

New role for regional actors in supporting development in Croatia

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Changes in the approach to regional development (I)

Shifting perception in regard to regional development and policy

- Mobilization of endogenous resources that may spur sustainable growth
- New and more active role of regions, regional initiatives, regional actors & institutions (RDAs)
- Changes in policy governance - departure from territorial Keynesianism (Bruszt, 2007) towards more inclusive models; negotiation and partnership instead of top-down solutions
- Strategic planning (including policy evaluation) and policy co-ordination are becoming of key importance

Changes in the approach to regional development and policy (II)

- Policy dilemma : “equity or efficiency” replaced with integrated approach covering both aspects
- A shift in policy objectives towards the promotion of regional competitiveness
- New policy instruments targeting “soft” growth factors: entrepreneurial environment; support to R&D, cluster development; ICT; industrial & technological networking; innovative SMEs; technological support institutions; research-industry linkages; innovative socio-cultural projects, etc.
- Overall policy has become much more strategic and complex, thus requiring more capacitated actors

Cohesion policy as the driving force of regional empowerment

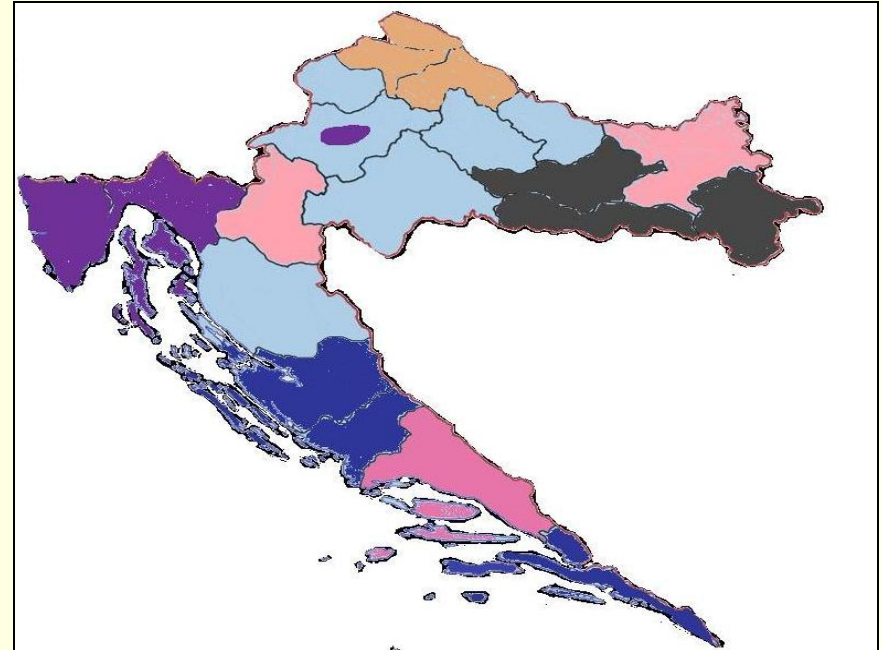
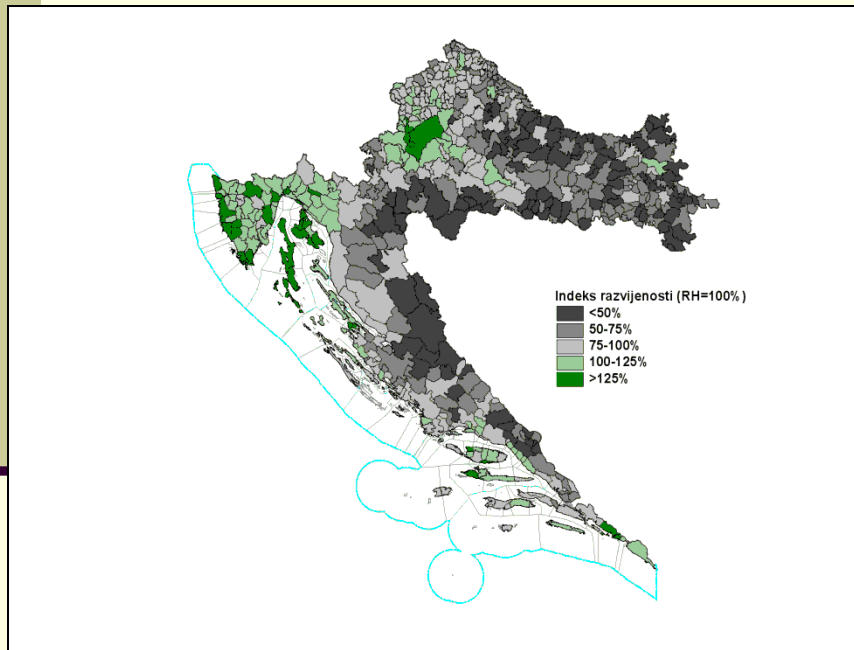
- “For the first time, regions...were placed at the heart of the policy” (Leonardi, 2006)
- Introduction of the partnership principle in Cohesion policy opened new opportunities for sub-national actors to participate in policy design and implementation
- Strong impact on the national regional policies, which have adapted to the new trends (new institutional settings, new policy instruments)
- New funding opportunities for supporting socio-economic development
- Excellent opportunities for networking, learning and transfer of knowledge

Croatia - basic regional development facts

- 556 LGU (429 municipalities; 126 cities (256 below average)
- Development index 2010

21 counties

Regional competitiveness index 2008



New policy environment for regional development in Croatia

- Accession process and participation in CP has brought more interest of policy makers at all levels for regional development and policy
- Establishment of the Ministry for Regional Development, passing of the Law on Regional Development and related bylaws created the new institutional environment for managing regional development in line with new RD approach.
- Near adoption of the National Strategy for Regional Development will mark the end of the first phase of consolidation of the regional policy

Main elements of the new regional policy

- Adoption of key policy principles in line with Cohesion policy: programming, partnership, evaluation
- Institutionalizing of strategic planning on the regional level
Development planning is introduced on the county and NUTS 2 level and priorities defined on this level should become the inputs for defining national development priorities („bottom-up“ approach in strategic planning)
- Institutionalizing of the principle of partnership
Establishing of *Partnership Councils* on the NUTS 2 level is expected to strengthen vertical and horizontal cooperation and coordination of local, regional and national actors.
- Institutionalizing the evaluation of regional development programs - expected to initiate systematic policy learning process

Key opportunities for the regional and local actors lie in...

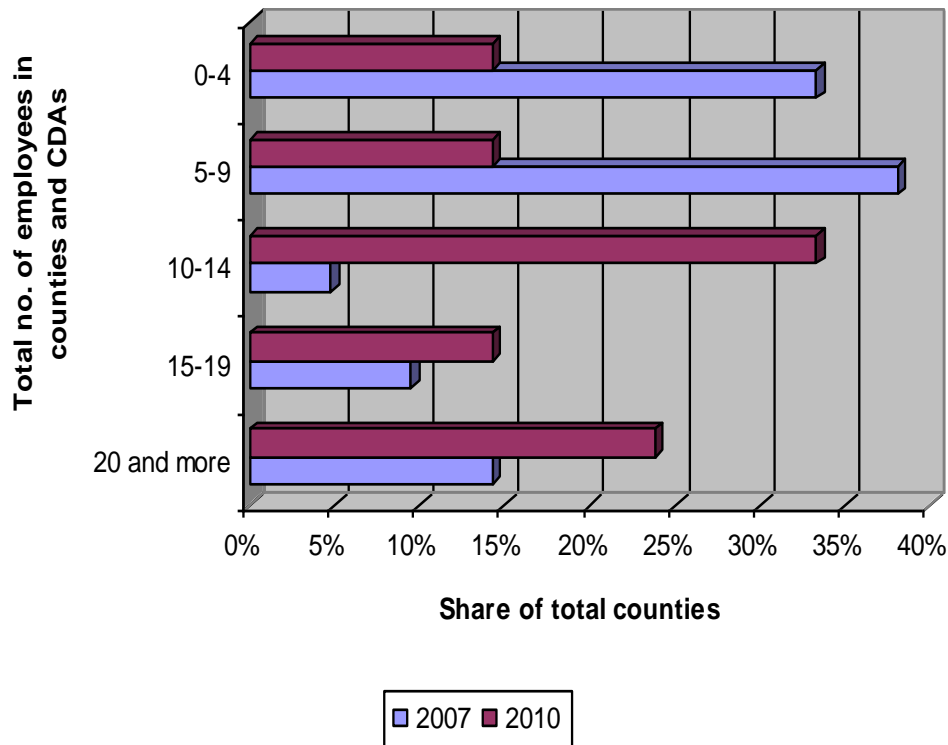
- increased interaction with national and international partners (especially in CBC), meaning higher chance to influence decisions and to learn about policy making
- increased funding available
- increased opportunities to support more **competitiveness oriented projects** (shifting focus from investments in hard infrastructure)

Absorption capacity at the regional level

- Adequate institutional and financial capacity will be the key challenges for regional actors to effectively participate in Cohesion policy
- We have conducted a survey to assess county-level institutional capacity to prepare and implement EU funded projects
- Survey included all 21 counties and 19 county development agencies (CDA)

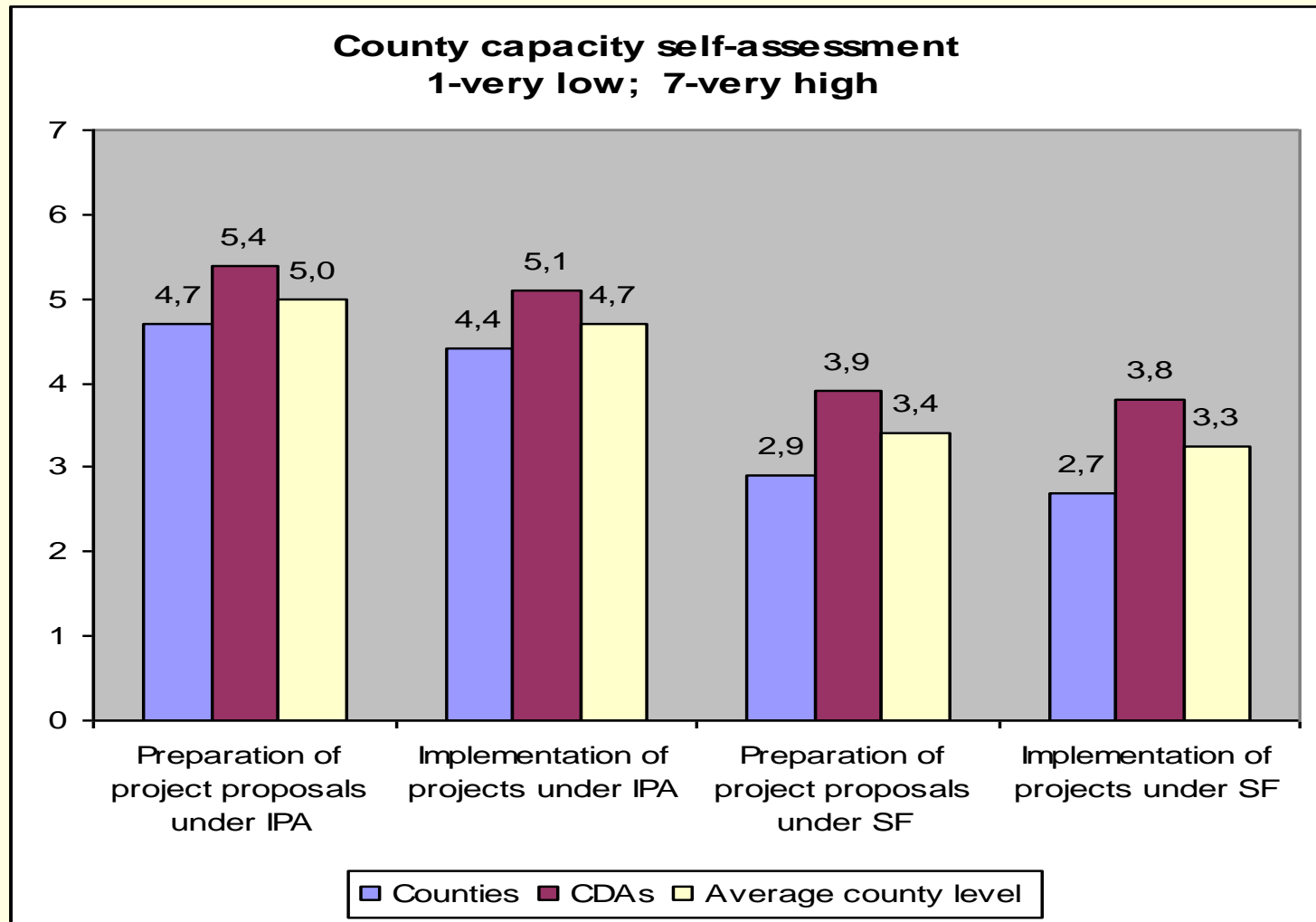
Regions are getting prepared for EU projects

Engagement in preparation of EU projects



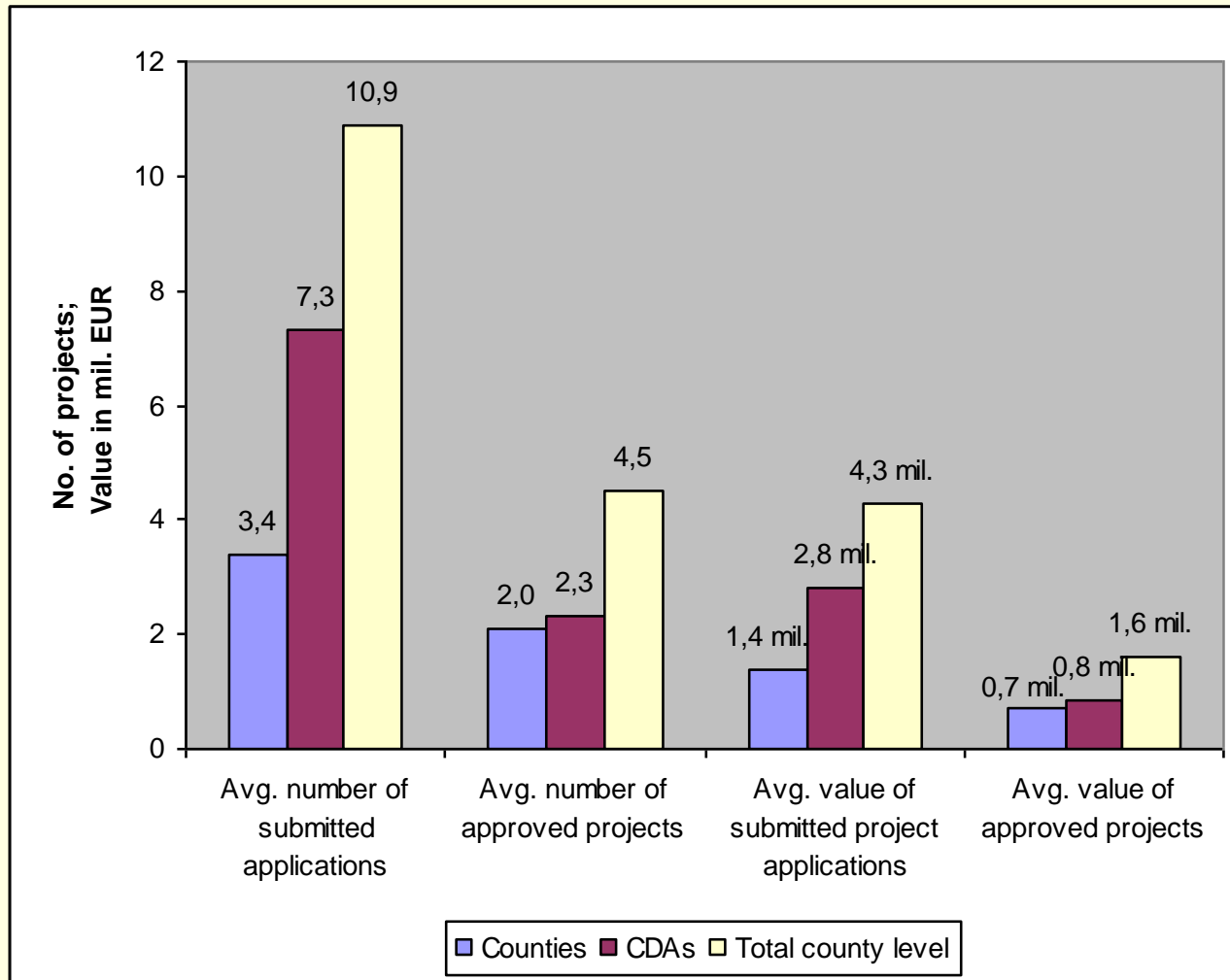
- Number of staff involved has increased by 40% in last 3 years
- There exist huge regional differences in the number of the staff involved
- Most staff employ counties in Western and North-Western part of the country

County actors are confident about their own absorption capacities...



...although data on the absorption does not confirm such a viewpoint

Absorption capacity in 2007-2009



Conclusions

- Accession to EU and recent developments in national regional policy - new role and opportunities for regional actors in Croatia to support their development
- It remains to be seen to which degree the regional level will actually be "allowed" to take place in SF management but also how efficient our policy makers on all levels will be with implementation of ambitiously set goals and approach
- New funding possibilities - important aspect of the benefits, but even more important are new policy instruments, more focused on regional competitiveness and enable higher engagement of regional actors in policy design and implementation
- Further challenge: determining concrete development impacts of implemented projects



THANK YOU FOR YOUR ATTENTION!