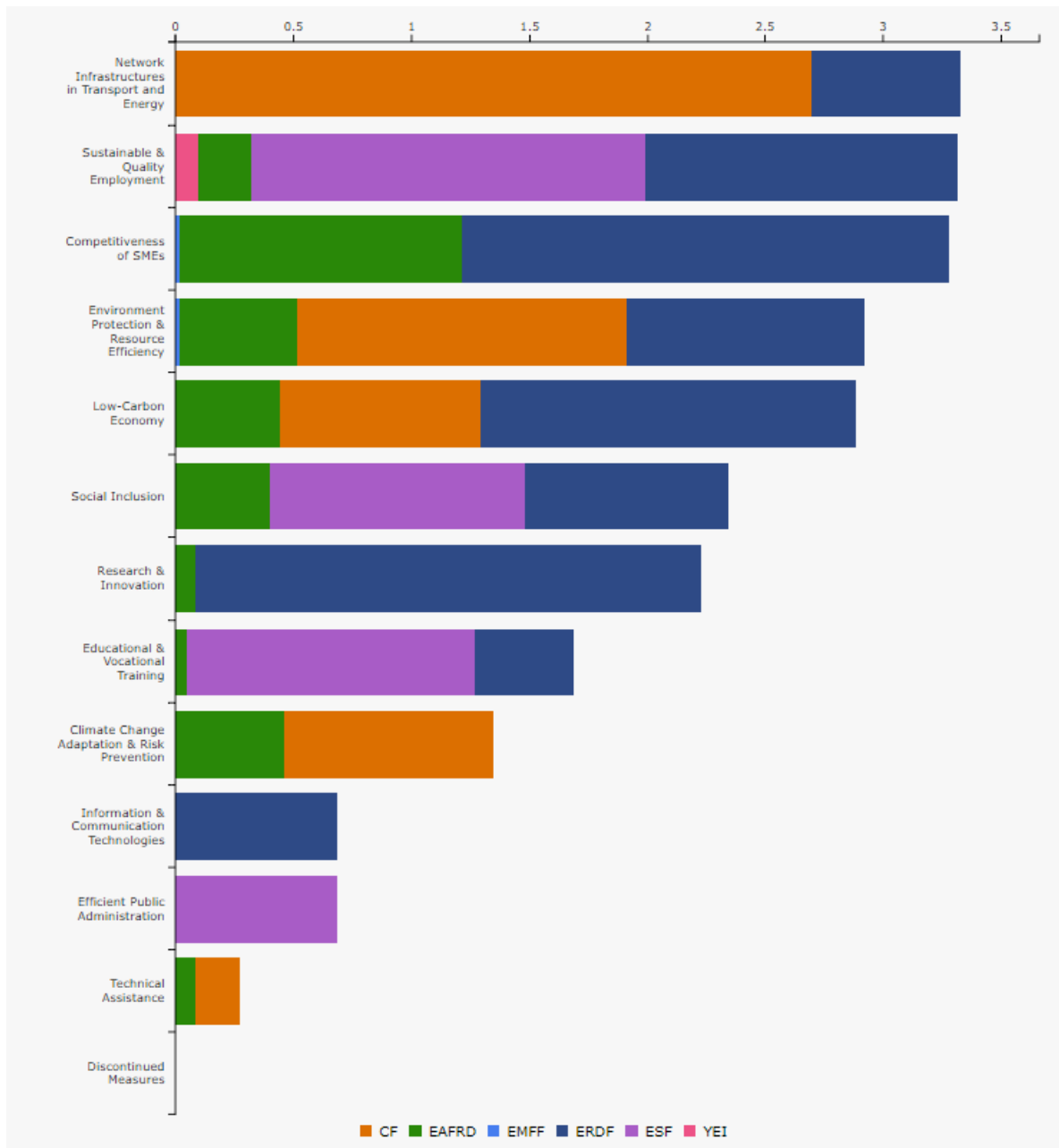


Figure 4: EU budget by theme in Hungary, 2014-2020, in billion EUR⁴

Source: cohesiondata.ec.europa.eu, updated 21 August 2017.

West Pannon Operational Programme 2007-2013 (case study region)

Within COHESIFY, the West Pannon region has been selected for deeper scrutiny on account of its successful cohesion policy implementation experience in 2007-2013. The West Pannon region is composed of three counties: Vas, Zala and Győr-Moson-Sopron. The region, its counties and

⁴ CF – Cohesion Fund, EAFRD – European Agricultural Fund for Rural Development, EMFF – European Maritime and Fisheries Fund, ERDF – European Regional Development Fund, ESF – European Social Fund, YEI – Youth Employment Initiative. Since 2014, the EAFRD and the EMFF are considered parts of the five European Structural and Investment Funds. The YEI is complementary to ESF funding, to finance the implementation of the Youth Guarantee.

county-rank cities (Győr, Sopron, Szombathely, Zalaegerszeg and Nagykanizsa) are among the more developed territories and settlements of Hungary.

In 2007-2013, the West Pannon Operational Programme disposed of ca. 2% of the total EU Cohesion Policy allocation and devoted its resources to building a local economy based on local innovative resources and enterprise networks, supporting tourism based on high quality services, to supporting cities as regional centers, providing a clean environment and investing in local public service infrastructure.

Priority	Allocation
Regional economic development	15,40%
Tourism development	23,60%
Urban development	19%
Environmental protection and transport infrastructure	20,10%
Development of local and regional public services	18,30%
Technical assistance	3,60%

Table 5. The West Pannon Operational Programme: Priorities and funding allocations.

Within supporting regional development, the Operational Programme focused on supporting network activities, consulting services, on improving the business park, technology transfer and incubator infrastructure and on strengthening regional vocational and higher education. Within tourism, the program aimed to develop thermal spa tourism and aimed to build on the historic and cultural heritage of the region. It implemented access road and cycle path investments, supported eco-tourism, expanded tourism accommodation capacities and supported tourism marketing. Within urban development, city center renewal projects were a major focus, along with energy efficiency investments in public buildings, support to the reduction of traffic congestion, brown field revitalization and increasing green spaces. New cultural, sporting and leisure facilities were created. Infrastructure investments were realized in roads, public transport, local ICT, in the water and wastewater domains.

Territorial and Settlement Development Operational Programme for 2014-2020

In 2014-2020, the Territorial and Settlement Development Operational Programme has been created as one single programme to incorporate all investments implemented by regions and cities at the local level. This solution has replaced the previous system of independent regional OPs. The OP disposes of 15,71% of the total EU Cohesion Policy allocation, with 87,8% of its funding coming from the ERDF and 12,2% from the ESF. At the level of the Partnership Agreement, 60% of the total ERDF, CF and ESF funding is allocated to support economic development: ca. 30% of this allocation is to be disbursed from the Territorial and Settlement Development OP.

Although there is a single OP to support all regional and city-level development projects, the OP highlights the importance of relying on territorial logic in programming, and points out that the local level has clear development policy ideas and the national development strategy should rely on these. In 2007-2013, regional OPs were among the most successful in terms of absorption.

Within the Territorial and Settlement Development OP, there is a pre-specified funding allocation set aside to every county and to every city with a county rank. Thus, counties and cities don not

compete with each other in applying for funding⁵. Funding allocations took into account the level of economic development of the counties and cities. Furthermore, every county and city drew up its own integrated territorial development strategy for 2014-2020 to create a strategic framework for the use of their allocations. Representatives of the counties and of the cities elaborated the criteria for project selection and take part in project selection and decision-making for their own allocation.

The decision to create allocations for counties instead of regions highlights that in Hungary, regions have been created only for the use of EU Cohesion Policy support, and are not embedded in the Hungarian system of public administration, while county-level self-governance has more entrenched historical roots. This is the same for other CEE countries as well and yet these other countries persevered with their NUTSII entities. The reason for creating allocations at the county level has been to prevent a competition for funding by counties belonging to the same region. Such competition indeed took place in the previous period, and it typically favoured more developed counties. Also, counties have political representation while regions do not; creating county-level pre-allocations could thus have been politically also more palatable.

The two main goals of the Territorial and Settlement Development OP are to support regional, decentralized economic development and an increase in employment based on local resources. In line with the overarching strategic goal of thematic concentration of the PA, funding in the OP is organized to contribute to 4 from the 11 available thematic priorities of Cohesion Policy. As shown in Table 6 below, these priorities are support to employment, social inclusion, the environment, and the transition to a low carbon economy.

Priority axis	Funding (EUR)	Source	Thematic priority
1. Local economic development to support employment	818 068 118	ERDF	(8) sustainable and quality employment and labor mobility
2. Enterprise friendly, population preserving urban development	405 086 474	ERDF	(6) environment, resource efficiency
3. Low carbon transition in urban areas	550 912 221	ERDF	(4) transition to low carbon economy in every sector
4. Local public service development and promotion of social cohesion	169 312 384	ERDF	(9) social inclusion, fight against poverty and discrimination
5. County and local level human resource development, support to employment and social cohesion	245 848 961	ESF	(8) sustainable and quality employment and labor mobility (9) social inclusion, fight against poverty and discrimination
6. Sustainable urban development in cities of county rank	398 724 753	ERDF	(8) sustainable and quality employment and labor mobility
	197 438 332	ERDF	(6) environment, resource efficiency
	262 390 492	ERDF	(4) transition to low carbon economy in every sector
	82 522 515	ERDF	(9) social inclusion, fight against poverty and discrimination
	88 537 175	ESF	(8) sustainable and quality

⁵ 1702/2014. (XII. 3.) Government Decree on selected aspects of the planning of the Territorial and Settlement Development Operational Programme for the programming period of 2014-2020 and on the allocation of funding within the OP for the own planning of county and county-rank city self-governments.

			employment and labor mobility
	31 289 113	ESF	(9) social inclusion, fight against poverty and discrimination
7. Community-led local development	93 602 959	ERDF	(9) social inclusion, fight against poverty and discrimination
	46 229 504	ESF	(9) social inclusion, fight against poverty and discrimination

Table 6. Priority axes, funding allocation and thematic priorities in the Territorial and Settlement Development OP, 2014-2020

Based on the indicators, the main goals of the OP are to ensure that 129 600 people in disadvantaged areas benefit from urban rehabilitation, that 1.6 million visits per year take place to supported cultural and natural heritage sites, that 1,465 primary care services are developed, that 17 750 newly developed childcare places become available for 0-3-year-old children and that 2122 ha industrial sites and parks are upgraded or newly contracted. Furthermore, the OP also contributes to the national goal to decrease CO₂ emissions by 56 000 tons yearly.

In 2014-2020, West Pannon can dispose of 1,1% of the total EU Cohesion Policy allocation. This is a relatively small share of the pie, compared to the allocation of the whole OP, allocations to less developed territories and cities and the total available funds for Hungary in Cohesion Policy for 2014-2020.

This allocation, over which these counties and cities dispose themselves, is of course complemented by funding to the region not directly allocated to local disposal within the Territorial and Settlement Development OP and by funding flowing into the region from the sectoral OPs. At this stage of the programming period it is not feasible yet to draw conclusions on the expected size of the latter amounts; however, experience from previous periods shows that actors from more developed regions, such as West Pannon, tend to be more successful with their funding applications.

Allocation to county-rank cities	Mrd HUF
Győr	21,6
Szombathely	14,53
Sopron	10,81
Zalaegerszeg	11,2
Nagykanizsa	7,94
Allocation to counties	
Vas	21,14
Zala	23,05
Győr-Moson-Sopron	23,35
Total to the West-Pannon region	133,62

Table 7. Allocations under the direct disposal of counties and county-rank cities in the Territorial and Settlement Development OP in 2014-2020.

In 2007-2013, according to the stakeholders, the main goals of cohesion policy support have been to support the underdeveloped regions and to implement large infrastructure investments supporting both the growth of the country and regional convergence within the country. However, interviewees had mixed opinions on the usefulness of investments into physical infrastructure in the

2007-2013 period. Many criticized the strategy for allocating too much funds to infrastructure. Accordingly, the share of funding allocation for physical infrastructure investment has been reduced in the 2014-2020 strategy.

In the social programs, the main goal before 2013 was to increase employment; education, anti-poverty and health investments were additional priorities. After 2014, while employment is still a key target, according to those interviewed anti-poverty goals have become central, previous social policy pilot programs were extended. The goal of compensating social and educational disadvantages has also gained increased prominence. In the realm of health, prevention became central.

Funding to SME's has been increased from 25% to 60% of the overall allocation from 2007-2013 to 2014-2020. Some stakeholders justify this new focus with the need to deal with the consequences of the recession and highlight how infrastructure investments of 2007-2013 failed to achieve tangible results. Others pointed out that this strategic shift happened despite evaluation finding calling into doubt the effectiveness of SME support in 2007-2013. However, stakeholders pointed out that these figures should not be taken on face value: enterprises will spend a significant part of the funding on infrastructure investment projects.

Many highlighted in the interviews that in terms of the main goals of the funding, the two periods are not too different, the second period logically continues what has been started in 2007-2013.

Several stakeholders referred to the rigidities in the allocation of funding created by the rules of the EU, due to the definition of eligible costs and due to the different treatment of less developed and more developed regions. Furthermore, the intervention of the Commission in both planning phases has also been claimed to introduce such rigidities and deviations from local priorities. Examples of such rigidities are that the Central Hungary region receives less support, that this reduced support can be used for fewer types of priorities; that operating costs related to human capital investments and the operation and maintenance of existing investments cannot be funded from EU resources; that certain types of investments that would be considered beneficial from the point of view of interviewees could not be supported from EU funds. While these issues were raised by interviewees, the stakeholder survey provides somewhat contradicting findings, with the majority of respondents agreeing that there is a close match between Cohesion Policy objectives and local funding needs.

For example, the EU Cohesion Policy prioritizes investments into the TEN-T network and since 2014 it does not fund investments in local roads. Several stakeholders working in the infrastructure field perceive that the TEN-T priorities do not reflect actual Hungarian priorities in the transport domain. One interviewee stated that within infrastructure investment domains, the national government plays a limited role in programming, due to the EU priorities and the need to conform with EU directives.

Stakeholders mentioned some further examples: innovative ideas such as investment into housing services for teachers, nurses, rail operators could not get support and that funding devoted to teacher training remains wasted if teacher salaries remain low.

Thus, according to stakeholders, due to the EU framework, the funding priorities might not fully reflect the real strategic aims that Hungary would follow on its own in development policy. This could undermine the perception of ownership of Cohesion policy and could hence have an impact on communication, too. Some went as far as to conclude that it is not feasible to achieve real convergence due to the rules of Cohesion policy. At the same time, in the interview discussions, the stakeholders didn't mention the options for the Hungarian side to adapt in a flexible way to the EU framework, relying on investments realized from national resources. This reflects the dearth of Hungarian national investment funding: most of it has been channeled to meet the co-financing requirements of EU funds.

Some stakeholders, among them both central and local actors argued that more resources should have been allocated to underdeveloped regions. At the same time, others claim this would have been a waste of resources, as these investments would not have been effective, with economic growth being mainly driven by more developed regions and with private investment (FDI) having a much more influential role in the development of the most disadvantaged regions.

Some mentioned that the programmes have not been flexible enough, the plans laid out for seven years could not be sufficiently modified to be adapted to new circumstances. Others highlighted that actual calls for funding diverged significantly from the initially published goals of the OPs, partly due to the pressure to absorb funding and partly due to shifting political priorities. This has been feasible because Operational Programmes tend to be relatively general and Member States have the freedom to adjust actual calls for funding under the pre-defined broad priority axes to fit the broad programs.

2.2. Implementation framework and partnership structures

In 2007-2013, the following bodies participated in the implementation of cohesion policy:

- the Government Commission for Development Policy
- the National Development Agency (comprising the central coordination of the policy and all Managing Authorities)
- Intermediate Bodies
- Monitoring Committees
- the Ministry of Finance (as certifying and audit body).

Separate Managing Authorities (MAs) have been set up for each sectoral Operational Programme, and these MAs were thus operating separately from both the respective line ministries. One common Managing Authority oversaw all regional OPs, also within the National Development Agency.

Intermediate bodies for the regional OPs of Convergence regions have been the regional development agencies and a central non-profit government agencies for territorial development based at the national level (VATI Kht). Intermediate bodies were involved in preparatory work in relation to the regional OPs and took over a wide range of administrative tasks related to OP implementation. Thus, in the case of the West Pannon region, the intermediate bodies were the West Pannon Regional Development Agency (Westpa) and VATI Kht.

Partnership has been implemented firstly by the invitation of civil society representatives to become delegates in OP Monitoring Committees. According to a 2006 decree of the government, at least one environmental actor and one civil society representative had to be delegated into each Monitoring Committee, from organizations representing the interests of the Roma, the disabled or standing up for gender equality. Furthermore, two representatives from the National Tripartite Negotiation Forum (Országos Érdekegyeztető Tanács) representing employee and employer interests were also delegated into each Monitoring Committee. Secondly, the civil society had the chance to participate in project selection: a call invited experts in the investment domains of cohesion policy to apply for participation in project selection committees. Thirdly, interested stakeholders and the public were consulted on upcoming calls for funding mainly relying on the Partnership Forum, an online tool of consultation. This Partnership Forum remained open until the end of 2015, also after a new online portal has been set up to support Cohesion policy implementation. Next to the online participation opportunity, comments from the civil society were

invited both orally in person and in writing. The detailed website of the National Development Agency provided interested actors with detailed information on Cohesion policy.

For the 2014-2020 programming period, Managing Authorities have been incorporated into the structure of three line ministries and the Prime Minister's Office. The Certifying Authority has been incorporated into the structure of the Hungarian State Treasury. The Audit Authority is the Directorate General for Audit of European Funds (DGAEF), and the Coordinating Body is the Prime Minister's Office. Only the Territorial and Settlement Development OP has an Intermediate Body, which is the Hungarian State Treasury. Authorities and procedures for the 2014-2020 implementation of cohesion policy in Hungary are set out in the 272/2014 (XI.5.) government regulation on the use of EU funds.

Table 8 provides information on the line ministries where the MAs are located. In this new arrangement of the implementation of EU Cohesion Policy in Hungary, line ministries have more close contacts with the administration implementing investments related to their fields of responsibility. Harmonized implementation and coordination of all the programs is ensured by the Partnership Agreement Monitoring Committee, within the Prime Ministers' Office.

Programme	Member of the government responsible for managing authority tasks	Intermediate Body
Human Resources Development OP	Minister of Human Capacities	—
Economic Development and Innovation OP	Minister for National Economy	—
Integrated Transport Development OP	Minister of National Development	—
Environmental and Energy-Efficiency OP	Minister of National Development	—
Public Administration and Civil Service Development OP	Minister of Prime Minister's Office	—
Hungarian Food and Basic Material Assistance OP	Minister of Human Capacities	—
Territorial and Settlement Development OP	Minister for National Economy	Hungarian State Treasury
Competitive Central Hungary OP	Minister for National Economy	—
Rural Development Programme	Minister of Prime Minister's Office	—
Hungarian Fisheries and Aquaculture OP	Minister of Prime Minister's Office	Hungarian State Treasury

Table 8. Managing authorities and intermediate bodies in the 2014-2020 programming period.

The changes in the governance of territorial investments, namely the creation of one common Operational Programme for all regions, with pre-defined financial allocations to counties and county-rank cities created changes that have strengthened the centralization of the system and weakened the roles of local actors. At the same time, they were accompanied by smaller and less apparent governance changes that on the other hand strengthened the role of local actors.

Centralization has been strengthened by abandoning the role of regional development agencies in Cohesion policy implementation. Both the Managing Authority of the Territorial and Settlement Development OP and the Intermediate Body are central government bodies. Regional development agencies lost their role as intermediate bodies in Cohesion policy implementation. Westpa agency of the West Pannon region reinvented its own role in supporting regional development outside the

official framework of Cohesion policy implementation, some other regional agencies were simply dissolved (such as for example the Northern Great Plane agency), along with the VATI Kht, the central non-profit agency supporting territorial development.

At the same time, the separate funding allocations to the counties and the cities and the increased competence in project selection within the OP have been actions that provided an increased role to local actors.

The Partnership Agreement for 2014-2020 distinguishes two stages of partnership in the preparation for the new programming period: the first phase supported the drawing up of programming documents, while the second phase provided opportunity for partners to comment on the draft OPs. In both phases, a wide range of partners have been consulted, via online discussion forums and via events and direct outreach to partners. Partners were involved in the preparation of the OPs, mainly through the public consultations on the underlying 27 sectoral strategies. Draft Operational Programmes for 2014-2020 have been available on the official website of Cohesion Policy implementation in Hungary throughout their preparation, along with summaries of their ex ante evaluations. Similarly to the 2007-2013 period, an online discussion forum provided space for comments on the programmes. Comments on OPs received via other channels were also published on the website, and the website states that official responses to the comments will be provided after the final approval of the OPs by the European Commission.

During both phases of partnership in the preparation of 2014-2020 programmes, main partners were actors in the government, in non-governmental organizations and in the business sector. Stakeholders from both the central and the territorial level were involved; actors with an interest in or affected by economic, social and environmental structural developments were consulted. Partners have included city and county public administrations, regional development agencies, councils, professional civil organizations (mainly in the realm of the environment, equal opportunities, social and economic development), chambers, organizations of economic actors (investor forums), universities and research institutions and churches.

For partnership during the implementation of the 2014-2020 programmes, an online Partnership Forum is available for stakeholders and the public to comment on upcoming calls for funding applications; usually ten calendar days are available for providing comments. For 2014-2020, the list of members of Monitoring Committees is publicly available, while this was not a requirement yet for the 2007-2013 period.

Based on the characteristics of the formal framework of partnership, no straightforward changes in the implementation of partnership can be noticed. Changes affected the selection of the partners to be consulted or to be invited into Monitoring Committees and the informal practices of partnership; all this will be highlighted by the interview findings below.

As lists of Monitoring Committee members have officially not been published for 2007-2013⁶, it is not feasible to compare the composition of Monitoring Committees between the two periods. In 2014-2020, members representing the central public administration are a majority in each of the Committees. Counties and cities are represented by members of municipal associations. This is the case also for the Territorial and Settlement Development OP; there are no direct county and county-rank city representatives in its Monitoring Committee. It is common for selected NGO and National Tripartite Negotiation Forum representatives to participate in the work of several (sometimes up to 5) Monitoring Committees. Typically there are fewer representatives of employee interests than of business associations in the Monitoring Committees.

⁶ Requests by the Cohesify team to receive these lists for 2007-2013 were not successful.

Opinions on implementation

Effectiveness of the implementation system and assessment of its changes

The views of stakeholders were understandably mixed concerning the assessment of the functioning of the 2007-2013 implementation system. They all agreed that central administration was effective, especially from the point of view of achieving absorption. While central institutions were usually better prepared, the effectiveness of implementation at the local level was more varied, it depended much more on the local leaders and on the human capacities they could rely on for implementation. Local actors had much less access to experts to rely on.

According to one stakeholder, the 2007-2013 NDA was an effective institution, working in a centralized bureaucratic way. Not all stakeholders see the 2007-2013 NDA and its Managing Authorities in a similarly positive light though. Others pointed out that it did not face external incentives to be efficient, and line ministries were not sufficiently involved in its work. If line ministries had ideas for worthwhile investments related to their own fields of expertise, they could not implement them, as they did not dispose over the funding. This has changed since 2014, now development policy is better integrated within sectoral policy-making. Some stated that the NDA was overly bureaucratic and rigid, a state within the state, that handling tenders on a mass scale posed difficulties for it. Some claimed that in the social field, the Managing Authorities experienced many problems, some projects could not be closed, others collapsed. The Managing Authorities could have supported beneficiaries better. Towards the end of the programming period, a “project doctor service” was introduced, which monitored projects with low use of resources and provided advice to ameliorate implementation problems. According to a high-ranking ministry official, such a service could have been implemented much earlier.

The reorganization of the implementation system after the change of government in 2010 is perceived by stakeholders to be detrimental both to the speed and the quality of cohesion policy implementation. In 2011, due to this reorganization, absorption came to an absolute or virtual halt for more than a year. With reorganizations, experience with implementation is lost. Some actors have recognized this: for example, the experts of the terminated Northern Great Plain regional development agency were recruited by the county administration in charge of Cohesion policy implementation. Many stakeholders argued that continuity is necessary for the fluid implementation of the policy. On the other hand, even when the system tried to secure continuity, this did not always work out well. When staff from independent intermediate bodies were moved into ministries, they became public servants and thus their salaries were diminished to their half or third, especially for those who did not have the degrees that would have qualified them for higher salaries. This prompted many to leave: according to one stakeholder, all the 2007-2013 employees from the Managing Authority responsible for regional programmes left. This stakeholder highlighted that salaries comparable with private sector ones would be necessary to enable the securing of the necessary skills and talent for implementation. Currently, the system aims to compensate the low salaries of public servants with bonuses related to progress with absorption.

Reorganization created additional concerns for the effectiveness of control within the new implementation system. Since 2014, the control units of the Managing Authorities operate within the line ministries implementing the programmes. The central audit institution, the Directorate General for Audit of European Funds (DGAEF) is an organization within the Ministry for the National Economy. The independence of these control and audit units can be thus questioned. While the DGAEF reports directly to the Commission, it is still not independent in the strict organizational sense. The ministries are mainly interested in increasing absorption; objections raised by control units would potentially hinder absorption rates. Currently, actors in the implementation system work with a mindset that their risk of being caught due to irregularities is low, due to the lack of independence of the control units. While the National Development Agency in 2007-2013 was not

fully autonomous either, it was an independent institution, and thus this problem was less pronounced.

A predominant focus on absorption

Almost all stakeholders pointed out that the main goal of the implementation system is absorption. According to interviews, currently ministries are more interested in the disbursement of funding than the NDA was in the previous period, as employees receive bonuses for progress with absorption. The second most important priority within the system is conformity with rules, as deviation from this goal would put absorption in danger. The goal of conformity with rules usually means formal compliance, but not necessarily compliance with the spirit of the rules. The goals of obtaining results and of communicating the policy are of lower importance than the absorption of the funds. Even if the implementation system claims to prioritize results in the beginning of a programming period, this emphasis usually wanes by the second half of the period when the pressure to ensure successful absorption becomes predominant.

Projects contributing to absorption in a rule abiding way are prioritized. Abiding by the rules matters as it has an impact on absorption: the EU can re-claim funds due to irregularities, and the implementation system aims to prevent it. Overall performance is not a priority. One stakeholder described the implementation of Cohesion policy as “burning money” and used this metaphor repeatedly throughout the interview (for example, how certain approaches are more efficient in burning the money). Other stakeholders have also used this metaphor occasionally: one of them highlighted that in 2007-2013, most funds were channeled into infrastructure investments, as “pouring money into concrete was the easiest way to burn money fast”.

In 2014-2020, one important goal of the implementation system has been to ensure frontloaded absorption. The aim has been to sign contracts with beneficiaries for the major part of the total 2014-2020 allocation before Spring 2018, the next parliamentary elections. Multiple goals have been behind this aspiration. This way, after the significant inflow of EU funds into Hungary in 2013-2015, there would be no abrupt halt slowing down the economy. Furthermore, the pressure towards the end of the period to spend would be decreased and hence a more favorable balance could be secured between the goals of absorption and performance. Some also hinted to the political aspects of this frontloading.

Due to the goal of frontloaded absorption, calls for funding have been quickly published for most of the funds, and some potential beneficiaries might have found this difficult to adjust to. The new project appraisal system resulted in some delays: delays of over a year were not unprecedented in the appraisal stage; this shortens the time available for beneficiaries to implement their projects and may undermine the quality of absorption. At the same time, MA employees were promised important bonuses to work on facilitating quick absorption, and the public administration poured out generous advance payments to project beneficiaries. Some stakeholders raised concerns about whether advance payments will be used according to the rules, whether the EU will reimburse funding, whether indicators will really be met, and highlighted the risks involved in this approach.

Due to the goal of the system to ensure conformity with rules, many stakeholders perceive that the administrative burden of Cohesion policy implementation is excessively high. Most stakeholders attribute this burden to the rules set by the European Commission.

Centralization, decentralization: perceptions and impacts

Interviews highlighted examples indicating that the 2007-2013 implementation system was more decentralized in its actual workings in the sectoral programmes. For example, in the environmental

field, the Managing Authority was in touch with the municipalities that were the final beneficiaries, and through the regular contacts, the MA knew about the interests and needs of the local actors and both sides knew about the determinants of progress with project implementation. In 2014-2020, central beneficiary bodies were created, with the communicated aim to rationalize the communication and management of the formerly fragmented projects. Both the Managing Authority and the municipalities are now in touch with these new actors and not directly with one another and according to a Managing Authority stakeholder, the flow of information about the state of project implementation has been negatively affected. These new actors are strong centralized state players and they are perceived to be politically stronger than the Managing Authorities. Actors within the MA don't have leverage over the speed of cohesion policy implementation in these central beneficiary institutions. The central beneficiary bodies are staffed by former central administration employees, many of whom lack information on local circumstances.

Local actors perceive their role as applying for any open calls or funding that they could use in their own region, county or city ("there is a hunger for resources in municipalities", "municipalities do not proceed along particular priorities, they proceed along resources that are available", "the municipality has applied to everything"). According to almost all interviewees, strategic orientation is much less important than to attract funding.

Central administration actors claim that the role of counties and cities increased in the strategic planning and in project selection within the Territorial and Settlement Development OP as compared to the role of regional actors in implementation in 2007-2013. However, this perception is not shared by local stakeholders, they typically point out their own limited role. They note that the involvement of local actors is rather formal.

For example, indicators of the Partnership Agreement have been broken down to the counties and cities at the central level. Even in situations when there are no real local needs related to the benchmarks to be achieved, municipalities will apply for the related funding due to the "hunger for resources" and will be held accountable for achieving the centrally set local benchmarks. Failure to meet the indicators can have severe consequences.

In the Territorial and Settlement Development OP, currently, there are many flagship / priority projects at the local level, with pre-allocated funding, with no competition for these resources. Some suggested that the actors implementing these projects might get lazy as compared to the actors participating in competition, they may devote less attention to feasibility studies and they might pay less attention to performance. Previously, within the regional OPs, there was a competition between counties for funding, and the more developed counties were typically more successful in applying for funding – now the fight for resources shifted to the central level, in the shape of fight for dedicated funding, in the form of both flagship projects and the size of the pre-determined allocation for the county or city.

While a formal role is provided to county and county-rank city representatives in planning and in project selection, city and county-level stakeholders point out that the "local levels of the local level", the various municipalities could not realistically be expected to have a voice in planning and project selection. Stakeholders agree that municipalities had very limited influence on the design of the OP. Many perceive that this is also due to the approach of the EU to programming, which is also seen to be very centralized.

At the same time, several stakeholders, working at central, regional or local level in the public administration and stakeholders from the civil society organizations stated that they would favor a stronger role for regional and local actors within Cohesion policy implementation in Hungary, already from the earliest stages of planning to implementation.

Local actors highlighted problems with the governmental decree 272 which sets out the rules and procedures for Cohesion policy implementation.

In the case of the Territorial and Settlement Development Operational Programme, the Hungarian State Treasury is the Intermediate Body, supporting the Managing Authority in OP implementation. Local actors complain about long waiting times and incompetent answers from this Intermediate Body, which hinders their own work in absorption. According to local stakeholders, the employees of the Treasury just forward the questions to the Managing Authority and don't dare to take a stand on problematic issues – however, for local actors, to get in direct touch with the Managing Authority would be much simpler and quicker.

Perceptions of the role of the Commission in implementation

As already mentioned, the role of the Commission in planning is seen by some as unwelcome and as the imposition of the preferences of the Commission. Furthermore, the negotiations in the planning phase take place bilaterally, with the representatives of the country, and this centralized approach is perceived by some as undermining the role of local actors. Concerning implementation, the Commission is seen by stakeholders as acting too late when implementation is problematic. In the realm of public procurements, a stakeholder raised the question why the Commission does not introduce benchmarks (binding ceilings on unit costs), instead of trying to ensure that in a formal way, the rules of public procurement are abided by. Administrative costs could be reduced if the Commission would focus its attention more on monitoring progress with indicators and would be less invested in the regularity of spending. However, neither of these comments consider the agency of the national public administration, in ensuring a role for local actors, in ensuring smooth and effective implementation and setting binding benchmarks for unit costs in procurements.

Opinions on partnership

Most interviewed stakeholders agree in their perception that the work of Monitoring Committees is formalistic and does not directly influence the decisions that shape the implementation of the programmes. Not only are Monitoring Committees ineffective in promoting partnership according to interviewees, they also feel that there are no other fora for the involvement of partners. Public consultations are mainly conducted via the internet. Events organized for the discussion of Cohesion policy became sparse in the 2014-2020 period. In the environmental field, civil society organization representatives complained that they did not have a role in project selection and that everything has been decided in a centralized way. Altogether, stakeholders agree that Hungarian authorities implement the required minimum of partnership, they fail to perceive that partnership is not a constraint but a facilitator of implementation. By contrast, as phrased by one central administration stakeholder, "partnership worsens the operation of the money burner".

In the Monitoring Committees, civil actors are present, but in most cases, they cannot hold the decision makers accountable. Civil actors often complain that they receive information late and have too little time to prepare, they also complain that the discussion in the MC is not deep or substantive. Comments of Monitoring Committee members are collected, circulated within the Committee and answered publicly; yet it is a common view that the major comments are rarely considered, rather proposals with smaller stakes are taken into consideration. The work of monitoring committees is not transparent, the public does not get information either on the internal debates or on the conclusions drawn.

Some of the stakeholders mentioned that rare examples of alliances between Monitoring Committee actors exist that were successful in proposing meaningful changes to officially planned decisions. Yet on the balance, monitoring committee members assess the usefulness of their contribution either in negative terms (their work is useless) or with ambivalent terms (pointing out

major disappointments and some small successes). Even if the Monitoring Committee tries to take comments into account and tries to set up a process of discussion between a civil actor and actors in the Ministry, the Ministry actors might later not follow up on the process initiated by the Committee and the Committee cannot influence this follow-up. A stakeholder mentioned as an example the establishment of disabled access to transport investments: the civil society actors representing the disabled were put in touch with the Ministry actors to improve decisions related to disabled access and the Ministry did not follow up on this initiative. It depends largely on Ministry actors whether they follow up on any comments and whether they enter any such process of discussion.

The criteria for the invitation of monitoring committee members are not transparent. An interviewee who knew the work of Monitoring Committees in 2007-2013 recounted that there was a period (until 2010 and for a short period thereafter) when civil actors had a majority in the committees, but as he expressed it, the government quickly realized that this could lead to a situation when central government initiatives might get outvoted. This might be why central government actors gradually started to dominate the committees. As one civic stakeholder put it, "they are an army, they act on command, they arrive with pre-written orders and they accomplish their missions successfully".

NGOs try to remain active in the Monitoring Committees, they are seen by many interviewees as the most active actors. They can occasionally secure some leverage on decision-making in committees with a leadership that is supportive of such a role of NGOs. However, civil actors lack the necessary resources to be more deeply involved in the work of Monitoring Committees. There are too few watchdog institutions (both within the government and outside the government) controlling spending, and even the existing independent watchdogs (such as atlatsz.hu, a news site operated by investigative journalists) do little to expose the structural flaws of the system; they rather aim at exposing individual scandals. However, there were interviewees according to whom the existence of these watchdogs and their success in shedding light on some scandals shows that in fact, partnership fora are open, accountable, as everything enabling the discovery of scandalous cases is available online.

Thus, stakeholders were mostly dissatisfied with the practice of partnership. Several central administration interviewees expressed their personal view that policy design needs to be changed in a way to better involve partners and local actors into implementation.

According to the findings of the stakeholder survey, while 41% think that the way the partnership principle functions is inclusive, open and fair, 26% of the respondents disagree with this statement and 15% strongly disagree. The opinion of stakeholders is thus polarized on this matter and this is likely to reflect their position in the partnership exercise. The stakeholder views are somewhat less polarized on whether partnership facilitates a shared understanding and shared commitments by partners to achieving the programme's objectives: 41% agree, while 18,5% are neutral and 15% disagree. The majority of the respondents (41%) doesn't agree with the statement that partners would only care for promoting their own organisational or financial interests, although the answers are also polarized for this statement, as 30% agree.

Table 9: Perceptions of the functioning of partnership in Hungary.

Q7. The partnership principle requires the participation of a wide range of partners throughout the different stages of programming and implementation through consultations, monitoring committee work and other mechanisms. How strongly do you agree or disagree with the following statements about the operation of the partnership principle in practice?	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The way the programme partnership operates is inclusive, open and fair	0,00%	40,74%	7,41%	25,93%	14,81%	11,11%
The operation of the programme's partnership principle facilitates a shared understanding and shared commitments by partners to achieving the programme's objectives	3,70%	40,74%	18,52%	14,81%	11,11%	11,11%
Partners are only interested in promoting their own organisational and financial interests	7,41%	29,63%	3,70%	44,44%	7,41%	7,41%

2.3. Assessment of performance

Performance at the NSRF level

The performance of cohesion policy in Hungary in 2007-2013 was significantly affected by the economic and financial crisis. Due to the crisis, there was an important drop in GDP growth and in employment during 2007-2013, there. Differences in the level of regional development were not decreasing throughout the period. At the same time, with the support of the inflow of EU funds, Hungary made important advances towards meeting the Europe 2020 goals and towards the accomplishment of the horizontal objectives of the NSRF. To respond to the crisis and to take into account the findings of the thematic and mid term evaluations, Hungary implemented OP modifications.

The mid term evaluation of the 2007-2013 NSRF (KPMG 2010) suggested an improved focus on territorial cohesion, both for the second half of the programming period and for 2014-2020. Furthermore, it recommended to maintain and strengthen the well functioning administration of the National Development Agency.

Overall, the absorption performance of Hungary was very good in 2007-2013 (KPMG 2017a). Based on macroeconomic modelling, the ex post evaluation of the NSRF by KPMG (2017a) finds that EU funds contributed to increasing GDP growth (to 4.6%), consumption, investment, employment and to the external and internal balance of the Hungarian economy. Without EU funds, GDP growth would have been negative in Hungary in the investigated period (-1.8%) and it would have not been feasible for Hungary to exit the excessive deficit procedure. Without EU funds, the actual 2.8% of growth of investment as compared to the level of investment in 2006 would have been rather a 31.3% decrease.

At the same time, despite the substantial inflows of EU funds that were meant to improve the competitiveness of the country and to bolster the supply side of the economy, the competitiveness of Hungary declined substantially in the 10-15 years up to the end of the 2007-2013 programming period. The contribution of EU fund inflows to GDP was the lowest in the Central and Eastern European region, despite the highest allocation of EU funds as compared to the level of GNI in Hungary. All this suggests that the framework conditions of economic growth supplied by the domestic policy environment were not sufficiently supportive of the full effectiveness of EU fund

investments (KPMG 2017a). The fragmented and not sufficiently strategic use of the support prevented the realization of structural changes in the fields of education, health care and public services. Furthermore, EU funds had only a limited impact on improving territorial cohesion; disadvantaged microregions could not use EU funds efficiently. While a major goal of the 2007-2013 period was to invest into employment creation, economic developments throughout the period led to a situation when it is the lack of skilled employees that is the main economic challenge for the Hungarian economy to tackle. This change in the broader economic situation has undermined the effectiveness of the planned activities to promote employment towards the end of the programming period. While the underlying data on cohesion policy implementation (the EMIR database) provides a good basis of evaluations, the systems of monitoring and the quality of evaluations could be improved.

On the basis of CGE (computable general equilibrium) model analysis, Hétfa (2016) finds that the GDP and employment impact of EU fund inflows depends on the sectoral composition of support. Find inflows have an immediate positive impact on aggregate demand, while their GDP impacts depend on how they influence imports and exports. The import content of investments and the import consumption due to the increased aggregate demand reduce the immediate GDP impact of investments. Investments can have a positive impact on exports by supporting the expansion of production capacities. It is less intuitive, but EU-funded investments can also have a negative impact on exports by increasing the demand for labour in sectors not exposed to international trade and thereby also increasing wages in the tradable sector, worsening the competitiveness and hence the volume of the exports of firms in such sectors. In Hungary, 45% of the EU funding benefited the construction sector, along with important support going to the public sector. Both sectors are non-tradable, thus this distribution of EU funds in the 2007-2013 period could have undermined the GDP impact of the support.

The Hungarian ex post evaluation of 2007-2013 (KPMG 2017b) also looked at the performance of EU support by the type of support.

The evaluation did not find any significant positive economic impacts of grants to businesses. Loans and other types of refundable support had a more tangible positive impact on the supported businesses.

Support to R&D and innovation triggered additional R&D and innovation activity and contributed to a larger rate of return on investments of the supported companies. Supported companies were also more likely to engage in cooperative innovations.

In the field of tourism, investments were mostly focused on infrastructure investments, establishing both new attractions and renovating national heritage sites. Those investments that better took into account local characteristics were more successful. The evaluation recommended an increased focus on tourism-related marketing and on the establishment of accommodation facilities for the future programming period.

In the field of transport infrastructure, limited travelling time gains were achieved by the investments. There were important delays in the stage of issuing permissions, but despite these delays, absorption caught up and 81% of the contracted support was eventually disbursed. While the construction sector was stagnating during the crisis, the sudden conjuncture within the sector was accompanied by a rapid increase in costs. Project selection could have been improved; deviations from original plans could create significant problems in the operation of the implemented transport investment projects. The transport investments contributed substantially to the reduction of pollution. Road investments contributed to the increase of GDP and employment in those counties the accessibility of which was significantly affected. At the same time, railroad investments that improved the quality of the tracks and of the service did not have similar impacts on local GDP and employment.

In the field of energy, the evaluation notes that the high import content of investments, ranging from 48% in the field of energy efficiency of buildings to 75% in the field of renewable energy or in public lighting, reduces the impact of these fund inflows on GDP. At the same time, during the life course of the projects, operation contributes positively to GDP, by generating savings in energy use and in energy import needs. The evaluation notes that without EU support, 84% of the investments in the field of energy would not have been realized, and this would have disproportionately affected the public sector.

Environmental investments, especially the investments into the sewerage network and into the system of waste handling have substantially contributed to the improvement of the state of the environment. Due to the EU funding, the volume of investments improved substantially as compared to the pre-2007 period, and most of the environmental investments would not have taken place without the EU involvement.

While the NSRF recognized the strategic importance of ICT investments for the competitiveness of Hungary, the investments carried out were not sufficient to achieve the Europe 2020 target of broadband coverage. Major elements of ICT investments in Hungary focused on electronic public administration and on investment into digital skills.

Social infrastructure investments can be grouped into investments in health, education, support to employment and activation, investments to promote social cohesion and into public administration.

The domain of health would have benefited from a more strategic approach, taking into account energy efficiency and cost efficiency, and the links between the financing of health services with the creation of new capacities. While new investments contributed to improving the working conditions of health professionals, the human resource needs of the sector can only be tackled by changes to the remuneration system and to working conditions. Health investments benefited the Convergence regions and left behind Budapest and its agglomeration. To support lasting improvements in the health status of the population, the ex post evaluation also suggested an improved focus of future investments on prevention.

Educational investments did not center around a clear strategy of equal opportunity and talent promotion. Furthermore, the ex post evaluation concludes that support to higher education did not have a structural impact on the sector.

The evaluation highlights the success of initiatives in the field of support to employment and activation. Successful projects subsidized the employer social insurance contributions related to the employment of disadvantaged employees. At the same time, evaluation find that these subsidies were only effective when the skills of the employees were adequate for the job; also, the long-term impact of the support is more modest. Thus, according to the evaluation, support to employment would be more effective through trainings to improve labour-market relevant skills and basic skills and competences.

Investments to promote social cohesion were more effective when local actors were involved in their management, as opposed to projects where management was outsourced to outside experts or firms. A lasting catching-up of the most disadvantaged micro-regions can only be effectively supported if the actual local labour market needs are taken into account. It is not lasting success if the projects manage to boost employment by ensuring that training participants can take part of public works programmes.

Improvements in electronic public administration are visible in the substantial increase of the number of users of electronic public services. At the same time, the efficiency and the competitiveness of public administration did not increase substantially throughout 2007-2013.

Performance of investments in the West Pannon region

In the ex post evaluations of the performance of 2007-2013 programmes, there is no separate evaluation targeted on the West Pannon region. Rather, all regional OPs were evaluated together, in a series of evaluations organized by thematic focus (on patterns of the use of funding in the regional OPs, on integrated urban development, on the development of the business environment, on nursery and preschool investments and on the impact of ROPs on territorial cohesion). The relevant conclusions for the West Pannon region are summarized below, by each topic.

The analysis of the patterns of use of funding finds that within the regional Operational Programmes of 2007-2013, the success rate of potential applicants to secure support has been 10% lower than in the sectoral OPs, suggesting higher demand for support at the regional level. 50-70% of the support was used by public sector beneficiaries, 15-35% by the private sector. The share of support received by public sector beneficiaries was higher in the less developed regions. Demand for tourism support was the highest as compared to the funds available for the purpose; demand for tourism support was especially high in the West Pannon region. While in regional programmes, it was typical for the cities serving as region capitals to secure the most funding, in the West Pannon region this was not the case, the distribution of support was more even across the major cities of the region. The share of small settlements is higher in the West Pannon region than in other regions of the country, and these small settlements were hosting 4-5% of all regional projects, which is a large share as compared to the rest of the country.

Concerning integrated urban development, the evaluation findings are discussed for all regions, without singling out region-specific issues. The evaluation notes that in setting the goals, the local characteristics were often not taken into account and there was no clear goal for the developments to accomplish, and the goals were not context-specific. Rather, development plans were filled up with the various projects that the municipality gathered together. The accomplishment of local goals was hindered by the crisis, by the lack of availability of local own resources, and by a deficient partnership with local business and non-governmental actors. According a survey of local government officials conducted for the ex post evaluation, the most relevant investments realized in this domain were the physical reconstruction of urban centres. However, these investments often did not have tangible economic impacts, beyond the immediate demand effects generated by the investments. In the context of their integrated urban development strategies, municipalities drew up anti-segregation action plans, too. During their drafting, the plans were perceived as controversial, as experts without a proper knowledge of the local context were involved with a decision making mandate in the planning phase. The evaluation suggests that the plans contributed to raising awareness to the issues of anti-segregation in cities. Yet due to a lack of monitoring, these plans mostly did not have a follow-up. Altogether, according to the ex post evaluation, the urban development projects did not contribute to diminishing territorial inequalities within Hungary.

On improving the business environment, the main horizontal conclusions of the evaluation, applicable to all regions are that fragmented support was not successful in influencing the location decisions of larger firms, which could have played an important role in employment creation. Furthermore, establishing business parks with the basic infrastructure is not sufficient to attract firms, such an approach should be avoided in the future, additional measures would have been needed to ensure the effectiveness of investments. More than 500 business parks were established across the country, without strategic planning and there is not even a common database available on the characteristics of these investments.

As the West Pannon region was already relatively well equipped with industrial parks at the beginning of the programming period, a low share of these investments took place in the West Pannon region. Yet the investments realized in the West Pannon region were of the largest territorial size, operated with the largest utilization rates and were also the most successful, judged on the basis of revenue inflows of the firms in the industrial parks and also on the basis of the

contribution of investments to employment creation. The most diverse range of services are also provided by the industrial parks of the West Pannon region. The largest share of revenues of firms in these industrial parks comes from exports. All this is clearly attributable to the geographical location of the region, close to the Austrian and West-Slovakian borders of Hungary. Especially successful were the industrial parks of Győr and Szombathely, the two cities where the COHESIFY focus group discussions were conducted.

Concerning investments into childcare, demand for nursery investments was low across the country, despite the low share of the relevant cohort attending nursery and despite of the negative impact of this on female employment and on the investment into the skills of disadvantaged children. Interestingly, the unit cost of childcare investments was lower in the western regions of Hungary than in the Eastern regions. The nursery network is particularly scarce in Vas and Zala, two counties of the West Pannon region, where only 10% of the age cohort can find a nursery place. Yet, the funds available to childcare investments were relatively low in 2007-2013 and the demand for funding was also quite low, thus 80% of all the applications could receive funding. The evaluation attributes the low demand for nursery places and the simultaneous lack of coverage of this public service in the region to cultural reasons and to the fact that families might be able to afford alternative childcare solutions. Yet the evaluation does not look at the links between female employment and the availability of nurseries in the West Pannon region. To stimulate the investment into nurseries all across the country, recent legislative changes mandate settlements to establish nurseries if there are more than 40 eligible children in a settlement. However, with the investments realized in 2007-2013 and with the additional planned new childcare investments for 2014-2020, it is still not feasible to attain this goal.

Each thematic evaluation of regional OP support provides important criticism of the indicators that were devised for the regional OPs, with criticism pertaining both to the data sources for the indicators and to the design of the indicators. It is notable that region-specific findings are scarce in the evaluations, despite the fact that in 2007-2013 there were separate regional OPs. Without region-specific findings, the evaluation findings on the impact of support on territorial cohesion are also scarce⁷. The thematic ex post evaluations of the regional OPs did not tackle important investments carried out in the regional OPs, such as investments into tourism development, approached to improve regional economic development beyond the establishment of industrial parks, environmental and transport infrastructure investments and development of local and regional public services beyond investments in childcare. Almost 50% of the investments in regional OPs has not thus been subject to ex post evaluation, beyond the findings at the aggregate level of the NSRF. Also, it is apparent from the above summary of the regional OP evaluations that the main methods employed by the studies were descriptive and qualitative: either the available data did not allow for the use of more analytical impact assessment methods, or the evaluations did not use the available data to the maximum possible extent. Without such evaluation findings, it is not possible to draw definitive conclusions on the added value of EU-supported investments in the regions. To sum up, there would be significant scope to improve the quality of evaluations of EU cohesion policy investments at the regional level.

In 2007-2013, the amount of funding Hungary received under this policy was immense and many hoped for a qualitative change induced by this funding within the economy and society. However, many stakeholders argued that results were disappointing compared to the high expectations. The 2014-2020 strategic planning diagnosed the fragmentation of funding in 2007-2013 as the main reason for lack of results and suggested more thematic concentration and an increase in the size of single projects. Many interviewed stakeholders re-iterated this view.

⁷ The ex post evaluation acknowledges this weakness and elaborates a methodology to better assess the impact of EU investments on territorial cohesion in 2014-2020.

Many also argued that the dominant focus in the 2007-2013 period on physical infrastructure investments was misguided. Furthermore, in this field, the focus was more on individual projects and often a strategic vision was lacking, which has in turn undermined the effectiveness of the use of funding. Even when strategies were funded and written, their quality was sometimes unsatisfactory and their guidance was not followed by the eventual political selection of projects. It was difficult to devise requirements for national authorities to create strategies of quality.

In the social field, investments didn't contribute sufficiently to the compensation of disadvantage, despite the promotion of new approaches, and despite all the trainings of teachers, for example, that took place. Certainly, the compensation of educational disadvantage was a major goal in the 2007-2013 period and it gained increased prominence after 2014. Important infrastructure investments took place, especially in the healthcare system. On the other hand, much of the training that was conducted on an industrial scale essentially functioned as a "money pump".

Social infrastructure investments were mainly implemented in the Convergence regions: these days there is a stark contrast between health and education facilities in these regions and in the region of Central Hungary and in Budapest. This reflects a lack of capacity to invest in the Central Hungary region from domestic resources.

When assessing the performance of the policy, many stakeholders highlight that regional convergence has not been achieved in Hungary in the first period. Infrastructure investments were implemented but did not secure regional convergence either. Some stakeholders would have preferred to see a higher funding allocation to the less developed regions, while others underlined that even larger allocations to these regions would not have been sufficient to spur growth in the least developed territories.

Concerning investments into competitiveness, it is hard to assess the effectiveness of the investments in the 2007-2013 period. Cohesion Policy investments might have crowded out or substituted for private investments. However, in one interview, a study has been mentioned that did not find a deadweight loss of the support to SMEs in Hungary in 2007-2013⁸.

Environmental projects mostly achieved their goals. However, infringement procedures were initiated against Hungary in the fields of drinking water and waste water, where there was a delay in the implementation of Cohesion policy investments.

One economic analyst highlighted that in the last year of the programming period, the Hungarian economy absorbed EU funds amounting to 6% of the Hungarian GDP, while GDP growth was 3%: Without a counterfactual, it is difficult to evaluate what would have happened without the EU funding. However, stakeholders pointed out that one can doubt that the inflow of funds had the maximum possible impact on economic growth in the country, at least in the short term.

While most stakeholders agree on the above assessments of performance, some have pointed out that the expectations for the policy might have been unrealistic in the first place, and the results of the policy are good, achievements could clearly not have been implemented from domestic resources such as improvements to road networks, drinking water and sewerage systems, and investments into basic social infrastructure.

Target goals have been met in most programmes, problems have only been mentioned in the interviews with respect to ESF financed programmes. However, some of the figures reported should be treated with caution, as they are "gross" figures of impact (such as for example the amount of jobs created by the policy), they do not show the impact of investments net of crowding

⁸ Béres Attila – Závecz Gergő (2016): Tényellentétes hatásvizsgálat a visszatérítendő és vissza nem térítendő támogatások KKV-kra gyakorolt hatásairól Magyarországon.
http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/ppt/poster_sme_hu.pdf

out and substitution effects. In the previous programming period, there were no sanctions attached to not meeting the targeted goals of investment, and the definition and measurement of indicators was taken less seriously.

According to some interviewees, industrial parks and warehouses that were built with Cohesion money are standing empty; this happens because feasibility studies were used to meet formal requirements and not to forecast the actual utilization of planned investments.

Stakeholders highlighted corruption risks in the system. For example, project writing costs cannot be recognized as eligible costs, yet many potential beneficiaries resort to professional project writing services due to the complicated rules of the system and finance these services from fake costs inserted into the project budgets. Beneficiaries, especially municipalities often lack own resources. Mediating agents appear on the scene and offer the beneficiary to pay the required own contribution and in return they get their slice from the project.

Some stakeholders perceive corruption and nepotism to be endemic in the system, others claim that misuse of funding is a relatively rare phenomenon. Stakeholder views are split by party affiliation, closeness to the implementation system and level of responsibility. Furthermore, stakeholders highlight that criminal offences cannot be widespread, as they would lead to the suspension of OPs – rather, manipulated or directed public procurements can be more common. One stakeholder pointed out that the construction industry is involved in most such cases, while in 2007-2013 the bulk of the funding went to physical infrastructure projects and despite the stated goals, physical infrastructure investment will be important in 2014-2020 too, also within enterprise support.

Some stakeholders provided graphic examples of how funding has been misused: for example, that environmental resources have been used to build a nice cottage near lake Balaton, or that training participants were asked to bring three different sets of clothing and they were photographed in a white room in each set on the same day to document that a training or a communication event took place.

Incentives are not well-aligned in the implementation system to effectively prevent corruption and nepotism. For example, decisions in relation to contracting are made by committees: the responsibility for any decision is thus spread out to all the members. In the case of metro line 4, there were 40 members in the committee, it is not clear who is to blame for the charges of OLAF. Furthermore, if there are any fines or penalties applied, eventually taxpayers pay the costs.

Survey respondents generally agree that Hungarian regions have benefited from funds disbursed through Cohesion Policy. While 40% of respondents agree that the funds have been used well at the regional level, nearly 50% agree that the funds were used well at the municipal level. 30% think that the use of funds was acceptable at the regional and at the municipal level (see Table 10. below).

Respondents mostly perceive that the objectives of Cohesion Policy reinforce the development objectives of their municipality and region. 52% of stakeholders responded that the objectives of Cohesion Policy largely reinforce the development objectives of their region and municipality and 30% agree that there is some degree of matching (see Table 11. below).

Table 10. Use of funds at the municipality / regional level.

Q1. How well - in your opinion - have Cohesion Policy funds been used in your municipality and region?	Very well	Well	Acceptable	Poorly	Very poorly
1. Your municipality	0,00%	48,15%	29,63%	14,81%	3,70%

2. Your region	3,70%	40,74%	29,63%	14,81%	3,70%
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Table 11. Match between Cohesion policy objectives and local/regional policies.

Q2. To what extent have the Cohesion Policy objectives reinforced the development objectives of your municipality and region?	Completely	Largely	In some way	Not much	Don't know
1. Your municipality	3,70%	51,85%	29,63%	11,11%	3,70%
2. Your region	0,00%	51,85%	29,63%	11,11%	7,41%

Table 12. Perceived developmental impact of Cohesion funds.

Q3. To what extent have the Cohesion policy funds helped to increase or decrease:	Decreased	Somewhat decreased	Had no impact	Somewhat increased	Increased	Don't know
1. Differences in the development level between poorer and richer regions in your country	3,70%	51,85%	18,52%	14,81%	11,11%	0,00%
2. Differences in the development level between rural and urban areas in your region	11,11%	25,93%	33,33%	18,52%	11,11%	0,00%
3. Differences in the development level between poorer and richer areas in your region	3,70%	33,33%	33,33%	18,52%	7,41%	3,70%
4. Differences in the development level between your country and other European Union Member states	3,70%	55,56%	22,22%	7,41%	3,70%	7,41%

Table 12 reports the perceived development impact of Cohesion Policy in Hungary. Generally, the majority of the respondents agree that the impact is positive both in terms of decreasing the cross-regional differences between the regions in the country and decreasing the differences between the level of development of the country as compared to other EU Member States. The respondents are more divided on the perception of the impact of the funds on the differences between richer and poorer areas in their region and on the differences between rural and urban areas in their region. 33% say that the funds had some positive impact on decreasing the differences between the level of development of poorer and richer areas in their region, while 33% say that the funds had no such impact. Concerning the impact of the funds on rural-urban differences, a small majority (33%) agree that the funds didn't lead to a convergence of the level of development of rural and urban regions within their region; 26% perceive that the funds did somewhat decrease rural-urban differences. However, a considerable share of respondents (18,5%) believe that the funds even contributed to increasing the rural-urban divide and the within region territorial inequalities

Table 13 shows that an overwhelming majority of stakeholders believe that Cohesion Policy rather helped to make residents of their region or municipality support the European Union more.

Table 13. The impact of Cohesion Policy on political support for the EU

Q4. In your opinion, has the Cohesion Policy during the last 10 years or so helped to make residents of your municipality/region support the	It has helped a lot	It has rather helped	It has had no impact	It has had a rather negative impact	It has had a very negative impact	Don't know
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European Union more?						
Percent	0,00%	70,37%	22,22%	0,00%	0,00%	7,41%

Table 14. Problems of implementation of Cohesion Policy in Hungary

Q5. How significant was the impact of the following problems and challenges during the implementation of Cohesion policy projects?	Very significant	Significant	Average	In-significant	Not at all	Don't know
Scarcity of Cohesion policy funds	7,41%	18,52%	37,04%	18,52%	14,8%	3,70%
Problems with obtaining Cohesion policy financing such as complicated rules for submitting applications	11,11%	51,85%	29,63%	3,70%		3,70%
Excessive, cumbersome reporting	14,81%	48,15%	29,63%	3,70%		3,70%
Unclear objectives for evaluating project results	7,41%	33,33%	29,63%	18,52%	7,41%	3,70%
Poor cooperation between project partners	7,41%	22,22%	33,33%	22,22%	7,41%	7,41%
Excessive audit and control during or after the project completion	0,00%	29,63%	55,56%	11,11%		3,70%
Lack of funds for own contribution (co-financing)	29,63%	33,33%	14,81%	18,52%		3,70%
Difficult access to credit and/or loans for own contribution	22,22%	40,74%	18,52%	7,41%		11,11%
Lack of capacity such as qualified staff	18,52%	40,74%	33,33%	3,70%		3,70%

In terms of implementation problems, a large share of respondents reported that lack of funds for own contribution (co-financing) is a major obstacle for the implementation of Cohesion Policy in Hungary (30% indicated that it is a very significant problem, and 33% see it as a significant problem). Related to this is the perception among stakeholders that difficult access to credit or loans for own contribution is an important limiting factor of the implementation of Cohesion Policy projects (22% see this as a very significant problem and 41% as a significant problem). Excessive and cumbersome reporting has also been singled out by respondents as a major implementation obstacle: although only 15% see this as a very significant problem, almost 50% think it is a significant barrier. Complicated rules for submitting applications is seen as a major stumbling block by 11% and as a significant obstacle by 51% of the respondents. Unclear objectives for evaluating project results is seen as problematic to a medium extent by 33% (significant problem) and 30% (average problem) of the respondents. Lack of capacity such as qualified staff is seen as problematic by the majority of respondents (very significant barrier according to 18% and a significant problem according to 41%). Cooperation between project partners is seen as problematic by many (significant according to 22%, average according to 33%), but it is not among the main problems singled out by the respondents. Fund scarcity and excessive audit and control are perceived to be less of a problem.

Table 15. Spending and irregularities in Cohesion funds in Hungary.

Q6. How strongly do you agree/disagree with the following statements:	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Cohesion policy funds finance those investment projects which your municipality/region needs the most	3,70%	40,74%	11,11%	40,74%	3,70%	0,00%
In your municipality/region Cohesion policy funding goes to investment projects which are most valued by the local residents	3,70%	37,04%	14,81%	37,04%	0,00%	7,41%
There are many irregularities in spending Cohesion policy funds due to non-compliance with EU rules	11,11%	33,33%	7,41%	37,04%	0,00%	11,11%
Fraud, such as corruption or nepotism, is common in spending Cohesion policy funds	14,81%	40,74%	7,41%	25,93%	3,70%	7,41%
There have been many positive changes in your municipality/region thanks to Cohesion policy funds, which would not have been achieved without the funds	11,11%	70,37%	7,41%	11,11%	0,00%	0,00%
The spending of Cohesion policy funds is adequately controlled	3,70%	37,04%	14,81%	37,04%	7,41%	0,00%
The money from Cohesion policy funds is in most cases wasted on the wrong projects	11,11%	29,63%	22,22%	33,33%	3,70%	0,00%
The administration of Cohesion policy has been delivered in an efficient (cost effective) manner	0,00%	22,22%	18,52%	40,74%	3,70%	14,81%

A large majority of the stakeholders indicate that there have been many positive changes in their municipality/region due to the Cohesion policy funds. Many (40%) find that Cohesion Policy finances projects which are needed the most by their region / municipality. Almost as many (37%) state that in their municipality or region, Cohesion policy funding goes to investment projects which are most valued by the local residents. Although according to 37% of the respondents the funds are adequately controlled, 33% indicate that there are many irregularities in the spending of EU funds, due to non-compliance with EU rules. Over 40% signaled that they believe that fraud, corruption or nepotism is common to the spending of EU funds. 30% agree that money from Cohesion Policy is wasted for the wrong projects. Most respondents agree that Cohesion Policy is not administered in the most efficient and effective way. (Table 15.)

Table 16. Monitoring and evaluation of Cohesion Policy in Hungary.

Q8. To what extent do you agree or disagree with the following statements:	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The monitoring and evaluation reports provide adequate information on the implementation and performance of the programme/s	0,00%	51,85%	7,41%	33,33%	3,70%	3,70%
The monitoring and evaluation reports of the programme/s are easily accessible	0,00%	18,52%	7,41%	51,85%	7,41%	14,81%
The monitoring and evaluation reports of the programme/s are easy to understand	0,00%	29,63%	11,11%	44,44%	7,41%	7,41%

The monitoring and evaluation reports results are used to improve policy-making and implementation	0,00%	22,22%	0,00%	40,74%	7,41%	29,63%
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According to Table 16, stakeholders share quite pessimistic views about the usefulness of monitoring and evaluation of Cohesion Policy in Hungary. Their views are somewhat polarized on whether the monitoring and evaluation reports provide adequate information on the implementation and performance of the programmes: 52% agree with this statement and 33% disagree. Yet they mostly find that the reports are not easily accessible (52%), that they are not easy to understand (44,5%) and they are not used to improve policy-making and implementation (41%). A smaller share, 20-30% of the respondents find that the reports are easy to access, easy to understand and that they facilitate policy learning.

Table 17. Training provided for stakeholders involved in the implementation of Cohesion Policy.

Q9. In what Cohesion policy workshop or training sessions did the representatives of your organisation/municipality/region participate in the last two years (select all that apply)?	No	Yes
Management	66,67%	33,33%
Control	77,78%	22,22%
Monitoring	29,63%	70,37%
Evaluation	59,26%	40,74%
Communication	70,37%	29,63%
Nobody participated in such events	81,48%	18,52%

From among workshops or trainings related to Cohesion Policy, respondents mainly attended activities related to monitoring (70%) and evaluation (41%). Fewer respondents attended trainings or workshops related to management, control or communication (33%, 22% and 29%, respectively). It is notable that respondents attended monitoring and evaluation events in such high numbers, given their rather negative opinions on monitoring and evaluation reports. The fact that few respondents attended communication-related activities is in line with the interview findings which highlight for many stakeholders communication is of secondary importance.

2.4. Assessment of added value

As already summarized in the section on the performance of cohesion policy in Hungary, the main added value of cohesion policy has been to keep up GDP growth during and after the economic crisis in Hungary. The ex post evaluation also notes that without the EU funds, it would not have been feasible for Hungary to exit the excessive deficit procedure. Sectoral evaluations note that the extensive investments of the 2007-2013 period into the environment and in transport and in public services would not have taken place without EU funding. EU support contributed to the spread of a strategic approach to investments in Hungary. As the ex post evaluation on the effectiveness of different types of investment notes, the horizontal goals of cohesion policy and the requirements of programming (such as for example the requirement to draw up anti-segregation action plans) created added value in Hungary. However, the evaluations do not elaborate in detail on any other types of added value of EU funding in Hungary (such as linkages between domestic strategies and EU programmes; administrative or democratic added value).

In the interviews, those stakeholders who provided a positive assessment of cohesion policy and highlighted its achievements didn't discuss at length the concepts of EU added value of the funding. One stakeholder described how the communication requirements of cohesion policy in the environmental domain contributed to the effectiveness of recycling. Many mentioned how a better involvement of regional and local actors into the programming and implementation of cohesion policy would be beneficial, thus referred to the potential benefits of the strengthening of multi-level governance. The lack of more extensive references to the added value of EU funding could be due among others to the weaknesses of partnership in Hungary.

3. Cohesion policy communication

3.1. Approach to communication

Governance of communication

While in several EU countries the communication activities of EU cohesion policy have been organized in an independent way for each operational programme, Hungary set up a uniform and largely centralized system for the governance of cohesion policy communication. This setup has been first implemented for the 2007-2013 programming period⁹. The reorganizations within central government after the change of government in 2010 and the start of the new programming period in 2014 further strengthened the centralized character of EU cohesion policy communication in Hungary.

In 2007-2013, the Communication Department of the National Development Agency (NDA CA) has overseen the elaboration and implementation of the communication strategy concerning the implementation of the Hungarian National Strategic Reference Framework (the New Hungary Development Plan). Managing Authorities (MAs) operated as independent departments of the National Development Agency. They participated in information and publicity tasks with respect to the entire New Hungary Development Plan and ensured compliance with the requirements of the communication strategy with respect to the operational programme(s) (OPs) under their responsibility. Communication targeted at beneficiaries at the OP level has been carried out jointly by the Intermediate Bodies and the NDA CD, with professional support from the Managing Authorities. Project-level communication has been carried out by the beneficiaries.

For the 2014-2020 programming period, the National Development Agency has been reorganized, Managing Authorities became units within line ministries, with the Ministry for the National Economy overseeing and coordinating cohesion policy implementation. Within the Prime Minister's Office, the State Secretary for EU development policy became responsible for EU cohesion policy implementation at the political level and the deputy state secretary became in charge of the communication of EU development policy. Thus, the central Communication Department has been set up within the Prime Minister's Office, it is staffed by seven officials. Its tasks remained mainly unchanged as compared to 2007-2013: it is responsible for horizontal and strategic communication activities at the level of the development strategy set out in the Partnership Agreement. It runs national and regional campaigns targeted at the general population, it communicates via national and regional media outlets, uses advertisements in print and online press, organizes media partnerships, organizes media appearances, operates the unified website of cohesion policy implementation and organizes events. The Managing Authorities oversee OP-level communication, they launch calls for tenders, organize events (roadshows, conferences and workshops) for professional audiences and prepare thematic brochures and leaflets. For the final beneficiaries, a guidance document has been prepared that provides detailed guidelines for communication, with the aim to inform the broadest possible audience of their projects.

Funding of communication

In 2007-2013, the budget allocated for communication has been 8.9 billion HUF. 65% of this allocation has been designated for centralized, horizontal communication activities at the level of

⁹ "Seven year comprehensive communication plan for the implementation of the New Hungary Development Plan", accepted in 2008 by the European Commission.

the NSRF; 35% of this allocation has been allocated for OP-level communication activities. Project-level communication activities were to be financed from the project budget and from the own resources of the final beneficiaries. In 2014-2020, 10.84 billion HUF has been allocated from the total Cohesion Policy envelope to the communication activities of 2014-2020 Hungarian EU cohesion policy implementation. The funding of OP-level communication has been planned to be relatively lower.

The content of communication strategies

The overarching objective of the 2007-2013 communication strategy has been to support the effective and efficient use of EU funds in Hungary over the period of 2007-2013. It aimed to communicate the following main messages: i) a new, European Hungary is being built; ii) development is a national task; iii) all are needed for success.

The 2007-2013 Communication plan identified five distinct phases of communication, which overlapped in time, but could be sufficiently distinguished with respect to their target groups and goals.

In the first phase, the aim was to provide general information to all citizens above the age of 14 on the opportunities available and co-financed by EU Cohesion Policy. The core concept of communication has been "opportunity"; technical terms were to be avoided in this phase. This phase mainly utilized advertisements on television, in print press (national and county-level weeklies and dailies), in national online media and in public spaces. This has been accompanied by intense PR-activities, close relations with the press, the release of publications and with an information-rich website of the National Development Agency.

The second phase targeted the mobilization of potential applicants for funding (municipalities and institutions of municipalities, enterprises, civil society organisations, and church organisations), relying on their typical media consumption, using daily and weekly newspapers and providing practical and accessible information. The targeting of potential beneficiaries could be accomplished by posting advertisements in specialized journals for municipalities and in economics and business journals for enterprises, by circulating newsletters to municipalities, civil society organizations and church organizations. Furthermore, the NDA set up an easy-to-search website and it also utilized publications, leaflets, direct marketing actions, information events and customer service operations to spread information on opportunities in the NSRF 2007-2013.

In the third phase, communication has been aimed at beneficiaries, a group easy to identify and reach, without relying on the media. Communication with the beneficiaries has been an interactive process, supported by the website of the NDA, where beneficiaries could track all the data related to the progress of their projects in an up-to-date way. Phone and online customer services were provided by the NDA to facilitate communication. Publications, guidelines, newsletters and information days provided by Intermediate Bodies were also useful sources for final beneficiaries.

The fourth phase concerned communication on the achievements of EU Cohesion Policy: the aim has been to inform all citizens and inhabitants of Hungary above the age of 14 about the outputs of Cohesion Policy projects and the impacts of the policy on the quality of life in Hungary. Media messages had the aim to engage the emotions of the viewers/listeners. In this phase, segmentation of communication by target groups has been highlighted as an important aspect of the strategy. Traditional markers used for target group segmentation (by age, gender, occupation) were deemed inappropriate and territorial segmentation has been selected instead. Thus, the strategy suggested the preparation of communication materials (press releases, background statistics) at the county level or below. This approach has also been supported by the communication recommendations of the Plan-D of the European Commission and it was backed by the outcomes of public opinion polls.

The fourth phase required the most complex approach in terms of tools used. The statistics related to progress with cohesion policy implementation and the list of the successful projects and beneficiaries had to be published by the Hungarian authorities. The plan has been to accompany this mandatory information provision with media campaigns that are based on progress on indicators relevant for the public, on the achievements of projects of national relevance, and on exemplary progress with smaller scale projects. Communication was planned in all types of media (television, national and county-level print dailies and weeklies, national online media and public spaces). This campaign was expected to not only raise public awareness on the achievements of cohesion policy in Hungary, but also to help with the generation of new projects. The importance of considering the territorial aspect was acknowledged by the Communication Plan in line with the Plan D. Thus, local media (local television, print press) was expected to play a leading role, both for the advertising and for PR-activities.

The last, fifth stage of communication has been the promotion of partnership at the programme and at the beneficiary level, emphasizing the importance of dialogue and joint thinking. OP-level communication mainly concerned phases 2 and 3, and to some extent also phase 5. The main channels of communication have been interactive ones such as internet forums (on the website of the NDA, equipped also with voting tools) and conferences. In the context of the national consultations on the operational programmes and other strategic documents on cohesion policy, active PR campaigns have been foreseen in national print press. To involve potential partners into the partnership exercise, direct marketing has been selected as a tool. Publications and leaflets also played an important role in the partnership exercise.

In 2014-2020, the goal of the cohesion policy communication strategy is to communicate the five main priorities set out in the 2014-2020 partnership agreement and also defined in the National Development and Territorial Development Concept, in order to ensure that the projects implemented lead to a critical mass of changes. These five priorities concern competitiveness, employment, energy-efficiency, social policy and a territorial focus. The target groups of the communication strategy are the same as in 2007-2013 (general population, potential beneficiaries, beneficiaries, political and economic actors). According to the strategy, the aim is to communicate the following main messages to the different target groups: i) the general population should learn about the advantages of EU membership, about the positive impacts of EU investments on their lives and its contribution to economic growth; ii) positive examples should raise interest to apply for funding among the potential beneficiaries; iii) for the beneficiaries, the aim has been to provide support to successful project implementation and to build trust in the implementation system; iv) among political and economic actors, the goal has been to promote leadership in supporting the competitive advantages of Hungary.

Based on the general guidelines set out in the communication strategy, communication action plans are elaborated at the level of OPs by MAs, to tailor activities to the specific OP and its target group. Thus, the strategy is complemented each year with a plan of actions for each OP and with an indicative resource allocation, which provides a detailed glimpse into the planned communication activities of each OP.

In 2014-2020, three main phases have been identified for communication.

The first phase covered the closure of the 2007-2013 period and communication on achievements. The target has been all the population of Hungary above 18. The aim was to introduce implemented projects to the broadest possible audience, using project examples or by presenting positive changes in education, health care or mobility that took place in the previous years. The goal of communication has been to make sure that the population feels that Hungary would be poorer without EU funds. Next to this general level of communication, a more targeted, professional

campaign has also been implemented, supporting beneficiaries in the final steps of project implementation.

The second phase concerned an ad hoc partnership, signed by the Hungarian Permanent Representation of the European Commission with the Communications Office of the European Parliament in Budapest, the Ministry of Foreign Affairs and the Prime Minister's Office. In the agreement, the partners set out to promote the values and relevance of the European Union to Hungarian citizens, supported by a joint communication plan. In 2014, a conference took place to commemorate ten years in the EU, a Europe day in Budapest, a running competition, cooperation with large popular festivals reaching the youth and a TEDxEurópa event. The cooperation of the institutional actors was deemed successful and a new cooperation agreement has been signed which set out activities until 2017. Open day events and a Europe day have been organized in this framework.

In the third phase, the aim has been mobilization for 2014-2020, to support absorption and to communicate the differences of the 2014-2020 programming period. The target groups and tools used in this phase have been largely similar to those used in the 2007-2013 period. A Facebook page has been set up for the provision of recent news and information. As part of this mobilization phase, a campaign on Everyday Heroes has been conducted, the main message of which was that the time has come to make plans to realize our dreams. Although 60% of the EU funding for 2014-2020 has been earmarked for small and medium sized enterprises, the campaign placed the message within a much broader context, showcasing the individual-level values necessary for success through the portrayal of everyday heroes. An Open Day roadshow has also been organized for this phase, along with a Széchenyi2020 SUPER (Hungarian abbreviation for: series of events in preparation for successful EU project applications) Road Show, to introduce OPs.

A specific communication strategy has been designed to communicate the Youth Guarantee, the aim of which is to prevent early school leaving and to re-integrate young people not in education, employment or training (NEETs) into education or into the labour market. The aim has been to consider the diversity of this group, and to use a broad range of tools to reach the target group. Special emphasis has been given to the use of Facebook, Twitter and Instagram to reach these people. A plan has been described, to set up a dedicated website for employers and youth targeted by the actions, equipped with a central customer service, linked to websites of other organizations involved in EU cohesion policy implementation.

According to the formal description of the communication governance arrangements, it would seem little has changed between the two programming periods. Yet interviews with stakeholders suggest that the role of the Managing Authorities (MAs) has been constrained in important ways. Several interviewees observed that as the central level of communication has taken over some of the MA activities, among them one affected stakeholder in a Managing Authority. Central control over the work of MAs became stronger. In some cases, this limited involvement by MAs in communication might have undermined effective policy implementation, as officials working in MAs lost valuable opportunities to be in touch with beneficiaries on roadshows, conferences and workshops that were much more common in 2007-2013 than in 2014-2020. Furthermore, both central government officials and media stakeholders suggest that press breakfasts (events where government representatives and journalists could have a detailed exchange related to EU cohesion policy) that were common in 2007-2013 have almost fully disappeared by 2014-2020. MA leaders and officials were previously in touch with the media, gave interviews, and were invited to professional conferences: this is not a regular practice anymore. In general, the relationship of EU cohesion policy implementation to the press has loosened. This process took place during a period when the influence of the governing party increased in all segments of the media and became dominant at the local level.

As the next section on the assessment of communication activities will present it in more detail, most stakeholders who do not directly work in the area see communication activities as a mandatory duty, a requirement to be ticked off, but by in large, they do not see a role for communication to promote the effectiveness of cohesion policy and do not perceive any other arguments that make them attribute strategic importance to communication. They note that substantive discussions on communication do not typically take place in monitoring committee meetings. They also observe that there is limited room for innovation in relation to communication and this may also curb the ownership of communication both by the actors of the cohesion policy implementation system at the national level and by the final beneficiaries. Stakeholders who do not directly work on communication are usually unaware of communication evaluations, and struggle to name best practices. At the same time, in the interviews they provided some innovative ideas for the improvement of cohesion policy communication at the EU and at the national level.

In some interviews, stakeholders outlined a broader narrative, perpetuated by some Hungarian politicians, which questioned whether Hungary should place the benefits of EU membership and the benefits of EU cohesion policy in the foreground of its communication efforts. In this view, EU cohesion policy should not be considered as a present, but rather as a part and parcel of EU membership and a just (or perhaps even less than just) compensation for the losses suffered when Hungary opened its market within the EU. The amount that Hungary receives is portrayed as the result of the successful negotiating efforts of the Hungarian government and of the Prime Minister Viktor Orbán. Furthermore, one interviewee remarked that funding comes with important strings attached and this might prevent the financing of activities and investments that would be the most urgent and most beneficial for the development of the country. If policy implementation is carried out based on these narratives, this casts a shadow on the EU level consensus that a major feature of EU cohesion policy is to raise awareness of the benefits of EU membership at the regional and local level.

In Spring 2016, the Prime Minister's Office ran a campaign with the slogan "Let's stop Brussels". It is likely that this interfered with the goals of communication of EU cohesion policy in Hungary. In stakeholder interviews and focus group discussions, participants frequently mentioned the awkwardness of campaign billboards appearing next to billboards promoting the accomplishments of EU cohesion policy. In interviews, officials working in central government stated that they believe that the Let's stop Brussels campaign didn't call into question the accomplishments of EU cohesion policy, as the campaign was motivated by a migration policy disagreement between the Hungarian government and the European Commission. Yet it was a common perception among stakeholders that despite the different origins of the campaign, it inevitably invokes associations with cohesion policy. Stakeholders perceive that the current Hungarian domestic political context is not supportive of EU cohesion policy communication.

The 2007-2013 programming period was affected by the economic and financial crisis of 2008-2009. This has affected the results that the communication could refer to, but also provided an opportunity for communication to show how EU funds could help with dealing with the crisis. However, some stakeholders argued that the results of the 2007-2013 programming period were not communicated broadly and sufficiently. In a Monitoring Committee meeting, there has been a discussion on the curious lack of communication on the achievements of the sixty year old European Social Fund within Hungary¹⁰.

Many stakeholders agreed that the campaigns run by the central Communication Department have been organized and implemented professionally. Campaign waves were designed with different but closely linked central themes, communication attempted to tell stories to bring messages closer to people. Interestingly, the views of the stakeholders are divided on whether it is easier to

¹⁰ According to an interviewee, in a Monitoring Committee, a Commission participant raised this issue in the discussion, and linked this issue to the Stop Brussels campaign of the government.

communicate large infrastructure projects or the smaller scale investments implemented from the ESF. Some claim that personalized messages are easier to send about the ESF-type projects, other claim that large infrastructure projects are highly visible and tangible and thus easy to showcase.

While these campaigns are generally perceived to have been successful, some stakeholders suggested that cohesion policy communication does not exploit all the potential of innovative communication methods and tools. This has been also raised in a Monitoring Committee meeting when the 2014-2020 communication strategy has been discussed. However, the strategy has not been modified based on the comments as this would have triggered a re-negotiation of the communication strategy in all other Monitoring Committees, as stated by an interviewee.

The public encounters EU cohesion policy mainly via billboards which are ubiquitous, but they also may be counterproductive: they show the immense amounts of EU support especially when compared to local salaries, while people on the whole are not aware of the project details that drive the budgets. Thus, some suggested that the billboards might fuel an association between cohesion policy and corruption and could also fuel resentment towards beneficiaries. Some stakeholders mentioned that the billboards are standing next to the investments themselves and sometimes roads or bicycle tracks are not maintained and thereby undermine the messages on the boards. Others suggested that the billboards would need to be more informative or attractive; that they should communicate results and not the spending behind the results.

The messages on the billboards are counteracted by stories in media about wasteful spending and corruption in cohesion policy. The limited efforts by EU cohesion policy communication to disseminate the results of cohesion policy, the more limited contacts with press and media are not effective in counterbalancing the public image created by reporting on these scandals. Also, some stakeholders emphasize how the media is not interested in discussing the causes of and solutions to apparent wasteful spending and corruption in the use of EU cohesion policy. All this can undermine the perception of the public of the benefits of EU membership and the general perception of the usefulness of cohesion policy.

A. [Stakeholder survey](#)

Table 18: Stakeholder perceptions of the use of Cohesion Policy communication tools.

Q10. How regularly are the following communication tools used to disseminate information about the use of Cohesion policy funds?	Never	Rarely	Sometimes	Often	Very often
Television	18,52%	29,63%	22,22%	29,63%	0,00%
Radio	14,81%	29,63%	33,33%	22,22%	0,00%
Local and regional newspapers	14,81%	14,81%	25,93%	40,74%	3,70%
National newspapers	11,11%	25,93%	29,63%	33,33%	0,00%
Workshops and seminars	0,00%	3,70%	33,33%	59,26%	3,70%
Brochures, leaflets, newsletters	3,70%	0,00%	33,33%	51,85%	11,11%
Press releases	7,41%	3,70%	11,11%	55,56%	22,22%
Programme website	7,41%	3,70%	14,81%	51,85%	22,22%
Film clips / videos	11,11%	22,22%	48,15%	14,81%	3,70%
Plaques/billboard with EU flag	7,41%	7,41%	11,11%	37,04%	37,04%
Social media (Facebook, Twitter, Youtube)	7,41%	18,52%	48,15%	14,81%	11,11%
Advertising campaigns on television and/or radio	14,81%	29,63%	25,93%	25,93%	3,70%

According to the findings of the stakeholder survey, in Hungary, plaques and billboards are the most frequently used tool of EU Cohesion Policy communication. Press releases and the websites of the programmes are also commonly used tools according to the stakeholders. Brochures, leaflets and newsletters are also quite commonly used. Workshops and seminars are perceived as common communication tools, followed by local, regional and national newspapers. Television, radio, film clips and videos are seen to be used less frequently to disseminate information about Cohesion Policy. Social media and advertising campaigns on television and radio are also not that frequently used according to stakeholders.

The perceptions of the stakeholders might be influenced by their more frequent encounters with communication oriented towards partners and beneficiaries and with communication related to programme implementation. Also, the perceptions of stakeholders might be influenced by their media consumption patterns. Interview findings suggest that events (workshops, seminars) became less frequent in the 2014-2020 period: at the same time, stakeholder survey findings suggest that events are still a frequent tool used by communication.

3.2. Assessment of the effectiveness of communication strategies

The effectiveness of the communication strategies has been assessed based on pre-set indicators among the general population, potential and actual beneficiaries. Progress was to be monitored by representative surveys. It has been assumed that each indicator is influenced by all three types of communication activities (NSRF-level, OP-level and project-level). The evaluations note that it is important to bear in mind that the indicators can be influenced by outside developments, independent of the communication strategy, such as the economic and financial crisis in the 2007-2013 period. Furthermore, as beneficiaries experience economic developments more closely, they are more capable to answer several questions related to the indicators, while the general population bases its answers more on general impressions and sentiments. Thus, evaluations recommended a different approach to measurement for these two target groups of communication.

Beyond the regular measurement of progress towards meeting the indicators, for each media campaign, evaluations were also conducted (but typically not published).

The Hungarian authorities met the official evaluation requirements of communication activities. Information beyond the requirements is typically not published, although smaller evaluations are regularly conducted by the authorities and progress along the indicators of the communication strategies of 2007-2013 and 2014-2020 has also been regularly measured. In the field of the evaluations of communication actions and strategies, the fact that only the main official evaluations are published limits the scope for assessing learning.

The two main evaluations publicly available are the mid-term and ex-post evaluations of communication in 2007-2013: both are of generally good quality and have apparently facilitated policy learning in general, with the exception of two issues. First, the 2007-2013 mid-term evaluation of regional communication activities included word for word the same paragraphs in evaluating each region - according to stakeholder interviews, the initial goal to evaluate communication in each OP separately has proved to be too ambitious, and this was realized only during the evaluation exercise. Second, some underperforming indicators were simply dropped for the 2014-2020 period.

Evaluations of the 2014-2020 communication strategy are not available yet. The ex-ante evaluations of the Operational Programmes do not tackle the ex-ante evaluation of the planned communication actions.

NSRF-level communication

According to the mid-term evaluation of the 2007-2013 strategy, the population and the potential applicants were mostly aware that there exist projects that are co-financed by the EU and they also mostly know about EU co-financed projects in their own surroundings. Among the general population and the beneficiaries of support, a larger percentage agrees that EU funds support the catching-up of the country than the target value set for this indicator. On the other hand, in 2011 the indicator of the appreciation of EU cohesion policy has been far from its 2013 target value both in the general population and among potential applicants (although the improvement as compared to the base value has been quite substantial). Furthermore, general support for the EU membership of Hungary has declined by 2011 as compared to its 2007 base value. This could have been due to the timing of the survey, amid the economic and financial crisis.

By 2013, the indicator on the appreciation of EU membership has improved, according to the ex post evaluation. However, the ex post evaluation finds that the perception of EU cohesion policy contributing to the development of Hungary has remained much lower among potential beneficiaries than among actual applicants for funding. Potential beneficiaries had less trust in the implementation system of cohesion policy than actual applicants: they were less likely to think that the system works according to the rules and that it was easy to navigate for applicants.

According to the mid-term and the ex post evaluations, these findings reflect the fact that the communication strategy in 2007-2013 didn't have the aim to promote the policy itself, rather it promoted the results of the policy. Furthermore, it has also been suggested that the low outcomes on these indicators reflect the wording of the indicators: people might have difficulty to recognize the term "cohesion policy". Hence, the ex post evaluation suggested re-wording to take this into account, without any concrete drafting suggestions. The mid-term evaluation suggested to make more reference in various types of communications that the EU co-finances 85% of the costs of investments, to improve the general perceptions of the public on both the EU and on cohesion policy.

One outcome of these evaluation activities has been that for 2014-2020, the indicator on the opinion of the general public on EU cohesion policy has been dropped. Appreciation of EU co-financed investments has only been assessed among those who have already heard about the investments. New indicators have been introduced for 2014-2020, such as the indicator measuring the match or mismatch between the main investment priorities of the policy and the main investment priorities of the country as perceived by citizens. Furthermore, indicators have been aligned with Eurobarometer indicators. However, the re-phrasing of indicators makes it more difficult to compare evaluation findings across programming periods.

Qualitative evaluation findings (interviews and focus groups conducted as part of official evaluation activities) lent support to the 2007-2013 centralization of communication. Respondents argued that centralization led to a more effective communication, with a coherent image, with information and messages corresponding to the image, with the brand and the messages being easier to recognize and stick in the memory of target groups. Responsibility has become clearer as well. Interview respondents noted that communication has been quite efficient in the sense that three waves of mass media campaign were used to maintain the attention of the target groups over the long run. This was more effective than repeating the same messages in one campaign over a long period of time. The planning of the communication strategy was perceived as thorough. It made clear the main lines of communication. Partners from the private sector and renowned experts were involved in the planning and execution of communication campaigns, contributing to its success. New tools have been employed by the campaign, such as a broad ATL (above the line) spectrum of measures, innovative BTL (below the line) measures were designed in collaboration with national television channels (animation series, appearances in popular programs of public and commercial television channels).

At the same time, problems were also mentioned by respondents in interviews and focus groups conducted as part of the official communication evaluation activities. The wide scale national campaign has been quite costly, which led to widespread criticism. Some mentioned bureaucratic obstacles. Some claimed that the public procurement system at times prevented the contracting of the right media and PR-agency, and it has frequently slowed down the contracting procedure. Campaigns on this scale were also unprecedented in the EU, which meant that one could not lean on any previous experiences.

According to the mid-term evaluation, from the three waves of mass media campaigns, the second, 2009 wave was helpful in framing EU support as a strategic way to deal with the consequences of the economic and financial crisis. Poll findings support that the campaign was successful, efficient in reaching the right audience and in raising attention.

In 2007-2013, the NSRF of Hungary has been first called the New Hungary Development Plan, then it was renamed in 2010 after the change of government to New Széchenyi Development Plan. The 2014-2020 cohesion policy strategy is called Széchenyi 2020 plan. The Hungarian names are commonly used by politicians and feature on the cohesion policy billboards along with the references to the ERDF, ESF and CF. In 2015, according to the 2014-2020 communication strategy indicators, a larger share of the general population knew about the New Széchenyi Development Plan than about EU cohesion policy¹¹. In 2011, the mid-term evaluation suggests that 93% of the general population was aware of EU co-financed projects in their neighborhood, while this figure drops to 42.3% for 2015 according to the 2014-2020 communication strategy. This striking drop might have been caused by the change of the communication strategy of EU cohesion policy in Hungary since 2010 (the almost exclusive use of the Hungarian moniker in all communication activities, except the billboards). These figures raise the question whether Hungarian authorities communicated sufficiently the role of the EU in operating and financing cohesion policy. COHESIFY focus group evidence corroborates that there are people who don't know that Széchenyi 2020 plan is financed from EU cohesion policy. At the same time, unpublished regular measurements of progress along indicators of EU cohesion policy communication currently use indicators that refer to Széchenyi 2020 plan instead of EU cohesion policy; and progress measured this way may overestimate the effectiveness of communication from the point of view of the EU. All this happens in a context where stakeholders in COHESIFY stakeholder interviews pointed out that public support for EU membership is typically quite high in Hungary and it is not politically risky to acknowledge the support of the EU in development policy.

OP-level communication

In the communication related to regional OPs, print press advertisements were the main path of communication. Further main methods were online and radio advertisements. On television, instead of classical ads, different methods were selected: reports and PR-materials were broadcasted. Press conferences were also used, but their number was quite limited in South Transdanubia and in Northern Hungary. Workshops and information days were mainly organized in North Great Plain and in Central Hungary. Brochures and information leaflets were mainly used in Central Hungary.

¹¹ In April 2015, the Prime Minister's Office conducted a large survey among the general population (Kutatópont, 2015) to support the preparations for the 2014-2020 communications strategy; the findings of this survey are outlined in the introduction of the 2014-2020 communication strategy. According to it, while 71% of the population has been found to know about the New Széchenyi Development Plan (the new moniker for the NSRF coined by the new FIDESZ government that entered into power in 2010), 62% has been aware of EU cohesion policy. This is an example of a study that shows that people do not automatically make the connection between EU cohesion policy and the development policy conducted by the Hungarian government.

In the communication related to sectoral OPs, most workshops and information days were held by the Environment and Energy OP (40) and by the Social Renewal OP (70). Such events were rarely used for the State Reform OP and for the Electronic Administration OP. Media campaigns were used in the largest numbers by the Economic Development OP and by the Social Renewal OP. The Economic Development OP relied heavily on online and radio ads, while the Social Renewal OP relied mostly on print press presence. The Transport OP relied the least on mass media advertisements, for example, it had no campaigns at all in 2009. Other communication tools were also used in a quite varied way by sectoral OPs: the Social Renewal OP used the most types of tools, each in a quite intense way. The 2010 government change stalled communication activities at the OP level, too, albeit to a different degree for each OP; for 2010, actual progress fell short of targets.

According to the mid-term evaluation, potential beneficiaries were more aware of regional OPs than of sectoral OPs.

The media usage patterns of the potential applicants and of beneficiaries do not differ in any meaningful way, allowing the same communication approach to reach both groups. The regional operational programmes had to take into account that important territorial cultural differences also result in different media usage patterns by regions. In Central Hungary, there are no local newspapers, thus the relevance of print press in communication is smaller, while high levels of internet use bring this medium to the forefront of communication. In the eastern and western parts of the country, radio listening and newspaper consumption is above the national average. In both cases, this is due to local radio channels and newspapers. However, in the eastern part of the country, internet use is less widespread than in the western part.

An important constraint of the mid-term evaluation has been that it reached word for word the same findings on the communication activities of each regional OP. According to officials who worked on this evaluation, the initial goal to evaluate each regional OP has been too ambitious, the actual differences between regional OPs have been not meaningful. This was realized only during the evaluation.

Project-level communication

The mid-term evaluation highlighted that beneficiaries perceive the administrative burden related to project implementation as excessive. They appreciate that the communication requirements can strengthen their own strategy and institutional communication. However, the requirements of project-level communication have not always been adequate, thus the evaluation called for their fine-tuning. For example, schools have been required to hold press conferences, while the media has been more interested in larger projects. This evaluation finding has been considered in the design of the 2014-2020 communication strategy. The mid-term evaluation also suggested that communication targets should be adjusted to the changing circumstances of the projects (thus, if project funding is cut, communication requirements should also be downscaled).

Focus group participants of the official communication evaluations noted on project level communication that their organizations had their own strategic development and communication plans anyway, and that they have tried to incorporate the communication requirements related to EU funding with these existing plans, wherever feasible. They agreed that they mostly managed to do this, although in their communication activities it has not always been feasible to tell if they were communicating the outcomes and impacts of EU funding or if they were communicating about their organization in general. According to the mid-term evaluation, on this issue, the interests of the funders and of the beneficiaries are not fully aligned, and the communication strategy would need to better take into account the interests of the final beneficiaries.

Communication with potential and actual beneficiaries

The evaluations highlighted that both potential and actual beneficiaries perceive that agencies are not applicant-friendly. According to the mid-term evaluation, this is due to the substantial administrative burden on beneficiaries, to the changes in the administration (Intermediate Bodies), the elaborate requirements and the difficulties in communication between the administration and the beneficiaries.

Potential beneficiaries are all using the internet, compared to 50-60% of general population. They are also more likely to listen to the radio, yet they are less likely to watch television. However, to stay well-informed, the potential beneficiaries believe that the print press is as important as the internet, and events organized by the NDA are also very relevant to stay well-informed.

Respondents were asked which sources of information they deem most efficient in conveying information about EU cohesion policy achievements. Print press and the internet both were frequently mentioned. The obligatory project information table has been mentioned as important. Yet brochures and leaflets were not found to be relevant.

For project application, respondents noted that direct communication and personal contacts (mainly with the NDA) were very important. Yet this does not mean that broader, less direct communication methods were not relevant: these have most likely created the stimulus to become more informed, to embark on action and to apply for funding.

Aversion to advertisements has been also measured by media type. It was found that on the internet, people perceive ads as very disruptive; thus, other online tools (Twitter and other innovative means) could be worth to follow. Furthermore, respondents also stated that they perceive television ads disrupting television programs as disturbing. The approach of the NDA to pursue communication on television using other means and not to place such advertisements has been reasonable.

Beneficiaries had a good opinion of the NDA website, although they recommended changes to make searching the website easier. They were also generally satisfied with NDA customer services and NDA events. Furthermore, on the basis of the answers, support to application writing, services to support the application process should be improved, and more events should be held.

On the basis of the 2007-2013 evaluation findings, a specialized company has been set up for 2014-2020, to which beneficiaries can outsource all or some of their communication activities.

Communication in the context of partnership

Actors involved in the partnership process preferred to voice their comments in person, during public events or during personal encounters. Written comment submission, by post, by email have been also preferred by similar shares of respondents. Interestingly, comment submission via the NDA specialized partnership forums was least popular.

Most interviewed stakeholders perceived the activities of the central Communications Department as professional, well-designed and effective. Some suggest that the scale of 2007-2013 centralized campaigns has been unprecedented in the EU and thus it was a real challenge to design and implement them, and the Department handled this challenge well. Others mentioned that the campaigns were expensive and might have created the perception of wasteful spending, spending not related to the main goals of the policy.

In fact, this view echoes a common stance towards EU cohesion policy communication in Hungary. Officials not directly involved in communication activities perceive them as of secondary importance, not affecting the success of policy. Many suggest that communication requirements

laid down in EU legislation are perceived by most actors as obligations to meet with minimum effort and all this is not likely to produce results. Communication is a mandatory duty, actors perceive limited room for their own innovative ideas and have no interest to implement them. Monitoring Committees rarely discuss cohesion policy communication in a substantive way. Most stakeholders struggled to name any innovative communication actions. Some claim that beneficiaries are also only interested in communication activities when these activities are aligned with their own business interests and otherwise mainly aim to meet the obligatory requirements.

When it comes to the general assessment of the communication of EU Cohesion Policy, the majority of respondents are neutral or unsatisfied with the way Cohesion policy is communicated to citizens, with the branding and messages used to communicate Cohesion policy, with the use of human interest / personal stories, with the support of the European Commission to communication, with the targeting of different groups with different communication tools and with the administrative capacity and resources dedicated to communication activities (see Table 19).

In light of the interview findings, the large share of neutral responses to these questions shows the indifference of stakeholders with respect to the issues of communication. At the same time, many respondents signaled their dissatisfaction when responding to these questions. It is notable that 15% of the answers doesn't know the role of the European Commission in supporting communication or about the level of administrative capacity available to communication.

Table 19: General assessment of the communication of Cohesion Policy.

Q11. How satisfied are you with:	Very satisfied	Satisfied	Neither satisfied nor unsatisfied	Un-satisfied	Very unsatisfied	Don't know
The way Cohesion policy is communicated to citizens	3,70%	14,81%	44,44%	29,63%	3,70%	3,70%
The branding and messages used to communicate Cohesion policy	0,00%	14,81%	44,44%	33,33%	3,70%	3,70%
The use of human interest/personal stories	0,00%	22,22%	37,04%	37,04%	0,00%	3,70%
The support from the European Commission on communication	0,00%	22,22%	44,44%	11,11%	7,41%	14,81 %
The targeting of different groups with different communication tools	0,00%	7,41%	37,04%	37,04%	7,41%	11,11 %
The administrative capacity and resources dedicated to communication activities	7,41%	25,93%	37,04%	14,81%	0,00%	14,81 %

Answers concerning the effectiveness of Cohesion Policy communication show a similar pattern (Table 20). For most questions, the majority of the respondents provided neutral answers (on whether Cohesion Policy communication conveys the achievements of the policy effectively; whether communication conveys that funds are co-funded by the EU; whether good working relations are fostered with the media and the press); the share of those signaling lack of knowledge is also notable (for example, 26% cannot judge if social media is used effectively for Cohesion Policy communication). A minority of responses are polarized and distributed in a balanced way judging communication effective or ineffective. Thus, while the majority of stakeholders are ignorant, smaller minorities of stakeholders hold conflicting views about the effectiveness of Cohesion Policy communication.

Table 20: The effectiveness of Cohesion Policy communication in Hungary.

Q12. To what extent are the communication efforts effective in:	Very effective	Effective	Neither effective nor ineffective	Ineffective	Very ineffective	Don't know	Not used
Conveying the achievements of Cohesion policy programmes overall and the role of the EU	3,70%	14,81%	37,04%	22,22%	11,11%	11,11%	0,00%
Conveying the achievements of co-funded projects and the role of the EU	0,00%	22,22%	29,63%	25,93%	11,11%	11,11%	0,00%
Using social media to promote the programme and projects (e.g. Twitter, Youtube, Facebook)	3,70%	14,81%	18,52%	18,52%	14,81%	25,93%	3,70%
Fostering good working relations with the media and press to reach the general public	0,00%	22,22%	25,93%	14,81%	7,41%	18,52%	11,11%

Respondents do not agree with the statement that the media would mainly report negative stories about EU Cohesion Policy (see Table 21). Interestingly, stakeholders both find that politicians use publicity events for credit claiming and that politicians sufficiently emphasize the role of the EU in cohesion policy communication. While stakeholders mostly agree that communication uses the key messages adapted in an appropriate form to reach target audiences, that communication messages are consistent at country or regional levels, at the same time stakeholders also agree that communication receives insufficient resources or insufficient policy attention.

Table 21: Credit claiming and acknowledgement of the role of the EU by politicians.

Q13. To what extent do you agree or disagree with the following statements:	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The media mainly report negative stories about EU Cohesion policy	3,70%	14,81%	14,81%	48,15%	18,52%	0,00%
During publicity events, politicians mainly highlight the local/regional dimensions of projects to claim credit for themselves, rather than the role and contribution of the European Union	22,22%	37,04%	14,81%	18,52%	3,70%	3,70%
The media do not highlight the European Union role and contribution in a sufficient way	11,11%	18,52%	18,52%	40,74%	7,41%	3,70%
The key programme communication messages have adopted an appropriate form to reach their target audiences	0,00%	37,04%	18,52%	25,93%	7,41%	11,11%
The communication messages have been consistent at country or regional levels	3,70%	48,15%	18,52%	11,11%	3,70%	14,81%
There is insufficient resources and priority dedicated to communication by programme stakeholders	3,70%	40,74%	11,11%	37,04%	3,70%	3,70%

Table 22: Perceptions of the effectiveness of communication tools.

Q14. How effective do you think each of these communication measures are in increasing citizens' awareness of EU Cohesion policy?	Very effective	Effective	Neither effective nor ineffective	Ineffective	Very ineffective
Television	48,15%	29,63%	7,41%	14,81%	0,00%
Radio	18,52%	37,04%	14,81%	29,63%	0,00%
Local and regional newspapers	25,93%	51,85%	11,11%	11,11%	0,00%
National newspapers	22,22%	33,33%	18,52%	22,22%	3,70%
Programme website	14,81%	29,63%	25,93%	18,52%	11,11%
Film clips / videos and presentations	11,11%	40,74%	18,52%	14,81%	11,11%
Plaques/billboard with EU flag	11,11%	40,74%	14,81%	29,63%	3,70%
Social media (Facebook, Twitter, LinkedIn, Youtube)	33,33%	44,44%	7,41%	11,11%	0,00%
Media / advertising campaigns on television and/or radio	29,63%	40,74%	18,52%	11,11%	0,00%
Press releases	7,41%	48,15%	22,22%	22,22%	0,00%
Brochures, leaflets, newsletters, other publications	7,41%	51,85%	18,52%	14,81%	7,41%
Events	18,52%	66,67%	11,11%	3,70%	0,00%

As shown in Table 22, the most effective communication measures are the television, social media and advertising campaigns on television or radio. A large share of respondents also consider events, local, regional and national newspapers to be effective. The views of respondents are polarized concerning the effectiveness of radio communication, or the use of programme websites, plaques or billboards and press releases for communicating about Cohesion Policy: similar shares find it effective and ineffective.

It is worth to highlight that stakeholders perceive that some of the most effective forms of communication (in their view) are not the most frequently used tools of communication. These are television, social media and campaigns on television. Conversely, some tools that are heavily relied on (such as press releases, brochures and leaflets, plaques and billboards) are perceived by half of the stakeholders as not particularly effective. Interview findings suggest that forms of communication that have been perceived as effective (events) became more rare in the recent programming period.

Despite the neutral or at times critical perception of Cohesion Policy communication activities as evidenced by the answers to the previous stakeholder survey questions, overall the respondents agree that communication activities have led to an increased awareness among citizens of the contribution of Cohesion policy to regional and local development (52% agree), that the communication activities increase the sense of belonging of the citizens to the EU (41% agree) and their support for the EU (56% agree). While most respondents disagree with the statement that citizens would mistrust Cohesion policy communication, many also agree with it (30%); see Table 23.

Table 23: Overall assessment of the impact of EU Cohesion Policy communication in Hungary.

Q15. To what extent do you agree or disagree with the following statements:	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
The communication activities have led to an increased awareness among citizens of the contribution of Cohesion policy to regional and local development	3,70%	51,85%	7,41%	37,04%	0,00%	100,00%
The communication activities of Cohesion policy funds increase the sense of belonging of citizens to the European Union	0,00%	40,74%	33,33%	22,22%	3,70%	100,00%
The communication activities of Cohesion policy funds contribute to increasing citizens' support for the European Union	0,00%	55,56%	14,81%	25,93%	3,70%	100,00%
Citizens mistrust Cohesion policy communication activities and messages or consider them to be propaganda	3,70%	29,63%	18,52%	44,44%	3,70%	100,00%

Taken together with the answers to previous questions discussed above assessing cohesion policy communication from different angles, the overall answer seems to be that stakeholders are either neutral towards Cohesion Policy communication or have a rather critical stance towards it, they still believe that it mostly reaches its goals.

3.3. Good practice examples

For the 2007-2013 period, the mid-term evaluation identified the following good practices:

- *Shift towards the use of the regional and local media, in line with the EU requirement and EU-wide communication trends*
- *Support to TV programmes and media cooperation: messages are not sent to the target groups as advertisements, but in another form of communication (by using advertisements, communication typically becomes less effective and efficient)*
- *Workshops and information days: these have been found to significantly increase application intensity, participants perceive that these made them well-informed, and had a similar impact on them as internet-based communication.*
- *Website of the NDA: most important and useful tool of information provision for those who have already applied for funding. Yet, on the basis of the findings of the mid-term evaluation, the website would need to become more structured and transparent and simpler to search.*

Segmented communication by target group; workshops to support for mobilization, television and press ads for general information provision.

The "Evaluation study on good practices in EU Regional Policy communication 2007-2013 and beyond" identified the 2012 summer "Giant Numbers" campaign as a best practice. The campaign had the aim to use distinctive and unusual means to demonstrate to people the magnitude of investments that have all been implemented to improve their everyday lives. In the campaign, the giant numbers have been the total length of roads built, the total value investments generated, the education and health facilities that have been renovated, and the total number of people who have been trained, the reduction in greenhouse gas emissions and the total amount of visitors at renovated touristic sites.

The open day events of the NDA have been presented as a good practice by the DG REGIO Inforegio website.

The HU administration highlights as further best practice examples:

the 2014-2020 partnership website www.szamitaszavam.hu,

a mini-campaign using infographics tools that became popular,

a brochure called 63000 steps in Hungary

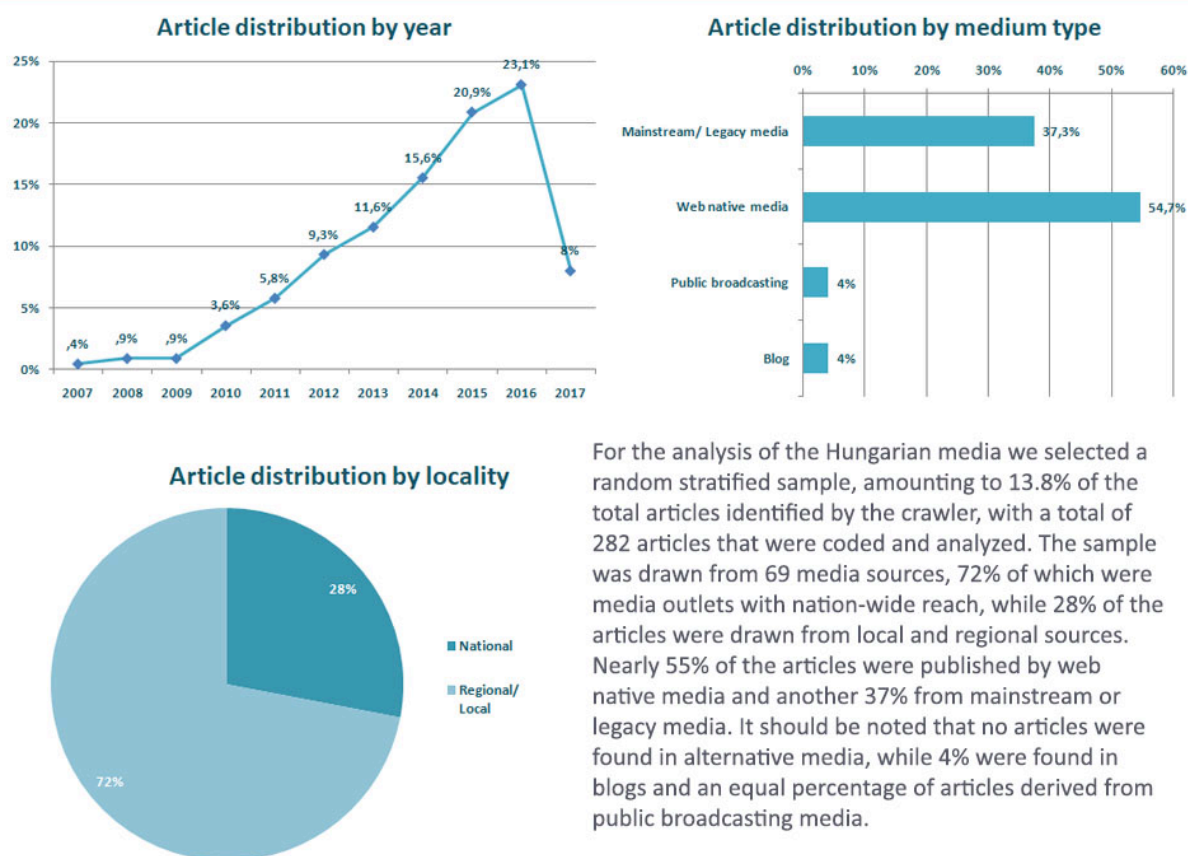
a brochure called Development in 172 seconds

However, while these examples are listed as best practices, evaluations typically do not provide a more detailed justification as to why these have been more successful actions than other ones and it is thus difficult to assess the grounds of the selection of these approaches. Interestingly, the mini-campaign appears to have been largely targeted at EU institutions and audience which is reading EU-related news.

Stakeholders working on communication mentioned the above examples of best practices in the COHESIFY stakeholder interviews. One stakeholder working outside communication (in project implementation until 2013 and in independent cohesion-related consulting since 2013) referred to the Giant Numbers campaign above to a best practice. However, other stakeholders typically were not able to recall any best practices in the COHESIFY interviews.

3.4. Media framing of Cohesion Policy

Figure 3.4.1  **Hungary**



The framing analysis of the Hungarian sample (Triga and Vadratsikas 2018) reveals that 42.2% of the analyzed articles frame EU Cohesion Policy in terms its implications on citizens' "Quality of life" (Frame 2). In addition, Hungarian coders identified Frame 1 (Economic consequences) as the dominant frame in more than a quarter of the analyzed items, while Frame 8 (Fund abuse) was also significantly salient as it was identified as dominant in 10% of the cases, which is higher than any other country analyzed in this study and could signify a concern of the Hungarian media regarding the appropriate capitalization of Cohesion policy funds. In the subframe analysis of the sample, the coders identified Subframe 1.2 (Development) as the most dominant subframe in 17.3 of the items, followed by Subframe 2.4 (Infrastructure) that was dominant in 16.4% of the analyzed articles. This suggests that the Hungarian media interpret EU Cohesion policy in terms of its investment in the Hungarian economy focusing on how it contributes to economic development and the infrastructure it creates to improve the lives of Hungarian citizens. In addition, it has been found that 8% of the articles contained no framing, while the remaining four frames (Culture, Incompetence of local authorities, Power, National interests, Social cohesion) are less salient, as shown in Figure 3.4.2.

Dominant Frame Frequencies (Hungary)

(v= 225)

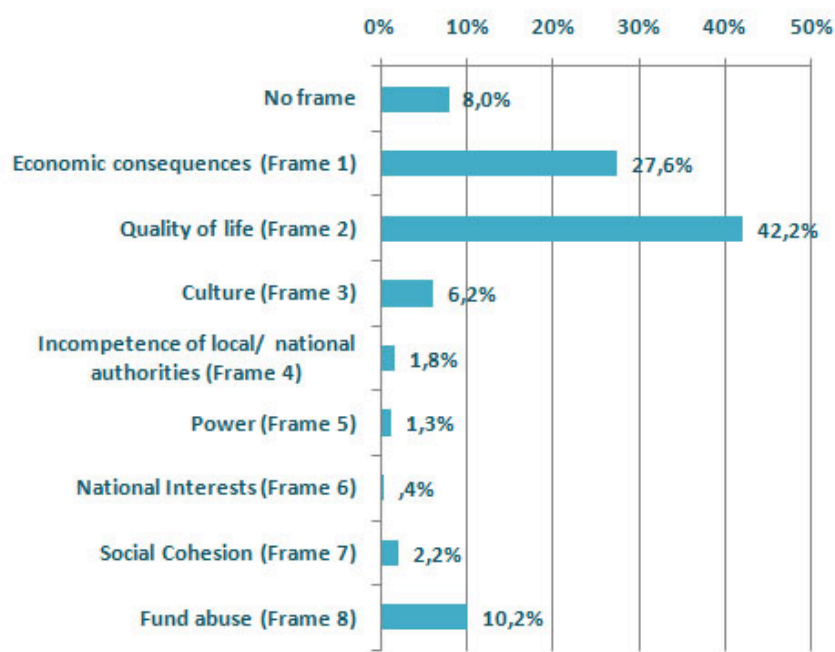


Figure 3.4.2

Dominant frame frequencies in Hungarian media

Dominant Subframe Frequencies (Hungary)

(v= 225)

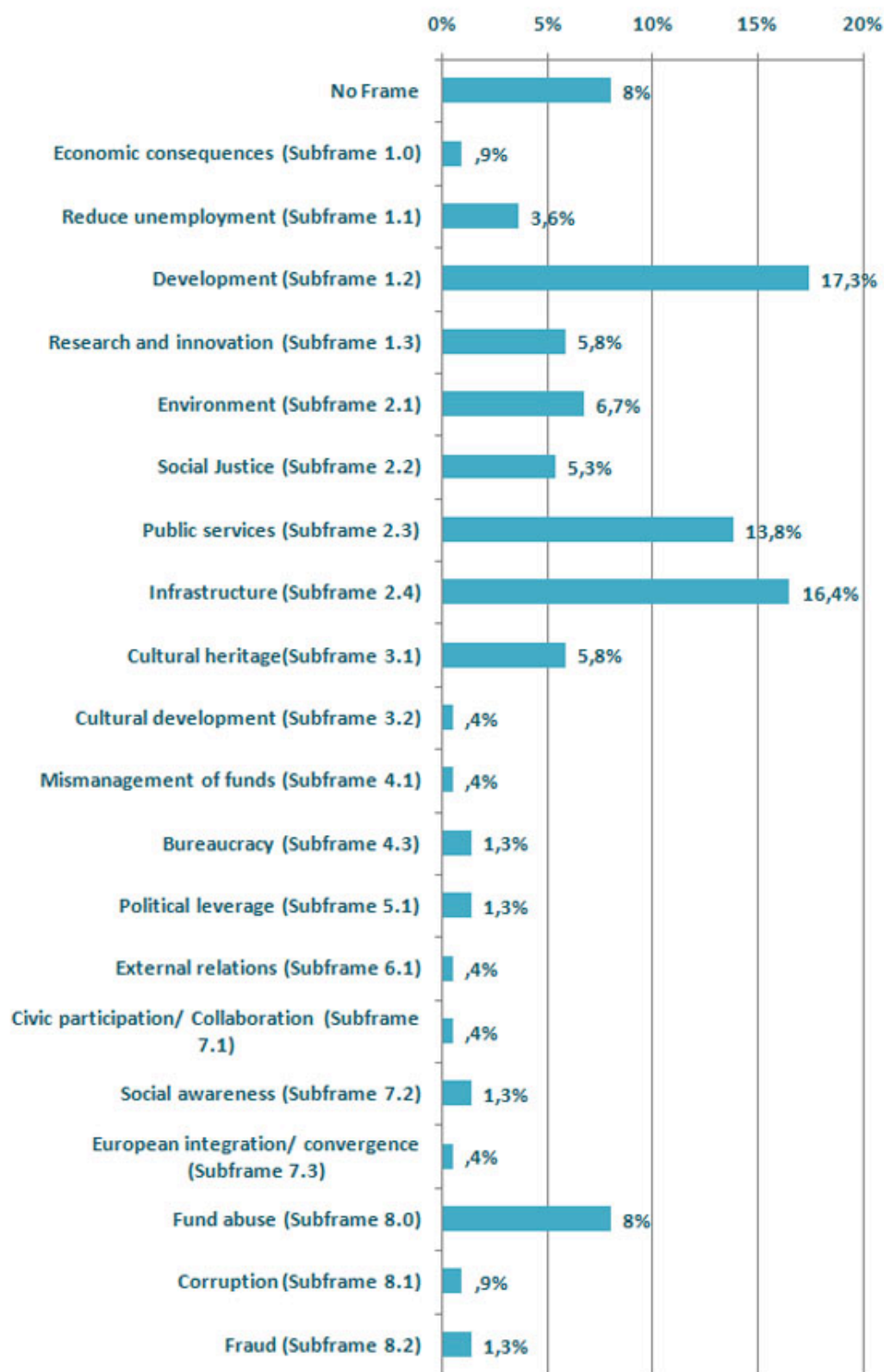


Figure 3.4.3

Dominant Suframe frequencies in Hungarian media

The analysis of the Hungarian sample reveals some framing differences between national and regional media. More specifically, regional media tend to place emphasis on the “economic consequences” (Frame 1) of EU Cohesion policy more often than national media. On the contrary, “Quality of life” (Frame 2) is slightly more salient in national media, which also employ the “Power” frame which is inexistent in regional media coverage.

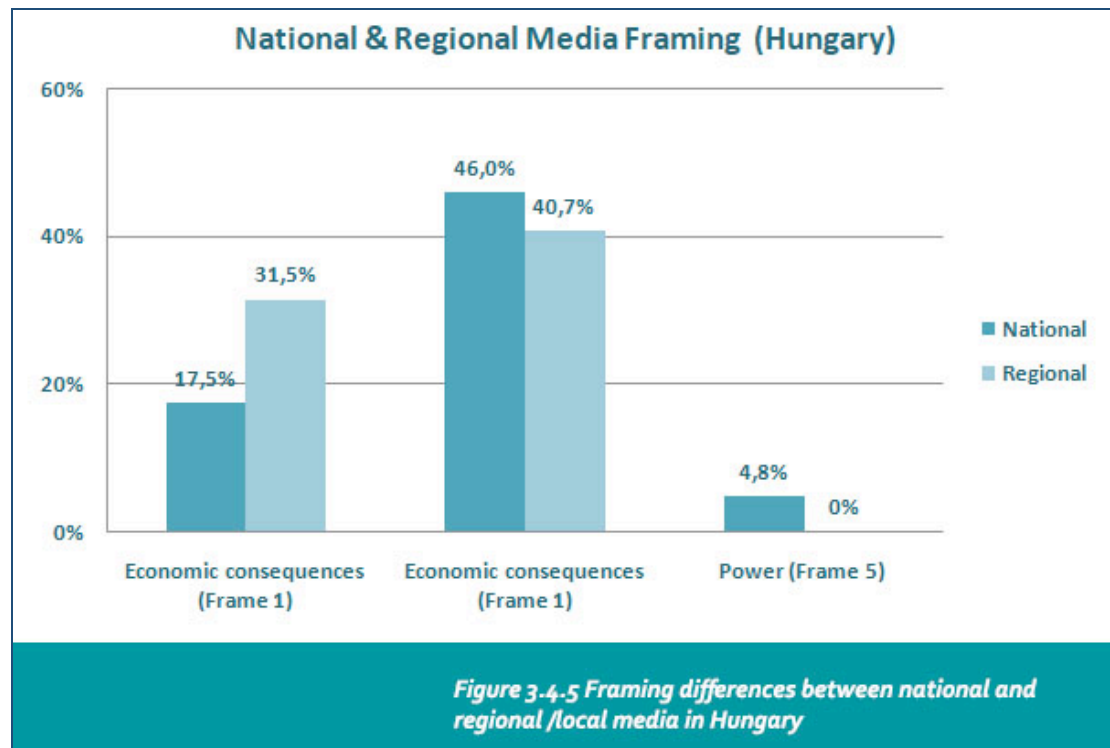
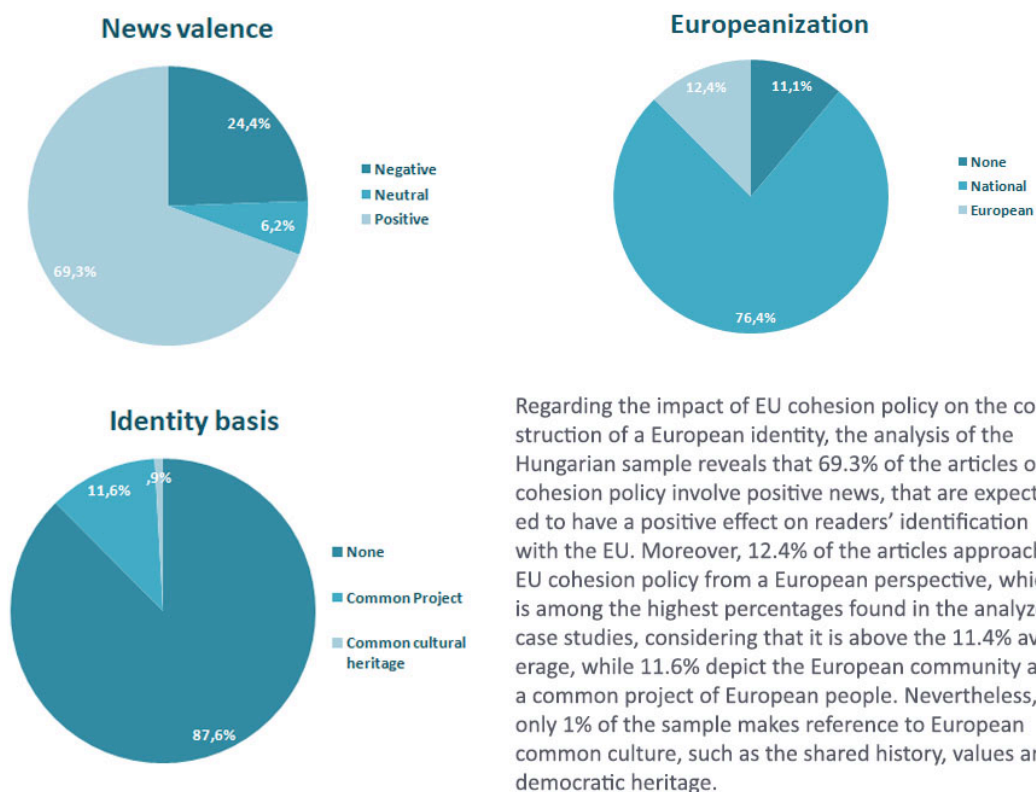
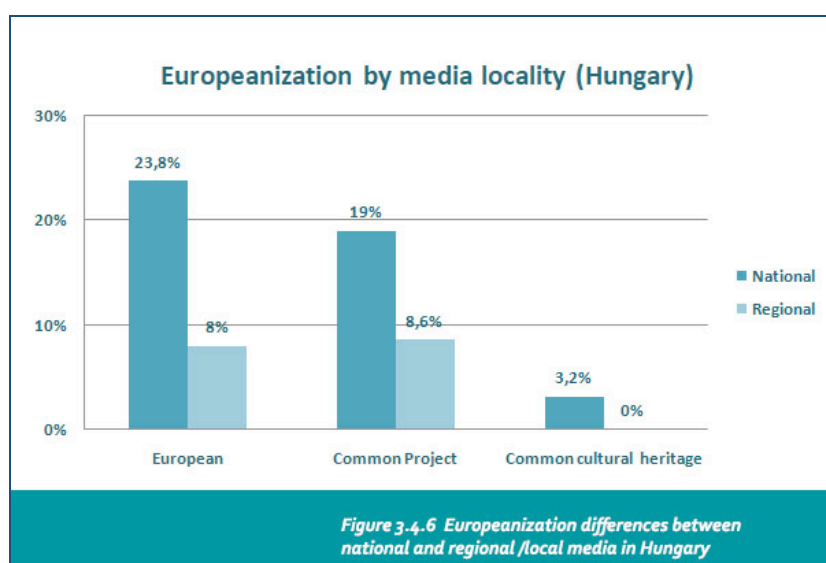


Figure 3.4.4  **Hungary - Europeanization variables**



Differences between national and regional media in Hungary were also found in relation to the Europeanization variables that are expected to have an impact in promoting the notion of European identity. Although, no differences were noted as far as the directional valence of news is concerned, it seems that national media coverage of EU Cohesion policy contributes more than regional media in constructing a European identity. As shown in Figure 3.4.6, national media approach the news from a European perspective more often than regional media, while they refer to the EU's common goals, interests and challenges, as well as to the common European culture more frequently than regional media.



The evidence from the interviews adds an additional dimension to the findings outlined in the above sections, that of potential cleavages of framing along the lines of political affiliation of the media outlets. Most of the interviewees suggest that the presentation of Cohesion Policy differs in the different parts of the media in Hungary, with opposition media being more critical and pinpointing more cases of corruption and nepotism, while media close to the government conveys more positive messages. Since 2010, the dominance of media outlets close to the government gradually increased in the Hungarian media landscape. Furthermore, some interviewees suggested that negative stories generally sell better and are thus generally favored by the media. Yet in the media, the underlying structural reasons behind the scandals, corruption and nepotism cases are much less frequently discussed, and the loosening of the relationships between Cohesion Policy implementation and the media did not help with this trend. Most interviewees made remarks about the government communication campaign to “stop Brussels”. The stakeholders noted that although this campaign originated in a conflict between the EU and Hungary in the domain of migration, the messages of this campaign did create an unfavorable environment for Cohesion Policy communication.

3.5. Implications for citizens CP perceptions and attitudes to the EU

A survey of Szazadveg (2013) conducted by phone among citizens on the use of EU funds (on their usefulness, on the functioning of the implementation system) found that 85% of the population perceives the investments as useful, but 91,5% of the respondents have no relationship to the implementation system of EU funds. The knowledge of citizens is very patchy on the available funding opportunities and on the support available for elaborating funding applications. Three quarter of respondents who were already in touch with the implementation system have the perception that applying for funding is cumbersome. Two thirds of respondents believe that most of investments in Hungary have been implemented from EU funds in Hungary. Based on these findings, the study recommends the strengthening of government communication activities to reach those parts of the population that would be interested to apply for funding but have limited knowledge of the available opportunities and of the modalities of accessing the funding. The study also recommends better communication to make citizens aware of the national co-financing and additionality requirements of EU funding, to show the national contribution to the investments and to show that there are important investments taking place in Hungary also from purely domestic funding. The study concludes by referring to the generally eurosceptic government communication activity in Hungary outside the communication of EU support, given that the number of those who perceive the usefulness of EU investments among the general population is on the rise.

This last conclusion of the Szazadveg study is quite telling: it shows how communication activities are mostly evaluated from the point of view of their domestic political benefits and less from the point of view of the interests of the European Union.

The latest Eurobarometer (November 2017) shows that the majority of Hungarians have trust in the EU and believe that Hungary could better address the challenges of its future as a member of the European Union. Three quarter of the respondents identify as Europeans and see that the main benefit of EU accession has been the free movement of people, goods and services. Hungarians believe that the most important issue facing Hungary within the EU is the treatment of migration and hold a radically different opinion on the potential solutions as compared to the citizens of other EU member states. These findings indicate that the extensive communication activities of the government on migration policy in the EU might have had success in moulding public opinion in Hungary. Yet Hungarians are among the most optimistic within the EU on the future of the EU. Trust in the EU did not change significantly in Hungary since Spring 2017, despite the campaign of the Hungarian government to "stop Brussels". Interestingly, trust in the EU is higher than trust in the Hungarian parliament, although the latter has been increasing substantially since Spring 2017. Opinion of Hungarian citizens on the state of democracy within the EU has improved slightly and while the majority of respondents still doubt that the EU is adequately taking into account the interests of Hungary in its decisions, the share of those who don't doubt this has increased.

Table 24 describes the perceived impact of EU funding in the West Pannon region of Hungary – one of the most developed region in the country. In general, the data show that most of the citizens have a positive or very positive attitude towards the impact of EU funding at the regional or local level. Furthermore, a similar majority of citizens report that they have heard about ERDF, CF and the ESF; the ERDF is the most well-known fund among the respondents (Table 24).

Table 24. Opinions about the impact of European Union funding in the West Pannon region of Hungary

How positive or negative was the impact of the funding of the European Union on your region or city? (West Pannon region, N = 281)							
Very positive	Positive	No impact	Negative	Very negative	Not applicable	Refused	Don't know
64	205	18	6	3	0	0	16
20,5%	65,7%	5,8%	1,9%	1,0%	0,0%	0,0%	5,1%

Table 25. Knowledge about Cohesion Funds in the West Pannon region of Hungary

Have you heard about the following funds?				
West Pannon region, N = 500	Yes	No	Refused	Don't know
The European Regional Development Fund (ERDF)	347	152	0	1
	69,4%	30,4%	0,0%	,2%
The Cohesion Fund	289	210	0	1
	57,8%	42,0%	0,0%	,2%
European Social Fund (ESF)	294	205	0	1
	58,8%	41,0%	0,0%	,2%

Furthermore, as Table 25 shows, most of the respondents believe that Cohesion funding had a positive impact on regional and local development: 44.4 % percent of them believe that their region or city would have been somewhat worse without EU funding and 28.4 % believe that their city or region would have been a lot worse.

Table 26. Perceived impact of Cohesion Funds in the West Pannon region of Hungary

How do you think your region or city would have developed without EU funding? (Western Romania, N = 500)							
Much better	Somewhat better	Same	Somewhat worse	A lot worse	Not applicable	Refused	Don't know
7	15	81	222	142	3	1	29
1,4%	3,0%	16,2%	44,4%	28,4%	,6%	,2%	5,8%

4. Citizens views of Cohesion Policy and the EU

Tables 27 and 28 below show that the majority of the respondents have heard about EU funded projects (62,4 %) and that they mostly heard about them due to the billboards, through personal experience or knowledge of projects. Television, radio and newspapers are not major sources of knowledge about EU funded projects in the West Pannon region according to the survey. An overwhelming majority of respondents (over 80%) didn't hear about EU funded projects in either the national newspapers nor in national radio. Local and regional television and radio are also not major sources of information on EU funded projects in the West Pannon region, nor are the internet,

social media, or workplaces in general. Slightly more people have heard about EU funded projects from local and regional newspapers and in national television (ca. 30%).

Table 27. General knowledge about EU funded projects in the West Pannon region of Hungary

The European Union provides funding for infrastructure, business development and training to regions and cities. Have you heard about any such EU funded projects to improve your own region or city? (West Pannon region, N = 312)			
Yes	No	Refused	Don't know
312	184	1	3
62,4%	36,8%	,2%	,6%

Table 28. Sources of knowledge about EU funded projects in the West Pannon region of Hungary

Where did you hear about it?				
West Pannon region, N = 312	Yes	No	Refused	Don't know
National newspapers	53	259	0	0
	17,0%	83,0%	0,0%	0,0%
Local or regional newspapers	104	208	0	0
	33,3%	66,7%	0,0%	0,0%
National TV	95	217	0	0
	30,4%	69,6%	0,0%	0,0%
Local or regional TV	65	247	0	0
	20,8%	79,2%	0,0%	0,0%
National radio	36	276	0	0
	11,5%	88,5%	0,0%	0,0%
Local or regional radio	50	262	0	0
	16,0%	84,0%	0,0%	0,0%
Internet	80	232	0	0
	25,6%	74,4%	0,0%	0,0%
Social media	47	265	0	0
	15,1%	84,9%	0,0%	0,0%
Billboard	157	155	0	0
	50,3%	49,7%	0,0%	0,0%
Workplace	38	274	0	0
	12,2%	87,8%	0,0%	0,0%
Personal experience or knowledge of projects	119	193	0	0

Where did you hear about it?				
West Pannon region, N = 312	Yes	No	Refused	Don't know
	38,1%	61,9%	0,0%	0,0%
Other	23	274	8	7
	7,4%	87,8%	2,6%	2,2%

According to tables 29 and 30, the perceived impact of EU membership on the development of the West Pannon region of Hungary is mostly positive. The majority of respondents (74 %) either strongly agree or agree that the EU membership had a positive effect on the region. Furthermore, a majority of those who consider that EU membership had a negative impact on the region, consider that the negative impact was caused by reasons not mentioned in the question (61.5%), for example, by misallocation of funds (44.4%), by corruption among beneficiaries of EU funds (33.3 %) and corruption among government officials awarding EU tenders (29.6 %) (see Table 30). It is not clear from the citizen survey what these other causes of a lack of a positive impact might be. Based on stakeholder interviews and focus group discussions, it is possible that the few (n=27) respondents who saw no positive impact of EU accession accepted the narrative perpetuated also by the government; that EU accession had a negative impact on the Hungarian economy, that it is Western Europe that has mainly benefited from accession.

Table 29. Perceived benefits of EU membership in the West Pannon region of Hungary

To what extent do you agree with the following statement: "My country has benefited from being a member of the European Union" (West Pannon region, N = 500)						
Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Refused	Don't know
119	255	93	14	16	3	0
23,8%	51,0%	18,6%	2,8%	3,2%	,6%	0,0%

Table 30. Perceived benefits of EU membership in the West Pannon region of Hungary

How positive or negative was the impact of the funding of the European Union on your region or city? (West Pannon region, N = 500)							
Very positive	Positive	No impact	Negative	Very negative	Not applicable for my region or city	Refused	Don't know
119	255	93	14	16	3	0	16
23,8%	51,0%	18,6%	2,8%	3,2%	,6%	0,0%	5,1%

Table 31. Reasons for a negative impact of EU membership in the West Pannon region of Hungary

Why do you think there was no positive impact?				
West Pannon region, N = 27	Yes	No	Refused	Don't know
Not enough funding	3	22	0	2

Why do you think there was no positive impact?				
West Pannon region, N = 27	Yes	No	Refused	Don't know
	11,1%	81,5%	0,0%	7,4%
Allocation to the wrong projects	12	13	0	2
	44,4%	48,1%	0,0%	7,4%
Bad management	3	20	0	4
	11,1%	74,1%	0,0%	14,8%
Not executed on time	5	19	0	3
	18,5%	70,4%	0,0%	11,1%
Corruption among government officials awarding EU tenders	8	16	0	3
	29,6%	59,3%	0,0%	11,1%
Corruption among beneficiaries of EU funds	9	15	0	3
	33,3%	55,6%	0,0%	11,1%
Other reasons	8	5	0	0
	61,5%	38,5%	0,0%	0,0%

On the other hand, perceived positive outcomes are associated with allocation to the right projects (88.1 %) and with timely execution (44.2%), and less to the extensive amount of funding (36.1%) (see Table 32). This perception might be due to the fact that for 2014-2020, the amount of funding available for the West Pannon region has been decreased in Hungary, and the range of eligible investments has also been narrowed. Interestingly, the majority of respondents didn't attribute the positive impact of EU membership on the West Pannon region to a lack of corruption.

Table 32. Reasons for a positive impact of EU membership in the West Pannon region of Hungary

Why do you think there was a positive impact?				
West Pannon region, N = 269	Yes	No	Refused	Don't know
Extensive funding	97	169	0	3
	36,1%	62,8%	0,0%	1,1%
Allocation to the right projects	217	51	0	1
	80,7%	19,0%	0,0%	,4%
Good management	68	194	2	5
	25,3%	72,1%	,7%	1,9%
Executed on time	119	141	2	7
	44,2%	52,4%	,7%	2,6%
No corruption among government officials awarding tenders	24	197	14	34
	8,9%	73,2%	5,2%	12,6%

Why do you think there was a positive impact?				
West Pannon region, N = 269	Yes	No	Refused	Don't know
No corruption among beneficiaries of EU funds	22	199	14	34
	8,2%	74,0%	5,2%	12,6%
Other reasons	16	134	15	10
	9,1%	76,6%	8,6%	5,7%

In terms of perceived impact of EU projects, the majority of respondents (76.4 %) declared that they did not benefit in their daily lives from a project funded by the EU. This shows that although the West Pannon region of Hungary is one of the most developed regions in the country, and it has been quite successful in attracting EU funds in 2007-2013, the perceived impact is still relatively low (see Table 32). At the same time, Table 34 suggests that the largest share of respondents are in favour of EU integration (47.2%), showing that their attachment to the EU is not primarily driven by the economic benefits which they experience in their daily lives. Yet it is interesting to observe that a third of respondents have a neutral position towards EU integration.

Table 33. Perceived individual benefits of EU projects in the West Pannon region of Hungary

Have you benefited in your daily life from a project funded by any of these three funds? (West Pannon region, N = 500)			
Yes	No	Refused	Don't know
90	382	0	28
18,0%	76,4%	0,0%	5,6%

Table 34. Attitudes towards EU integration in the West Pannon region of Hungary

How would you describe your general position on European integration? (West Pannon region, N = 500)								
Strongly opposed	Opposed	Somewhat opposed	Neutral	Somewhat in favour	In favour	Strongly in favour	Refused	Don't know
19	23	9	154	48	187	49	4	7
3,8%	4,6%	1,8%	30,8%	9,6%	37,4%	9,8%	,8%	1,4%

In terms of identity, the majority of respondents feel that they are Hungarians and Europeans (see Table 35 and 36). At the same time, a large share of respondents identify as mainly Hungarian (41.4%).

In general people feel more attached to their city, region or country as opposed to the European Union or Europe. However, the majority of respondents are also very much or somewhat attached to the EU and to Europe and it is only very few people that do not feel any attachment to the European Union or Europe in general. People report to be slightly more attached to Europe in general than to the European Union.

Table 35. Attachment to the EU and country in the West Pannon region of Hungary

Please listen to the following options and pick one that describes best how you see yourself. Do you see yourself as (West Pannon region, N = 500)					
Country only	Country and European	European	European	Refused	Don't know
207	263	23	5	2	0
41,4%	52,6%	4,6%	1,0%	,4%	0,0%

Table 36. Attachment to the EU, country, region or city in the West Pannon region of Hungary

People may feel different degrees of attachment to places. Please tell me how attached you feel to:						
(West Pannon region, N = 500)	Very	Somewhat	A little	Not at all	Refused	Don't know
Your city/town/village	363	86	32	19	0	0
	72,6%	17,2%	6,4%	3,8%	0,0%	0,0%
Your region	356	94	30	19	0	1
	71,2%	18,8%	6,0%	3,8%	0,0%	,2%
Your country	381	81	26	11	1	0
	76,2%	16,2%	5,2%	2,2%	,2%	0,0%
European Union	187	197	74	38	1	3
	37,4%	39,4%	14,8%	7,6%	,2%	,6%
Europe	260	162	54	22	0	2
	52,0%	32,4%	10,8%	4,4%	0,0%	,4%

To further analyse the links between cohesion policy and the formation of European identity, two focus groups with 16 participants in total were conducted in the Western Transdanubia case study region (Table 37). The following sections summarize the focus group discussions.

Table 37.

FG	Location	Date	Number of participants	Number of female participants	Age range (min age)	Age range (max age)
HU 1	Gyor	06/07/2017	8	3	22	62
HU 2	Szombathely	11/07/2017	8	4	23	54

Summary of focus groups discussions

Cohesion Policy

The discussions in the focus groups suggest that participants from Western Transdanubia were not familiar with the terminology of Cohesion policy. Only a minority of participants had heard about the term “Cohesion policy”. In spite of this, most of the participants knew that the objective of Cohesion policy is to reduce economic disparities within the EU, for example:

HU 2, Participant 4: *“We are not engaged professionally and do not know much about these resources, but in general, there is a fund that is aimed at levelling out the differences in employment and infrastructure. All Member States contribute. Fortunately, Hungary is on the beneficiary side. Although, we would like not to be on this side, because this would mean we’re OK.”*

Despite low awareness of Cohesion policy terminology, most of the participants in Western Transdanubia could name a project they believed was co-financed by the EU. A minority of participants could identify more than one project. The thematic objectives that were mentioned were the following: infrastructure development, SME competitiveness, sustainable development, human resources and urban regeneration (Table 38). The most commonly reported way to learn of projects were signs and other types of publicity.

Table 38. Participants’ reference to projects’ co-financed by EU funds

Business support:
<ul style="list-style-type: none"> - Support for young entrepreneurs - Investments in factories in Szombathely, purchase of equipment in an unspecified company
Infrastructure:
<ul style="list-style-type: none"> - Ring Road, highway network, Road 82, Motorway 86 - Metro line 4 - Building and renovation of nurseries, kindergartens, secondary schools and playgrounds - Cycle paths (Gyor, Abda, Szigetköz) - Gönyü ship port - Animal overpass
Energy:
<ul style="list-style-type: none"> - Insulation of homes (purchase of new windows for private homes)
Human resources:
<ul style="list-style-type: none"> - Training of employees - Financed training for students
Urban regeneration:
<ul style="list-style-type: none"> - Renovation of city squares

Participants identified more challenges with Cohesion policy than achievements. Positive assessments of the impact of Cohesion policy were mainly associated with infrastructure support, such as new buildings and roads. One participant emphasised the investments made in Hungarian small businesses. Participants expressed the view that Cohesion policy has allowed Hungary to

progress, yet this progress could have been greater if implementation problems were minimised. Some participants came to this conclusion by comparing the progress of Hungary to progress in Slovakia, Austria and Slovenia.

Several participants expressed satisfaction with the capacity of Hungary to absorb the funds, but at the same time they were dissatisfied with the results of projects. For example, a participant reported that while new roads were built, they were already degraded. Other participants reported that some projects were never finished or went over the budget. In both groups, participants spoke about unaddressed needs in education and the health care system. At the same time, participants in both groups observed rent-seeking behaviour, where the emphasis is put on absorbing the funds rather than the utility of projects for fostering economic growth. An example mentioned in both groups were lookout towers, which participants found to be wasted money.

Participants emphasised problems with the mismanagement of projects, the utility of projects, and the issue of fraud. Participants felt that those responsible for the projects see EU funds as “free money” or “free lunches” and were thus less committed to their implementation. Part of the blame was attributed to the EU institutions which – according to the participants – should exercise more control over the selection and implementation of projects. Participants believed that EU oversight is only apparent when it is revealed that large amounts of money are being mismanaged as was the case in the Metro 4 project. Below we provide some extracts to highlight the way participants described the problems associated most often with Cohesion policy for Hungary.

Mismanagement:	HU 2, Participant 8: <i>“People see that almost all projects are behind schedule and they cost more than what has been planned.”</i>
Project utility:	HU 1, Participant 5: <i>“In the country, I see many meaningless lookout towers.”</i>
Fraud:	HU 1, Participant 5: <i>“There are those guys who are close to the fire. They have the highway building companies. You simply cannot run against them. You might even be killed if you tried. Three or four companies do this in the country. If someone made a new company, she or he may be shot in the head.”</i>

European identity

Participants linked European identity to the notion of a common culture (e.g. religion, food, music and sport) and rule of law. For some participants, European identity was represented in terms of territory that is defined by borders with others, which in case of the Hungarian participants were determined as finishing at the Urals. Accordingly, participants supported the view that EU membership can be a crucial factor for strengthening European identity, without though considering it as a precondition. Participants distanced themselves from the Hungarian anti-European government’s line, which was presented as having weakened the sense of Europeaness among Hungarians. There was a sense among participants that politicians in Hungary are untruthful and trying to incite divisions within Hungary.

Some participants argued that EU Member States are united by economic interests and that this was insufficient to underpin and create a sense of European identity. This view was supported by the argument that enlargement, for example, increased the market for German and French firms, while putting Hungarian firms in a competitive disadvantage. In other words, the relations between different member states were portrayed as antagonistic where the 'strong' exploit the 'weak' including the Hungarians. Another example given was the recent refugee crisis which highlighted the inability of EU Member States to unite around a common solution. Participants distinguished Germany, which accepts refugees, from Hungary which is not able to integrate refugees and other migrants (Roma, Slovaks and Romanians). This was interpreted as a lack of a common European identity in the EU.

European identity and Cohesion policy

When asked directly about the contribution of Cohesion policy to European identity, participants did not see Cohesion policy as an element of European identity. The following illustrative quote highlights the potentially unintended consequences of financial support given the emphasis on a member state's weaknesses:

HU 1, Participant 3: "What comes to my mind is that these billboards may be counterproductive, because it's not good to face the fact that we have to be supported. It does not add a positive sense of Europeanness."

However, some respondents implicitly identified Cohesion policy with European identity markers that go beyond funding. For example, Cohesion policy was associated with concepts such as "unity" (HU 2, Participant 5) and establishing a "common denominator" in the EU (HU2, Participant 8). Since these definitions emerged spontaneously, they show that Cohesion policy is implicitly understood as an element of European identity.

5. Conclusion

The case study has outlined the multiple facets of cohesion policy in Hungary. It described the broad context of the policy both for the programming periods 2007-2013 and 2014-2020, including the main characteristics of programming, implementation, partnership, performance and added value. The communication of cohesion policy has been analysed using desk research, quantitative and qualitative research methods. Against the general country background, the case study introduced in more detail the characteristics of cohesion policy implementation in the West Pannon region, which is in the focus of the different empirical approaches of the analysis of cohesion policy communication in Hungary. In the analysis of cohesion policy communication, the report considered the opinion of stakeholders and citizens, relying on stakeholder and citizen surveys, interviews with stakeholders and focus group discussions with citizens. This was accompanied by a media content analysis covering a broad timeframe and also covering local and regional media in the West Pannon region.

In the implementation of cohesion policy, the report has shown that Hungary had a good performance in terms of absorption. Cohesion policy has been gradually transformed in Hungary,

first to take into account of the impact of the global economic crisis and then to reflect the experience of 2007-2013 policy implementation. Yet the main findings of the case study report underline that there would be scope to further improve the effectiveness and the efficiency of cohesion policy implementation. There would be scope to improve the evaluation methods, the thematic allocation of funding, the monitoring processes linked to certain thematic areas of support and the reliance on policy learning and partnership. The potential of the funding to contribute to regional convergence could be better exploited. Furthermore, interviews suggest that there are corruption risks in the system, and some stakeholders perceive the presence of nepotism and misuse of funding.

On cohesion policy communication, the case study finds that Hungary complies with the EU regulatory requirements. The central level of communication on cohesion policy is perceived by many stakeholders to be well-designed, professional and effective. Already from the outset, cohesion policy communication has been designed to be quite centralized, and this centralization has been strengthened for the programming period of 2014-2020, and several previously common OP level communication activities became less intensive. Stakeholders have an impression that communication activities are a compulsory task, to be met with minimum effort. There is limited substantial discussion on communication activities in monitoring committees. This suggests that the design of the rules of EU cohesion policy communication should be better aligned with the interests of domestic actors; the pattern of the use of cohesion policy communication by Member State governments should feed into the policy design. If communication is to promote identification with the EU, the spreading of this message might be more important for the EU level than for some actors at the national level. The Spring 2017 communication campaign of the Hungarian government to “stop Brussels” while the Hungarian government also aims to maximize the domestic political benefits of EU support clearly demonstrates this.

Hungary has traditionally been among the countries with a citizenship strongly supportive of EU membership, and this is also mirrored in the empirical findings of this case study. The majority of the citizen respondents see the future of Hungary within the EU, see the free mobility of persons, goods and services as the main benefit of the EU and are aware of EU funded investments taking place around them. People believe that these projects contribute positively to the development of their cities and regions, and are broadly supportive of the general orientation of the use of EU funding. At the same time, citizens also perceive the access to EU funding as cumbersome and empirical findings indicate that respondents perceive corruption risks in the system. The empirical analysis finds a broadly positive approach to European identity among citizens, which could be attributed partly to EU cohesion policy. At the same time, from the case study it also becomes evident how improvements to the present system of cohesion policy communication, in a more supportive general political and communication context could have a larger positive impact on the attitudes of citizens towards the EU.

Policy recommendations for communication

Overall approach

- *Improve the view of the general population and of potential beneficiaries of cohesion policy by improving transparency across the board and by open access to information on the operation of the policy*
- *In central level communication, ensure that government communication activities outside the domain of cohesion policy do not undermine the main messages of cohesion policy communication*

- *Allow for more initiative and more flexibility to OP-level communication, to adopt communication activities to the types of investments and to the territories concerned*

Effectiveness and efficiency

- *Make sure that the indicators used allow for assessing whether people are aware of the EU funding involved in the development strategies and in the projects (not to devise indicators without reference to the EU source of funding)*
- *Pay more attention to result/impact targets*
- *Ensure that results of the evaluations are integrated in communication activities*
- *Use impact evaluations instead of general surveys*

Communication activities and tools

- *Build on the existing good practices (e.g. innovative events, visual image)*
- *Improve communication with journalists and the media by re-establishing press breakfasts and by improving open access to data and information for news sources from all sides of the political spectrum*
- *Facilitate media coverage of cohesion policy that goes beyond describing stand-alone corruption and nepotism cases and rather explores the whole policy architecture and provides information on options for policy reform both within Hungary and in the EU*
- *Improve the use of social media in communication activities at all levels of communication*

Policy recommendations for the EU:

The EU could consider the establishment of funding and tools for communication by the EU within Member States, both on the EU and EU policies in general and on cohesion policy. A specific central communication budget could be designated and deployed with the help of officials working in the Commission Representations, for online campaigns, for television spots, television and radio programmes and perhaps also for billboards and newspaper ads. This could partly replace the funding for cohesion policy communication at the Member State level. In the context of shared management, Member States could supply EU communication activities with information to be used in the communication activities.

The EU could establish a way to prevent the use of EU-funded investments for domestic political campaigns without due mention of EU support. A regulatory requirement could be created that any additional communication activity (beyond the plaques, billboards) related to an EU-funded investment that does not properly emphasize the role of the EU could be reported to the European Commission (by citizens, by local media, by watchdogs, along with proof) and could entail a financial correction to that investment project. It might be difficult to define though what is meant by proper emphasis to the EU's role in the investment, and any definition could be circumvented by Member State politicians. Thus, a better option would be to centralize part of communication activities on cohesion policy to the EU level.

6. References

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7. Annex - List of interviews

	Date	Type of institution	Role	Monitoring Committee member
1	06.08.	Central state institution	Deputy State Secretary	yes
2	06.14.	Social partner - Interest group	Trade Union leader, Tripartite Dialogue partner	yes
3	06.14.	Social partner - Interest group	Trade Union Official	yes
4	06.15.	Civil society organization	Activist	yes
5	06.15.	Central state institution, Managing Authority	Head of Department	yes
6	06.20.	Central state institution, Managing Authority	Head of Managing Authority	yes
7	06.23.	Central state institution, Managing Authority	Deputy Head of Department	yes
8	06.23.	NGO	NGO Official	yes
9	06.27.	Local government association	President of the association, Mayor	yes
10	06.27.	Central state institution, Managing Authority	Head of Department	yes
11	06.28.	Civil society organization / Academia	Engineer	yes
12	07.04.	Consultancy / Central state institution	Cohesion policy consultant after 2013 / Central State Institution official until 2013	no
13	07.18.	Local government	Deputy Mayor	no
14	07.25.	Local government	Municipality, territorial development official	no
15	07.26.	Local government association	Association member, County Council President	yes
	(joint interview)	Local government	County territorial development official	no
16	07.27.	Local government	County territorial development official	yes
17	07.28.	Central state institution	Communication official, communication evaluation	no
	(joint interview)	Central state institution	Official in charge of cohesion policy communication strategy	no
18	07.28.	Press	Journalist, analyst, specialized on EU funds	no
19	08.03.	Economic partner	Business association leader; researcher and consultant	yes

All interviews were conducted in person.