Alina Mungiu-Pippidi
Jana Warkotsch

Beyond the Panama Papers. The Performance of EU Good Governance Promotion

The Anticorruption Report 4

written by
Alina Mungiu-Pippidi
Ramin Dadašov
Sindy Natalia Alvarado Pachón
Christopher Norman
Simone Dietrich
Eliska Drapalova
Miroslav Beblavý
Emília Sičáková-Beblavá
Martin Mendelski
Digdem Soyaltin
Justine Louis
Jana Warkotsch
Max Montgomery

Barbara Budrich Publishers
Opladen • Berlin • Toronto 2017

A CIP catalogue record for this book is available from
Die Deutsche Bibliothek (The German Library)

The information and views set out in this publication are those of the author(s) only and do not reflect any collective opinion of the ANTICORRP consortium, nor do they reflect the official opinion of the European Commission. Neither the European Commission nor any person acting on behalf of the European Commission is responsible for the use which might be made of the following information.

ISBN 978-3-8474-0582-5 (Paperback)
eISBN 978-3-8474-0405-7 (e-book)

Die Deutsche Bibliothek – CIP-Einheitsaufnahme
Ein Titeldatensatz für die Publikation ist bei Der Deutschen Bibliothek erhältlich.

Verlag Barbara Budrich Barbara Budrich Publishers
Stauffenbergstr. 7. D-51379 Leverkusen Opladen, Germany

86 Delma Drive. Toronto, ON M8W 4P6 Canada
www.barbara-budrich.net

Jacket illustration by Bettina Lehfeldt, Kleinmachnow, Germany – www.lehfeldtgraphic.de

Contents

For a More Effective Link Between EU Funds and Good Governance . . . 7

1. EU Democracy Promotion, Conditionality and Judicial Autonomy . . . 34
2. Spain: Roads to Good Governance? How EU Structural Funds Impact Governance across Regions . . . 46
3. Slovakia: The Impact of EU Good Governance Aid 2007–2013 . . . 58
4. Romania: Europeanisation of Good Governance Where and why does it fail, and what can be done about it? . . . 68
5. Turkey: The Paradoxical Effects of EU Accession . . . 79
6. Egypt: The Failed Transition . . . 89
7. Tunisia: Great Expectations . . . 104
8. Tanzania: The Cosmetic Anticorruption . . . 116

Acknowledgements . . . 128

3. Slovakia: The Impact of EU Good Governance Aid 2007–2013

MIROSLAV BEBLAVÝ[1], EMÍLIA SIČÁKOVÁ-BEBLAVÁ[2]

This chapter looks at the European financial assistance provided to Slovakia during the period 2007–2013. The main research question is whether EU good governance aid (with focus on the 2007–2013 period) has measurably contributed to improvement in Slovak governance. The chapter consists of three parts. The first is devoted to the overview of governance regime in Slovakia and defines the research questions and methodology. The second part concerns the findings on EU financial assistance and good governance. The final part provides discussion and conclusions.

Slovakia's governance regime

Many scholars and organisations (prominently the World Bank, UNDP and OECD) devote their capacity to the study of *governance*; however, there is hardly a universally accepted definition of this concept (Weiss, 2000). Alina Mungiu-Pippidi defines governance as: "the set of formal and informal institutions that determine who gets what in a given country – in other words, how public goods are allocated" (2014). She forecasts that governance is difficult to change, as "governance orders reproduce fundamental patterns of social organisation and power distribution in a society, and thus tend to be stable once they reach a certain equilibrium. They are hard to transform even by means of a change of political regime" (ibid.). For Slovakia, the evolution of good governance can be shown using the World Bank Control of Corruption indicator CoC[3] (see figure 1). Slovakia registered some steep progress during EU accession years, climbing nearly to the upper third of best governed countries, then entered a slower, but mostly constant decline, losing most of the gains of the previous fifteen years. Mungiu-Pippidi (ibid.) thus puts Slovakia to the group of the borderline countries borderline cases scoring around 5 – between competitive particularism – where elections are competitive, but victors tend to spoil public resources as a rule – and a regime based on universalism and good governance. The evidence collected by Transparency International Slovakia supports this, showing that only the education sector, the tax administration and the customs office improved significantly in the interval 1999–2012, while central and local government, the judiciary and the police were not perceived to improve (Sičáková-Beblavá and Šípoš 2015). Furthermore, the mechanism of political corruption related to financing of political parties versus public procurement contracts awards or public jobs has endured. Although formal rules on financing of political parties have been changed by several governments since 1998, their implementation is a challenge to bring a real change in the existing equilibrium. Although it varies across the ruling governments and particular ministries, the personnel in the public administration is recruited also on political grounds, without a prop-

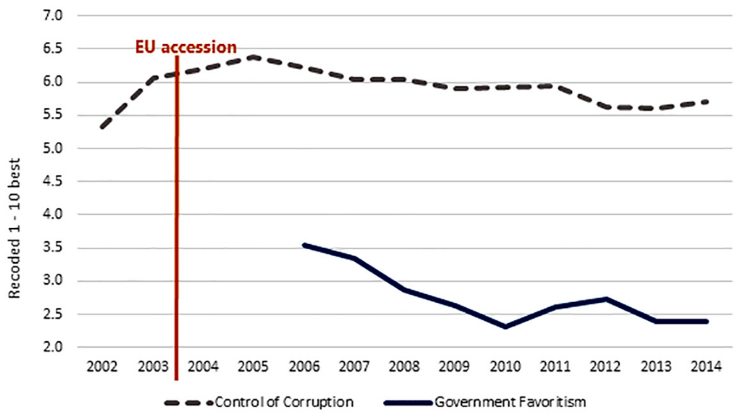
[1] Senior Research Fellow at CEPS, Brussels, miroslav.beblavy@ceps.eu

[2] Assoc. Prof., Comenius University, Faculty of Social and Economic Sciences, Institute of Public Policy, emilia.beblava@fses.uniba.sk

[3] The WB indicator captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. The governance score scales from -2.5 to 2.5: the higher the better.

erly structured and meritocratic selection procedure (Beblavý – Sičáková-Beblavá, 2011). That is reflected in the varying government favouritism in Slovakia (figure 1).

Figure 1. Control of corruption pre- and post-accession in Slovakia



Source: World Bank, Worldwide Governance indicator: Control of Corruption [Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to the lowest rank and 100 to the highest.] *http://databank.worldbank.org/data/reports.aspx?source=worldwide-governance-indicators*; World Economic Forum Global Competiveness indicator: Government Favoritism [1 = favouritism to a great extent; 7 = no favouritism at all], *http://reports.weforum.org/global-competitiveness-report-2015–2016/appendix-a-measurement-of-key-concepts-and-preliminary-index-structure/*

The role of EU

In this paper we look at the European financial assistance provided to Slovakia during the period 2007–2013. The main research question is whether EU good governance aid (with focus on the 2007–2013 period) has measurably contributed to improvement in Slovak governance. To answer this, we examine EU financial assistance during the 2007–2013 period in its broader context by comparing this period with earlier and later ones.

We complement the macro-analysis with a micro-view and analyse in detail EU financial assistance to good governance to Slovakia in 2007–2013 at the level of projects. Since there is no data available concerning details of project implementation and evaluation, we collect data about project themes and size. In addition to financial data, we conducted several interviews with country authorities that are responsible for EU funds management as well as with local EU representatives. We look at both channels of EU funding: Structural Funds managed by national authorities and other types of funding (directly allocated by the European Commission, Norwegian funding provided in the context of its EEA membership).

Four distinct periods exist in the EU's approach to Slovakia's governance:

- The pre-accession period (1999–2004)
- Immediate post-accession period (2004–2006)
- The 2007–2013 period
- The 2014–2020 period

The reason for this division is that it corresponds to very different means of EU financial assistance to Slovakia. Before the accession, there were pre-accession funds, much smaller in size and also much more controlled by the European Commission. The immediate post-accession period witnessed Slovakia starting to utilise regular Structural Funds in a heavily truncated three-year part of the seven-year EU budgetary cycle (2000–2006). The volume of funding then increased massively during the 2007–2013 cycle and increased additionally during the 2014–2020 period, which has just begun.

It is worth noting that, due to the so-called n+2 rule, implementation of each cycle lasts for two additional years (2004–2006 cycle actually lasted until 2008, 2007–2013 until 2015). At the same time, actual spending in Slovakia started about two to three years late in the 2007–2013 and 2014–2020 cycles. This means that the different periods are, to some extent, arbitrary and in practice overlapping.

Starting with the pre-accession period, there is no research looking at good governance in Slovakia during this period from the perspective of EU funding impact. We will therefore refer to research on corruption control. Beblavý and Sičáková-Beblavá (2014) show that before 1999, the European Union's influence on corruption was close to zero, and between 1999 and 2004, its influence was strong and positive. European Commission tackled these issues through the EC Regular Reports that created the imperative "to do something" stronger. the procurement, state aid and competition *acquis* were transformed into the domestic law prior to accession. The political conditionality of accession meant both the exclusion of the political parties most prone to corruption from the government and pressure to introduce and implement a formal anticorruption policy. Reforms were also supported by technical assistance and the transfer of EU rules concerning competition, state aid and procurement into Slovak legislation, including the creation and strengthening of national regulators (ibid.). At the same time, EU influence was limited in areas where structural reforms would have been needed to curb corruption, and thus the overall effect of policy conditionality and technical assistance was minor. The increasing flows of pre-accession aid and their gradual decentralisation to domestic authorities, on the other hand, meant an increased risk of corruption. Overall, we can conclude that prior to 2004 the EU had a strong, positive influence on corruption, with the most positive influence related to the exclusion of corruption-prone parties from the government (ibid.).

As to the immediate post-accession developments (2004–2006), this period seems to be more ambiguous, but despite an apparent worsening of corruption after 2004, a transformation rather than a loss of European Union influence occurred (ibid.).

Accession changed the situation significantly. Conditionality was lost both in terms of government composition and in policy areas, which was manifested in the increasing acceptability of Vladimír Mečiar and Jan Slota as government partners and in a reduced emphasis on anticorruption policies amongst all mainstream parties. Anticorruption technical assistance, which was part of the pre-accession funding, was also gradually wound down. The sharply increasing aid flows began to dominate the EU influence on corruption in Slovakia, with a major negative influence due to their discretionary nature and the decentralisation of management to national government authorities. On the other hand, accession meant that the European Commission and the European Court of Justice finally had the possibility to intervene directly in the areas of competition, state aid and procurement, thereby strengthening the impact of EU rules (ibid.).

During the **2007–2013** and **2014–2020 periods**, governance has been a major preoccupation of the EU with regard to Slovakia. The country-specific recommendations, which have been, since 2011, issued annually by the European Council based on the proposal by the European Commission are illustrative in this respect. During the 2011–2014 period, governance-related civil society recommendations (CSR) constituted around half of all recommendations. This drops off sharply in 2015 and 2016, when only one recommendation out of three to four is governance-related. This would lead one to conclude that governance became a less pressing issue for the European Council and the European Commission with regard to Slovakia.

However, if we do an analysis of actual text of the CSRs, a much more nuanced picture emerges. The reason for fall-off in the number of governance-related recommendations is the disappearance of sectorial governance-related recommendations. During the 2011–2014 period, the Council and the Commission consistently pushed Slovakia to improve capacity of its public employment services and fiscal administration and (during 2013 and 2014) to improve governance of its energy sector. Since 2015, the number of CSRs has dropped sharply and the governance-related recommendations focused solely on the cross-cutting issues. At the same time, the level of detail and specificity of these recommendations crystallised over time in areas of civil service and public procurement, though developments have proven uneven. For the civil service as such, there was no recommendation in 2011 and only a general injunction to "strengthen the quality of the public service" in 2012 (CSR 2012). The next year, there was a very extensive recommendation to "[t]ake measures, including by amending the Act on Civil Service, to strengthen the independence of the public service. Improve the management of human resources in public administration. Step up efforts to strengthen analytical capacities in key ministries, also with a view to improving the absorption of EU funds" (CSR 2013). In 2014, this recommendation was nearly completely retained, before disappearing in 2015 and reappearing in 2016 as "[i] mprove the transparency, quality and effectiveness of human resources management in public administration, in particular by adopting a new civil service act" (CSR 2015, 2016).

A similar development can be seen with regard to public procurement, the second most extensive area in the cross-cutting recommendations. In 2011, the EU recommended that Slovakia "ensure the implementation of planned measures aimed at a more effective application of public procurement rules". The follow year, the emphasis was to "strengthen the role of the Public Procurement office as an independent body". Then the theme disappeared in 2013 and reappeared with a 2014 recommendation to "step up efforts to improve the efficiency of public procurement" (CSR 2014). Then, in 2015 and 2016, the recommendations became more specific by suggesting Slovakia "increase competition in public tenders and improve supervisory mechanisms in public procurement" (CSR 2015) and "consolidate governance, reinforce the shift from price only to quality-based competition and improve the prosecution of illicit practices in public procurement" (CSR 2016).

For the third element of cross-cutting issues – the judicial sector – there has been no clear development. While it appeared in every year but one – 2015 –, it remained at a general level of exhortation to improve efficiency of the system.

It is worth remembering that the programming for the 2007–2013 period was generally done during the 2005–2007 period. It reflected a growing interest – post-enlargement – in building administrative capacity, with 1.1% of European Social Fund (ESF) aid dedicated to administrative capacity building, which is about EUR 3.7 billion (EC 2014a). In Slovakia strengthening administrative capacity (as a proxy for good governance) was part of the ESF operational programme Employment and Social Inclusion. During this period, the EU did not apply any conditionality on Slovakia to improve good governance.

The 2014–2020 period brought significant change in both prioritisation of good governance and pressure to have it integrated in the programming of Structural Funds. To ensure that Cohesion Policy is better linked to the European Semester and the wider EU economic governance, programmes have to be consistent with National Reform Programmes and should address the relevant challenges identified through the relevant Country Specific Recommendations in the European Semester. In order to contribute to the Union's strategy for smart, sustainable and inclusive growth and to the fund-specific missions, the General Regulation introduces 11 thematic objectives on which the funds should focus their support.

Specifically with regard to institutional capacity building by ESF, it is worth noting that reform of public administrations is a key priority for the successful implementation of the Europe 2020 Strategy. The importance of the issue has been recently explained by the Directorate General for Employment, Social Affairs and Inclusion (DG EMPL) itself as follows: "The quality of public administration is important for economic competitiveness and societal well-being (…). The quality of public administration has a direct impact on the economic environment and is thus crucial to stimulating productivity, competitiveness and growth. Apart from its key role as an economic regulator, the public sector also stands out as a service provider and employer. It accounts for more than 25% of total employment and a significant share of economic activity in the EU28 Member States. Additionally, an efficient and productive public sector can be a strong driver of economic growth through its support for and governance of the private sector" (European Commission 2014b).

The Annual Growth Survey 2013, the Economic Adjustment Programmes and other frameworks of Financial Assistance in EU Member States highlighted the need for Member States to increase the efficiency and effectiveness of public services, as well as the transparency and quality of public administration and the judiciary.

For the 2014–2020 period, "enhancing institutional capacity of public authorities and stakeholders and an efficient public administration" is included as a separate thematic objective (Thematic Objective 11 or "TO11") in the Common Provisions Regulation for the 2014–2020 programming period.[4] While both the ESF and ERDF should contribute to this TO11, their role is quite different. ERDF has a narrow scope of either supporting ESF TO11 interventions with infrastructure or in focusing on the ERDF implementation per se.

On the contrary, in the ESF case, the effectiveness and efficiency of public administration is crucial in order to achieve the results in all other TOs. Institutional capacity is thus not just a narrow, technical question of upgrading civil servants' skills; it relates to how public authorities define their scope, how they interact with businesses and citizens, and how they deliver services to these groups. Institutional capacity and efficiency of public administration and stakeholders is therefore a horizontal element. This notion is substantiated by the fact that TO11 is not directly related to any of the Europe 2020 headline targets; it is a condition sine qua non.

Under the EU pressure, Slovakia also created a specific Operational Programme called the Efficient Public Administration for the TO11, which allocates EUR 335 million. The EU also created a mechanism of "ex-ante conditionality" for Structural Funds whereby release of Structural Funds is conditional on Member States achieving specific policy benchmarks related to their challenges as identified by the Commission. For Slovakia, a new Civil Service Act and five other benchmarks are an ex-ante conditionality for accessing the funds, translating the above-mentioned country specific recommendation into much more powerful leverage over the Structural Funds.

Results and discussion

What impact has this EU approach had on good governance in Slovakia at the macro-level?

No evaluation from the perspective of good governance has been done by the Slovak authorities. European Commission provides its evaluation in its report called ESF Main Achievements 2007–2013: ESF Expert Evaluation Network Final synthesis report: Main ESF achievements, 2007-2013: "Despite the ESF strongly promoting innovation and innovative approaches to enhance the design, management and implementation of policies and action, the role effects of the ESF in Slovakia have been very limited. The mechanisms for facilitating innovation and mainstreaming of innovation under the ESF are under-developed. Consequently, knowledge and experience from projects with innovative elements are not being ef-

[4] REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, 17th December 2013, *Laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006*, [2013], L 347/320, Art. 9.

fectively utilised" (European Commission, 2014a). Therefore, from a macro point of view, the 2007–2013 period represents one in which the EU as a whole paid less attention to good governance, which either worsened significantly or did not change much depending on the indicator. In terms of the big picture, compared to the earlier period, the EU did not do much and it does not appear to have had measurable impact.

We examine in more detail EU funding: Structural Funds managed by national authorities and other types of funding (directly allocated by the European Commission, Norwegian funding provided in the context of its EEA membership).

Most of the financial assistance to Slovakia is provided through the first channel, where the national authorities and the European Commission have to agree on programmes constrained by the legal framework of Cohesion policy. The actual allocation of European funds is then decided upon and administered by Slovak authorities.

Good governance and capacity building were recognised issues when the 2007–2013 period programming was taking place, but it did not have the special status it later acquired in the 2014–2020 period. For Slovakia, strengthening administrative capacity (as a proxy for good governance) was part of the ESF Operational Programme Employment and Social Inclusion and 3 of its priorities (Výročná správa (2014)):

- 3.3. Capacity Building and Improving of Public Administration in the Bratislava Region
- 4.1. Improving of Services Provided by Public Administration and Non-profit Organisations
- 4.2. Introduction of quality management systems into the public administration and for NGOs in the area of employment policy and social policy

This structure reflects the fact that the Bratislava region was the only region in Slovakia to exceed the GDP per capita threshold that denied it much of the Cohesion Funding. Therefore, the ESF programmes were split into priorities for Bratislava and for the rest of the country. This presented a challenge for nationwide good governance projects implemented by institutions predominantly located in the capital. The solution was that the interventions were funded jointly by "Bratislava" and "the rest of Slovakia" priorities provided they concerned national institutions located in the capital and had a nationwide impact. We can therefore frequently observe a combination of priorities 3.3 and 4.1.

This scope of priorities provides for various types of projects to be implemented by the Slovak public administration to support good governance:

- to strengthen skills of the public administration through trainings/education
- and/or to improve processes in the particular public institutions, focus on management
- and/or develop and implement policies for strengthening good governance in the Slovak public administration.

Table 1. Overview of concrete allocations to good governance up to December 2014

ESF Priorities:	Allocated by EU (EUR)	Calls (national projects vs open calls)	Number of projects allocated by Slovak authorities
3.3.	4,021,063.00	27/0	29
4.1. 4.2.	66,842,518.00 772,541.00	32/3 1/0	198 0
Total		60/3	

Source: Výročná správa o vykonávaní operačného program Zamestnanosť a sociálna inklúzia za rok 2014. Ministerstvo práce sociálnych vecí a rodiny SR. *https://www.employment.gov.sk/files/slovensky/esf/op-zasi/vyrocna-sprava/vs-op-zasi-2014.pdf*

The much narrower approach to good governance used in Slovakia in this period is exhibited by the specific amounts allocated by EU for the given area, the amounts of EU funds used (see table 1) in the given period as well as the overview of concrete national projects (table 2): Improvement was expected for mostly trainings, education and communication skills. Smaller amounts were devoted to processes and quality management. In relation to the project on quality management (4.2.), it is important to stress that this programme received the smallest allocation of all good governance programmes and in 2011 a part of the funds was reallocated to different priorities. No project for development of good governance policies of the Slovak public administration has been supported by ESF in the given period. From the perspective of the projects' main foci, it is important to mention that the focus of the projects within the priority 3.3. and 4.1. changed slightly over time; however, only in 2014 (formally after closing this facility) were the projects focusing on analytical skills (e.g., in the case of the Ministry of Finance) supported. The impact of this kind of capacity building can not be perceived/measured in 2016 yet.

Table 2. Focus of the national projects

Area	**Priority**	**Alloc. year**	**Institution/ Focus**	**Sum (EUR)**
Training	4.1, 3.3.	2009	Supreme Audit Office / education	2.532,938.34 317,543.70
	4.1.	2009	Confederation of Trade Unions / education	894,632
	4.1. 3.3.	2009	Customs Office / education, trainings	2.346,272.15 294,142.16
	4.1. 3.3.	2009	Tax Office / education	4,011,472.00 502,900.00
	4.1. 3.3.	2012	Ministry of Finance / education	20,901.09 166,720.91
	4.1. 3.3.	2012	Association of the Slovak Towns / Capacity Building of local governments, primarily training	1,696,317.44 212,660.10
	4.1. 3.3.	2012	Government Office / improving qualification of the staff	331,749.49 41,590.00
	4.1. 3.3.	2014	Supreme Audit Office / education of the staff at the SAO	222,015.19 27,833.14
	4.1, 3.3.	2014	All government institutions / improving language skills for EU Presidency	1,485,842.28 186,273.72
	4.1. 3.3.	2013	Ministry of Social Affairs / increasing qualification of the staff	30,082.17 239,955.23
	4.1. 3.3.	2009	Ustredie práce a rodiny / education of the staff	6,849,940.24 1,208,812.98
	4.1, 3.3.	2012	National Labour Inspectorate / education, trainings	245,313.12 30,753.86
	4.1.	2010	Ministry of Health / education, trainings, communication standards	1,817.353.40
	4.1.	2010	Ministry of Interior / education	3,473,593.40
	4.1.	2014	Constitutional Court in Slovakia / education	362,518.36
	4.1.	2014	Prison Authority / education	117,766.70

Training and process reengineering	4.1. 3.3.	2014	Ministry of Interior / processes at client centres, education, trainings, analytical capacity	4,014,108.69 503,231.72
	4.1. 3.3.	2014	Ministry of Interior / processes building, information systems, education/trainings	689,093.68 86,390.11
	4.1.	2010 - 2013	Banska Bystrica Regional Government / trainings and processes improvement	2,615,001.78
Trainings and analytical skills building	4.1. 3.3.	2014	Ministry of Finance / strengthening analytical skills	67,697.52 540,000.00
	4.1. 3.3.	2010	Centre of Education, Ministry of Social Affairs / education, analytical skills	5,708,766.53 715,684.34

Source: Výročná správa o vykonávaní operačného program Zamestnanosť a sociálna inklúzia za rok 2014. Ministerstvo práce sociálnych vecí a rodiny SR. *https://www.employment.gov.sk/files/slovensky/esf/op-zasi/vyrocna-sprava/vs-op-zasi-2014.pdf*

As for the process, mostly so-called national projects (see table 3) with **low competition for project**s and ideas were used by ESF. This approach more or less related to direct allocation of funds to the public institutions.

Inconsistency in the timing of project allocation and funds management can be identified as well. The ESF programme started since 2007, but the first calls for priority 3.3. were announced in 2010; for priority 4.1. only one call in 2009 was opened; and for priority 4.2. the first calls were announced in 2010. Most of the calls and projects were allocated in 2014 with implementation in following years. The impact of these projects therefore cannot be recorded/measured yet.

The second channel of support for good governance is financial assistance that bypasses national authorities. In this paper, we analyse funding provided by the European Commission directly to Slovak non-governmental organisations. Additionally, one could also analyse funding provided by the Norwegian government in the context of its payments for EEA membership. However, we could not find comprehensive data, and there is also the issue of whether the Norwegian funds are actually part of EU good governance aid conceptually.

Although there are several NGOs in Slovakia that operate in good governance area, only two of them were able to receive the EU funds (see table 3). It is mostly Transparency International Slovakia that leverages its chances through its international network and a team of experts operating in Brussels.

Table 3: The overview of the projects allocated to the Slovak NGOs directly by (2007–2013)

Name of the project	Donor	Year	Amount allocated (EURO)	Beneficiary institution in Slovakia
European National Integrity Systems Project	EC Directorate General for Home Affairs	2010 - 2012	68,773	TI Slovakia through TI-S
Strengthening the role of the local and regional government watchdogs	EC Directorate General for Justice, Freedom and Security	2006 – 2007?	50,000	TI Slovakia
Integrity of public procurement – set of trainings	EC OLAF	2010	9,700	TI Slovakia

Integrity of public procurement – set of trainings	EC OLAF	2009	10,797	TI Slovakia
Enhancing whistleblower protection	EC Directorate General for Justice, Freedom and Security	2009–2010	30,751	TI Slovakia through TI-S
Public Interest Protection and Implementation Kit: Contribution of Civil Society to Good Governance in Enlarged Europe (JLS/2005/NGO/005)	EC Directorate General for Justice, Freedom and Security	2007	107,525	Via Iuris
The risks of systematic political corruption in the management of EU funds and state-owned enterprises in the Czech Republic, Slovakia and Poland	EC Directorate General for Home Affairs	2012–2014	22,000	Slovak Governance Institute
Total			294,546	

Source: www.transparency.sk, www.governance.sk, www.viaiusris.sk

The data allow for two following observations at least. First, the amount of EU financial assistance allocated to the Slovak NGOs directly by Commission to foster good governance is much lower than EU assistance through ESF programs. Second, the difference lies in the focus of the projects – they were expected to have horizontal effects across the public sector.

As the financial framework 2007–2013 represented the first major EU investment in new Member States and is the only one to have since concluded (on the 31st December, 2015), we focus on it for our evaluation. We conclude that in the 2007–2013 period the EU as a whole paid less attention to good governance in programming its financial aid than in the subsequent period – and this also applied to Slovakia. While Brussels was highly concerned with good governance in Slovakia – at least since 2011 –,EU institutions did not have effective instruments at their disposal to impose conditionality, which they could use to push the issue to the forefront (country-specific recommendations did not have much impact, as the repetition of similar recommendations year by year demonstrates). The good governance situation in Slovakia during this period either worsened significantly or did not change much depending on the indicator. By and large, compared to an earlier period, the EU did not do much on governance and it does not appear to have had a measurable impact.

The microanalysis brought additional explanations, showing that related Structural Fund projects were mainly staff training projects for specific institutions without an overarching strategy or link to other changes in the functioning of public administration. A small percentage of the funds was provided directly by the Commission to NGOs. These projects were much more horizontal in nature and focused on good governance issues, but they amounted to such a small volume that they could not have had major impact.

In other words, the investment made during the 2007–2013 period was small, so it should not come as a surprise that positive outcomes are hard to find. Neither is it surprising that no significant impact could be detected using the data available. However, a process of learning by EU institutions and of upgrading the policy framework and the level of funding for the 2014–2020 period is also noticeable. This might actually be the most significant legacy of the 2007–2013 period, whose effects will be observed in the following years.

References

Alesina, Alberto, and Beatrice Weder. *Do corrupt governments receive less foreign aid?*. No. w7108. National bureau of economic research, 1999.

Beblavý, Miroslav and Emília Sičáková-Beblavá. (2011). Koaličná zmluva či zákon? Právna úprava a realita politicko-administratívnych vzťahov na Slovensku [Coalition Treaty or Law? Legislation and Reality of Politico-Administrative Relations in Slovakia].

———. (2014). The Changing Faces of Europeanisation: How Did the European Union Influence Corruption in Slovakia Before and After Accession?. *Europe-Asia Studies,* 66.4: 536–556.

European Commission. (2014a). ESF Expert Evaluation Network: ESF Main Achievements 2007–2013. file:///Users/emiliabeblava/Downloads/esf_final_synthesis_report_2014_en-1%20(2).pdf

———. (2014b). Promoting good governance – European Social Fund thematic paper. Directorate-General for Employment, Social Affairs and Inclusion, Unit E1, January 2014, p. 4.

Grabbe, H. (2003) 'The Process of EU Accession: What Will It Bring to South East Europe?', available at:

http://www.wiiw.ac.at/balkan/files/GDN_EU_Grabbe_EUaccessionprocess.pdf, accessed 18 June 2013. Grabbe, H. (2003) 'The Process of EU Accession: What Will It Bring to South East Europe?', available at:

http://www.wiiw.ac.at/balkan/files/GDN_EU_Grabbe_EUaccessionprocess.pdf, accessed 18 June 2013.Mungiu-Pippidi, Alina. (2014). The Transformative Power of Europe Revisited. *Journal of Democracy,* 25.1:20–32.

Sičáková-Beblavá, Emília – Šípoš, Gabriel. (2015). Korupcia a protikorupčná politika na Slovensku. In: Šoltés, Peter – Voros, Lászlo et. al: "Korupcia". *Historický* ústav *SAV.* Bratislava: 464–519.

Weiss, Thomas G. (2000). Governance, good governance and global governance: conceptual and actual challenges. *Third world quarterly,* 21.5: 795–814.

Ministerstvo práce sociálnych vecí a rodiny SR (2014). Výročná správa o vykonávaní operačného program Zamestnanosť a sociálna inklúzia za rok. https://www.employment.gov.sk/files/slovensky/esf/op-zasi/vyrocna-sprava/vs-op-zasi-2014.pdf

Acknowledgments

This project is co-funded by the Seventh Framework Programme
for Research and Technological Development of the European Union

This policy report, The Anticorruption Report 4: Beyond Panama Papers, is the fourth volume of the policy series "The Anticorruption Report" produced in the framework of the EU FP7 ANTICORRP Project. The report was edited by Prof. Dr. Alina Mungiu-Pippidi from the Hertie School of Governance, head of the policy pillar of the project.

ANTICORRP was a large-scale research project funded by the European Commission's Seventh Framework Programme. The full name of the project was "Anti-corruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption". The project started in March 2012 and lasted for five years. The research was conducted by 21 research groups in sixteen countries.

The fundamental purpose of ANTICORRP was to investigate and explain the factors that promote or hinder the development of effective anti-corruption policies and impartial government institutions. A central issue was how policy responses can be tailored to deal effectively with various forms of corruption. Through this approach ANTICORRP advanced the knowledge on how corruption can be curbed in Europe and elsewhere. Special emphasis was laid on the agency of different state and non-state actors to contribute to building good governance.

Project acronym: ANTICORRP

Project full title: Anti-corruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption

Project duration: March 2012 – February 2017

EU funding: Approx.8 million Euros

Theme: FP7-SSH.2011.5.1-1

Grant agreement number: 290529

Project website: http://anticorrp.eu/

All these contributions were given as part of the European Union Seventh Framework Research Project ANTICORRP (Anti-corruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption). The views expressed in this report are solely those of the authors and the European Union is not liable for any use that may be made of the information contained therein.