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Flemish Foreign Policy with regard to Central and Eastern Europe (1992-2003)

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1. Introduction

For some time now, the Central and Eastern European countries have formed a region, which can count on special attention in Flemish foreign policy. The roots of Flemish active policy with regard to the region go back to the beginning of the nineteen nineties. In that period, Flanders laid the foundation for its Flemish foreign policy. As far as Europe is concerned, international activities concentrated on the European union, on cooperation with the Netherlands and on the neighbouring countries and on the countries of Central and Eastern Europe. Outside Europe, the focal point lay on relations with South Africa and Chile and cooperation with and via multilateral organisations (Bijdrage Vlaamse Administratie, 1999:4).¹

In 1989 the first, careful overtures were made to Central and Eastern European countries. At the end of 1990, the first agreements were made with Estonia, Latvia and Lithuania about support for development of the ports in the Baltic. Economic agreements were entered into with Hungary and with Russia and Czechoslovakia agreements were entered into concerning education and vocational education. In addition, Flanders joined EU programmes that were set up for or opened up to the Central and Eastern European countries (Nota voor de Vlaamse Executieve, 1992:13-17, Bouveroux, 2002:25, and Nota aan de Vlaamse Regering, 2001:2).

A coordinated Flemish foreign policy has been developed since 1992. In April 1992, the Flemish government decided to make relations with Central and Eastern Europe a new priority of foreign policy. The central aim was to support the transition process and the development of strong and healthy market economies in Central and Eastern Europe. For this policy use was made of a number of policy instruments. In the first place, 431 million franks [€ 10.68 million] were released in the form of a ‘commitment appropriation’ for cooperation, above all in economic but also in social, cultural and ecological projects. The credit was later

¹ See also Crieckemans (2002).

given the official title ‘Cooperation Programme for Central and Eastern Europe’. As a result of the state reform of 1993, the states of the Belgian federation were given the authority to enter into international treaties for all of the powers that they manage at domestic level. Almost immediately, the Flemish government used this international treaty competence as an instrument in its Central and Eastern Europe policy. During the course of the nineteen nineties and the first few years of the new century, Flanders entered into treaties with all the Central and European candidate member states of the EU and with Russia and the Ukraine.

In 2001 the Flemish policy with regard to Central and Eastern European countries was subjected to a thorough analysis of its effectiveness by the Administration for Foreign Policy. As a result of this analysis, the policy was reformulated. The strategic and operational objectives were recorded more clearly, the various policy instruments were geared to each other more efficiently and the policy was concentrated on a number of priority countries and sectors. The final result of the fine-tuning was that the policy focussed more on supporting the efforts of Central and Eastern European countries to join the European Union.

The accession of the majority of the Central and Eastern European countries is planned for 2004. Other countries will follow during the next few years. And thus the necessity arises of a new analysis of Flemish Central and Eastern Europe policy. After all, the environment in which this policy is to develop will thoroughly change after the accession of the new members states. And it must be investigated what the lines of force can be of a new Flemish policy with regard to the region. The question is which strategic considerations and objectives the policy must depart from and which instruments are the most suitable for this.

2. Flemish Central and Eastern European policy 1992-2001

2.1 Strategic objectives of the policy

The Flemish government formulated the strategic objectives of its Central and Eastern European policy for the first time in the policy letter concerning external relations of 28 April 1992. The letter stated that Flanders had to contribute to the “essential changes in the countries and regions of this area”. What was essential in this was the development of strong and healthy economies in the former Communist countries. But there was not only attention for the economic restructuring, Flanders also committed itself to providing support and know-

how in fields such as welfare, environment, infrastructure, social cultural work, the development of a structured social economic negotiations and education. Attention was primarily given to the Czech Republic, Poland, Hungary and Saint Petersburg (Nota voor de Vlaamse Executieve, 1992:1-2). In 1995 this geographic focus was slightly expanded to the countries that were already candidates or were preparing for membership of the EU in the policy letter “Flanders International” (Regulations 1995).

In 1992, the Flemish Central and Eastern Europe policy was in the first place motivated by referring to the “moral duty of Flanders to contribute to the changes in Eastern Europe” (Nota voor de Vlaamse Executieve, 1992:1). However, at that time there was no clear overview yet of the exact needs in the Central and Eastern European countries. The objectives of the policy and the budget that was released for the cooperation with Central and Eastern Europe were not based on a concrete assessment of the needs or on prior investigation. Of course there were a number of practical considerations for setting up cooperation with the countries in Central and Eastern Europe. Flanders saw conducting policy in Central and Eastern Europe as an opportunity to set itself up as an internationally acceptable partner, which could shown itself to be active and solidary on the international stage. The fact that Central and Eastern Europe was an interesting, nearby growth market for Flemish trade and industry was also a reason. By being actively present in the region, mutually beneficial relations could be achieved (Nota aan de Vlaamse Regering, 2001:3-4). In addition, the then Flemish government used the strategic consideration that by entering into partnerships with the countries in Central and Eastern Europe the position of Flanders in the EU could be strengthened in the long run. After all, there were a number of small countries amongst the candidate member states, which just like Flanders are confronted with the problems that relate to language and identity. This made them suitable potential partners for Flanders within the extended Union. (Schollaert, 2002:21)

2.2. Instruments of Flemish Central and Eastern Europe policy

To achieve these strategic objectives, use was made of a number of instruments. The most important ones were the Cooperation Programme ‘Central and Eastern Europe’ and the bilateral treaties. The most resources were liberated for this. To a lesser degree use was also made of multilateral initiatives and of Flemish representation in the Central and Eastern

European countries. An attaché of the Flemish community was posted to Vienna, whilst Export Flanders sent representatives to various countries in the region.

A. The Cooperation Programme ‘Central and Eastern Europe’

In September 1992, the Flemish government approved regulations for awarding a credit of 481.8 million francs that was made available for initiatives in Central and Eastern Europe.² The programme’s objectives were to make a contribution to making and strengthening the economic foundation of the Central and Eastern European countries and to support the restructuring process in the former Communist states. Thus, mutual development could be stimulated. Initially, attention primarily focussed on Poland, Czech Republic, Hungary and the region of Saint Petersburg. A 90% share of the total available budget was reserved for projects in these areas. (Nota voor de Vlaamse Executieve, 1992:1,17-18) In 1995 the Slovak Republic was added to this list of priority countries. In 1996 the geographic focus was once again shifted slightly. The Baltic States and Rumania were added to the list of priority countries at the expense of the Czech Republic. Eighty percent of the funds would in the future go to the priority partners, the remaining 20% to non-priority countries. (Regulations 1995, amended in 1996).³

The cooperation projects had to be set up by Flemish promoters (a Flemish administration, an institution, organisation or company) on the one hand and partners in Central and Eastern Europe on the other hand. They were not limited to only the economy, but could also focus on the environment, infrastructure, education and training, strengthening the social economic negotiations and legal assistance. Priority was given to projects which 1) connected with campaigns of the EU, the OECD, the IAO or the European Bank for Reconstruction and development; 2) projects of an interdisciplinary nature; 3) projects whereby at least half the financing was provided by private organisations; and 4) projects of Flemish government

² Document for the Flemish Executive, regarding the Regulations for the commitment appropriation of 481.8 million francs [just under € 11.95 million] for initiatives with regard to Central and Eastern Europe (1992), V.E. 92/2309/doc.0521. This credit was already fairly quickly reduced to 431.8 million francs when 50 million francs was earmarked for humanitarian aid in former Yugoslavia. (See also Schollaert, 2002:17) In 1995 these regulations were amended for the first time (See Decision of the Flemish government to determine the regulations for the allocation of financial interventions for initiatives with regard to Central and Eastern Europe, *Belgian GG*, 10 May 1995).

³ For an extensive description of the provisions of the regulations of 1995, please see Section 4: Evaluation of the projects in Central and Eastern Europe financed by Flanders.

bodies. In 1995 to this was added that projects whose execution could result in a multiple effect in the partner country would also be given priority. Purely commercial projects were ruled out. The maximum execution term for projects was set at five years in 1992 and then reduced to three years in 1995. The maximum allowance per project was 50 million, a sum that in 1995 was also reduced to 30 million. (Nota voor de Vlaamse Executieve, 1992:18-19, and Regulations 1995).

The resources of the Cooperation Programme were registered in the budget of the administration for Economic Affairs. In 1992 it also fell under the authority of the minister charged with foreign policy. The administration for Economic Affairs was also charged with the administrative processing of the requested projects, the payment of the intervention to the promoters of approved projects and the checks on the promoters. The requested projects were assessed by the 'Advisory Committee Central and Eastern Europe' that was compiled of representatives from the administrations for Economic Affairs and External Relations. (Nota voor de Vlaamse Executieve, 1992:20) The Advisory Committee was chaired by the director-general of the administration for Foreign Policy. (Schollaert, 2002:18) The ABB's input in the management and follow-up of the projects remained limited, however. (Nota aan de Vlaamse Regering, 2001:5)

Between 1992 and 2000 a total of 768 project applications were submitted of which 420 were approved and effectively executed for a total sum of about 2.5 billion francs (see table 1).⁴ In Poland, Hungary, the Czech Republic, the Slovak Republic and Rumania for example, with Flemish support company centres were set up where the logistical functions of various companies can be managed in a coordinated way. (Bouveroux, 2002:30) In Poland the Christian Health Insurances with the support of the Flemish government founded the first Health Insurance, which offers a 'third way' in Polish healthcare next to outdated public health and the unbridled freedom of private healthcare. The Flemish input in the project was reflected in the name of the health insurance, which was called 'SWP Flandria'.⁵ In Romania

⁴ The lion's share of the budget went to projects in Hungary (26%), Poland (17%), Rumania (13.8%) and the Czech Republic (10%). In the period of 1992-1994, the largest sum was spent on management (29%) and the environment (15%). In 1995-1997 it was management (22%) and welfare (22%). In 1998-1999 the largest sums were spent on welfare (22%) and employment and social projects (20%). In 2000, finally, the emphasis was on the economy (56%), the port sector (19%) and the environment (16%). (Nota aan de Vlaamse Regering, 2001:4).

⁵ See Descan (2002) and Skrzypiec-Sikorska (2002).

and Latvia, health insurances were founded with Flemish support. In the Baltic states, the development of the ports, for example the port of Klaipeda in Lithuania, was intensively supported by the Flemish government and Flemish trade and industry. (Bouveroux, 2002:30; Schollaert, 2002:18) In Rumania, cooperation projects were set up by the Brothers of Love, which amongst other things were focused on developing training in psychiatric nursing.⁶ This is only a selection of a long list of cooperation projects that were set up within the framework of the Cooperation Programme ‘Central and Eastern Europe’.

Table 1: Available and allocated budget of the Cooperation Programme ‘Central and Eastern Europe’; Total number of projects submitted and approved

Year	Available budget (in Million BEF)	Allocated budget (in million BEF)	Total number of projects submitted	Total number of projects approved
1992	431.8	337.3	84	33
1993	366.8	350.9	87	57
1994	373.7	346.6	117	52
1995	313.7	299.4	85	61
1996	308.3	307.7	86	47
1997	302.6	294.8	79	58
1998	252.6	229.8	87	39
1999	252.6	243.4	56	40
2000	252.6	228.7	84	33
Total		2638.6	768	420

Source: Ministry of the Flemish Community, administration for Economic Affairs

B. Bilateral treaties

Almost immediately that the states of the Belgian Federation were given authority to enter into international treaties in 1993, Flanders used this authority as a policy instrument in its Central and Eastern Europe policy, with the aim of presenting Flanders as an international player in the region and strengthening the political and economic rapprochement with Central and Eastern European countries. In 1993 itself treaty negotiations were started with Poland.

⁶ See Claeys (2002).

This led to the signing of the first fully-fledged international treaty entered into by Flanders in June 1994. A second treaty with Hungary soon followed in October 1994. In 1996 treaties were signed with Estonia, Latvia and Lithuania. (Schollaert, 2002:19) In the mean time Flanders has entered into treaties with all the candidate member states of the EU.⁷ Bilateral cooperation treaties were also entered into with Russia and the Ukraine. (Nota aan de Vlaamse Regering, 2001:3)

The exclusive treaties with the candidate member states relate to all kinds of cooperation. More in particular, agreements were made in the treaties to regularly set up work programmes. These work programmes are set up every two (or three) years during mixed committees by the authorised administrative departments of both parties. They entail agreements that relate to cooperation in all the domains that are named in the treaty, from the economy, agriculture, environment, transport, training civil servants, education, science, social cultural work to sports. (Bouveroux, 2002:26) The cooperation usually takes the form of projects.

It is the administration for Foreign Policy (ABB) that takes care of the coordination and execution of the treaties and work programmes. It maintains contacts with the partner countries and collects proposals for the elaboration of the work programmes from the Flemish administrations and departments involved. However, it is the latter that take care of financing the projects or commitments that they enter into within their area of authority. This means that the budgets that were released for the execution of the work programmes generally speaking remained rather limited, since those administrations and departments usually have limited resources for their foreign policy. The result of this was that the content of the work programmes often also remained limited. An attempt was made to give more content to the work programmes by, during the elaboration of the programmes, referring to projects that were financed by the Cooperation Programme. (Nota aan de Vlaamse Regering, 2001:5-6)

⁷ Overview of the "exclusive treaties" of a bilateral nature entered into by Flanders with Central and Eastern European countries:

General cooperation agreement with Poland (Warsaw, 06/06/1994); General cooperation agreement with Hungary (Budapest, 03/10/1994); Cooperation treaty with Estonia (Tallinn, 04/03/1996); Cooperation treaty with Latvia (Riga, 05/03/1996); Cooperation agreement with Lithuania (Vilnius, 07/03/1996); General cooperation treatment with Rumania (Bucharest, 12/06/1997); General cooperation treaty with Slovenia (Ljubljana, 03/09/1998); Cooperation agreement with Bulgaria (Sofia, 18/05/2001); Cooperation agreement with the Czech Republic (Prague, 12/02/2002); General cooperation treaty with the Slovak Republic (Bratislava, 30/05/2002).

It is clear that a number of parallels can be drawn between the Cooperation Programme and the treaties. The choice of priority partners was practically the same. It is also noticeable that during the execution of the treaties, project financing by means of the Cooperation Programme was increasingly referred to. So the initiatives that were set up within the Cooperation Programme and the execution of the treaties approached each other more and more.

C. Other policy instruments

In addition to the Cooperation Programme and the bilateral treaties, a few other instruments were also used in the Flemish policy with regard to Central and Eastern Europe. Flanders was active in various multilateral cooperation initiatives. Flemish representatives were sent to the region. Furthermore, various departments and Flemish public institutions were active in Central and Eastern European countries.

Besides the aforementioned forms of bilateral cooperation, a number of initiatives and actions were set up via multilateral channels. A fund of 400,000 euro was made available to the European Bank for Reconstruction and Development (EBRD) for its activities in Central and Eastern Europe. Within the framework of the International Labour Organisation (ILO), a number of projects were financed, such as training projects in Hungary and Russia in which the VDAB was involved. Within the framework of the EU, a link between the projects of the Cooperation Programme and the PHARE and TACIS programmes of the EU was strived for. This was not always successful, because there are not always great opportunities for Flemish projects within the large-scale and bureaucratic EU programmes (Nota aan de Vlaamse Regering, 2001:2,6).

As far as the representation of Flanders in the Central and Eastern European countries is concerned, an attaché of the Flemish Community (now Representative of the Flemish Government) was posted to Vienna, who must spend two thirds of his time and resources actively for Hungary and the Czech Republic. Since 1994, the attaché has been based in the first Flemish House founded abroad. (VRIND, 2002:56) Roughly speaking, however, it can be said that the instrument of the political representation until now has played a rather minor role in Flemish policy with regard to Central and Eastern Europe. In addition, a number of

economic representatives were based in Central and Eastern Europe. They have risen in number since 1992; there are now economic representatives in Vienna, Ljubljana, Bucharest, Budapest, Prague, Warsaw, Poznan, Gdansk, Vilnius, Kiev and in three Russian cities. (VRIND 2002:57, and Bijdrage Vlaamse Administratie, 1999:10)

Finally, a number of administrations and Flemish public institutions are also active in the cooperation with Central and Eastern Europe. The activities of the administration for Foreign Policy and Economic Affairs was already discussed at length above. The department for Education committed to Central and Eastern Europe by entering into ministerial agreements (amongst others with Russia, the Ukraine, the Czech Republic and the Slovak Republic) by executing cooperation projects within the framework of the work programmes with the bilateral treaties and by means of own projects in the area of higher education. The administration for Science and Innovation chose three priority partners, Rumania, Poland and Hungary, to set up a 'Cooperation Programme on Science and Technology'. The administration for Culture was active both within the framework of the execution of the agreements and outside it, amongst other things by organising expositions, missions and exchanges. Other departments were active in Central and Eastern Europe in similar ways (missions, exchanges) but on a more limited scale.

During the course of the nineteen nineties, Export Flanders increased its efforts in the region, amongst other things by organising missions and seminars and sending representatives. Finally, within the GIMV a Fund for New Europe was set up with an eye to co-financing joint ventures, investments, etc. of Flemish companies in Central and Eastern Europe. (Nota voor de Vlaamse Executieve, 1992:12)

2.3. Critical analysis of the Flemish Central and Eastern Europe policy 1992-2001

When a new Flemish government took office in 1999, it was decided that the Flemish policy with regard to Central and Eastern Europe should be subjected to a critical analysis. With the coming accession of ten Central and Eastern European countries to the EU on the horizon, it had to be checked how the cooperation with the priority partner countries could be continued in the most useful way and how the credit built up could be used to the maximum possible use. Since the political and economic circumstances in Central and Eastern Europe had

changed thoroughly since 1992, it was considered necessary to update the Central and Eastern Europe policy. (Bijdrage Vlaamse Administratie, 1999:10) To prepare this, the administration for Foreign Policy was charged to critically inspect the Flemish policy with regard to Central and Eastern Europe on the basis of an analysis of the effectiveness. The usability and effectiveness of all the policy instruments had to be tested. Of the Cooperation Programme, the objectives, the geographic and sector priorities and the operational modalities had to be examined. Thus a picture could be formed of the weaknesses and opportunities of the policy with regard to Central and Eastern Europe. An in-depth study of the effects and impact of the projects and work programmes was not included in this. The policy could then be adjusted on the basis of this. (Beleidsnota 2000-2004: 30) the administration for Foreign Policy carried out this analysis in 2000 and 2001.⁸

A. Analysis of the objectives and motivations of the policy

In the first instance it was determined that the Flemish Central and Eastern Europe policy was not preceded by a thorough analysis. The result of this was there was no clear picture of the exact needs in the region and that the strategic objectives had been insufficiently translated into specific or measurable objectives. The policy did not offer a framework of time and was insufficiently geared to sector or geographic needs. All of this meant that the policy was not sufficiently adjusted to react to the evolutions in Central and Eastern Europe. After all in comparison with 1992, the political and economic situation had changed on a number of points. Almost everywhere a market economy had replaced the state-controlled economy. The speed at which this happened and the effective realisation, however, did differ from one country to the next.

B. Analysis of the policy instruments

As described above, the Cooperation Programme and the bilateral treaties were the most important instruments in the Flemish Central and Eastern Europe policy. The analysis concluded that both policy instruments had contributed to a positive image of Flanders in the region. A substantial network of contacts and exchanges had been built up between

⁸ The following explanation is based on the Nota aan de Vlaamse regering betreffende het nieuw beleid ten aanzien van Oost- en Centraal Europa, 2001, pp. 7-10.

administrations, companies, organisations, education institutions, cities and municipalities. But a number of shortcomings in the organisation and application of both policy instruments were also observed. A large number of these shortcomings ran parallel for both the Cooperation Programme and the treaties.

1. The organisation of the Cooperation Programme and the treaties were not defined specifically enough. The needs of the individual countries and the expertise that Flanders could transfer best to the partner countries had not been taken into account enough. Within the Cooperation Programme it was to a large degree left to the project promoters as to which projects would be started up.
2. There was insufficient clarity about the precise criteria that had to determine which partners Flanders should cooperate with intensively and with priority. In addition, the real effects of both policy instruments were not sounded enough.
3. The financing of the policy remained uncertain. During the course of the nineteen nineties, the budget of the Cooperation Programme had gradually reduced, despite the fact that the number of priority partners had increased. For the execution of the treaties the available funds also remained limited.
4. Both for the treaties and the Cooperation Programme, sector concentration was lacking; all the sectors for which Flanders was authorised at domestic level were eligible for cooperation projects.
5. The involvement of the Flemish administrations and departments in the submission, evaluation and control of the projects on the one hand and in the coordinated elaboration of the treaties on the other hand was deemed to be insufficient.
6. According to the analysis, the governments of the Central and Eastern European partner countries were not sufficiently involved in the submission and assessment of cooperation projects. Thus a clear picture could not be formed of the precise needs of the individual partner countries. The submission of projects was above all determined by the possibilities of a number of Flemish project promoters. What is more: no counter performance was expected from the Central and Eastern European project partners. This lack of involvement of the partner countries was also observed in the work programmes to execute the treaties.

A number of specific comments were also formulated about the Cooperation Programme. It was observed that the Cooperation Programme did not offer sufficient guarantees that the individual projects actually made a contribution to the familiarity or image of Flanders with a broad public. In addition, insufficient attention was paid to the question of to what degree the projects effectively achieved the objectives formulated and what real effects they had. It was difficult to carry out checks on location on the projects financed. Only rarely were random sample surveys carried out to check the concrete functioning of the projects, apart from a few evaluations carried out by Ernst&Young in 1994 (18 projects in 5 countries) and Deloitte&Touche in 1996 (26 projects).

Finally, a number of problems were observed in the analysis with regard to the functioning of the Advisory Committee, which assesses the project proposals. For example there were no regulations for the functioning of the committee. This amongst other things had the result that for the approval of projects, the number of projects that had already been allocated to a certain country or a certain sector was not taken into account sufficiently.

3. Adjustment of Flemish Central and Eastern Europe policy in 2001

On the basis of the analysis carried out in 2000 and 2001 by the administration for Foreign Policy, it was decided that the policy with regard to Central and Eastern Europe should be continued. However, it was decided that it should be adjusted. Roughly speaking, the result of this adjustment was that the Flemish policy was geared more to the European framework: the ten candidate member states became the priority partner countries and the central objective of the policy was to support the efforts of the candidate member states to accede to the EU. (Beleidsnota 2000-2004:29-30)

Firstly, the reasons and strategic objectives of the policy were reformulated. The critical examination of the Central and Eastern Europe policy had after all shown that the strategic motives and objectives of the policy in the nineteen nineties had never been formulated sufficiently explicitly and substantiated. In a document of the ABB to the Flemish government⁹ four motives were now put forward to legitimise the continuation of the Flemish

⁹ Nota aan de Vlaamse regering betreffende het nieuw beleid t.a.v. Oost- en Centraal Europa (2001),

presence in Central and Eastern Europe, on the basis of this a number of objectives were formulated. The four motives were as follows:

“1. It is in Flanders’ interest that there is welfare, well-being and stability in the countries that will soon join the EU. The creation of a sound economic basis in the countries in question after all offers the only guarantee for preventing safety, environmental and migration, etc. problems that are often propagated to European level.

2. For Flemish trade and industry it is advantageous to be present on the growth markets in Central and Eastern Europe. For this it is important that in the countries in question there is an open and fully-fledged free market economy that offers opportunities for increasing economic traffic between Flanders and the partner countries and vice versa. Political stability is a requirement for Flemish trade and industry to invest in the region, whilst the creation of welfare in the region will result in increasing sales markets.

3. As future EU member states, these countries can become supporters of Flemish positions on the European integration process. Thus the accession of these countries to the EU, which is partly helped by Flanders, offers opportunities for Flanders to weigh more heavily on the European agenda in the future.

4. Flanders not only has something to offer the countries in question, but it can also learn a lot from them. Thus these countries have very strong cultural and scientific potential. Furthermore, the aim of visionary Central and Eastern Europe policy is to create joint ventures that are based on fully-fledged partnerships.” (Nota aan de Vlaamse regering, 2001:11)

A. Objectives of the new policy

The general strategic objective of Flemish Central and Eastern Europe policy was derived on the basis of the above motives. Flanders would assist the Central and Eastern European countries in the further development of a *fully-fledged democracy*, a *functioning free market economy* and a *balanced social and ecological policy*. In this way, the Flemish government wanted to strive to develop the level of welfare and well-being in the Central and Eastern

http://aiv-www.uia.ac.be/damocles/oproepen/word/oude%20worddoc/COE-policysnota_2001.doc.

The following explanation of the new policy is largely based on this document.

European countries and Flanders and Flemish trade and industry was offered the opportunity to further position itself in the region.

To guarantee sufficient impact of the policy and for budgetary reasons, it was decided to limit the efforts and the relations. To this end, the policy was geared to the European framework and more specifically to the perspective of accession that the EU had offered to ten Central and Eastern European countries (See Reglement Samenwerkingsprogramma 2001, par. 4.3). The *general strategic objective* of the new policy was therefore *operationalised by in the first instance focussing the policy with regard to Central and Eastern Europe on the candidate member states*. Flanders would assist these countries in their efforts to comply with the accession criteria that had been determined in Copenhagen in 1993.¹⁰ More specifically, the emphasis was placed on preparing the countries involved for accession by means of training programmes, training civil servants and experts, transfer of knowledge with regard to legislation, supporting the adoption of the European *acquis communautaire*, contributing to the development of a democratic midfield, propagating ecological objectives and solutions, supporting the free market economy by means of training, promoting cooperation with Flemish SMEs, etc.

B. Geographic and sector concentration

As just indicated, in 2001 it was decided to concentrate the policy more with regard to geography and sector. The ten candidate member states¹¹ were indicated as priority partners. But because they still formed a relatively large group, within the ten a weighting was carried out, so that certain priority countries were allocated more resources than others. A third of the budget available would be allocated in proportion to the population, one third inversely proportionally to the GDP per capita and the last third equally between the ten countries.

¹⁰ These criteria are the presence of stable institutions which guarantee democracy, the state under rule of law, human rights, respecting minorities and their protection (political criterion); the existence of a viable market economy and the ability to deal with the competitive pressure and market forces within the European Union (economic criterion); the ability of the candidate member state to take on the obligations of the membership and above all to endorse the objectives of the political, economic and monetary union (criterion of the adoption of the *communautaire acquis*).

¹¹ These are Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Slovenia, the Slovak Republic and the Czech Republic.

In addition it was decided to also limit the policy more by setting priority sectors. Here, too, the priorities were derived from the central objectives of the policy. Priority was after all placed with the sectors that were important for the accession of the partner countries to the European Union and that best took the expertise available in Flanders and the Flemish interest into account. The sectors that were considered priority sectors were the SME sector, employment, regional economic policy, the port sector, environment, agriculture and 'capacity building'.¹² This capacity building can focus on the civil service, education, information technology, public health, the social midfield and the financial sector. Specific accents are placed for each country, taking into account the needs and requirements in the partner countries.

C. Greater involvement of the partner countries and the Flemish departments and administrations

To increase the involvement of the partner countries in the policy, it was decided to commit the partner in looking for projects to elaborate the work programme for executing the bilateral treaties. Since 2001, the partner must guarantee that the projects are sustainable and are supported by the government or reliable institutions. The new regulations of the Cooperation Programme included admissibility and evaluation criteria to increase the involvement of the foreign partner. In order to qualify for assessment, since 2001 a project must have a minimum contribution of 15% by the foreign partner or partner country. The involvement of the partner country is then included as a criterion in the assessment of the project, by looking at the input of the partner in the project costs and the execution of the project and by checking whether the project was submitted at the express request of the partner country. In addition, the project proposals are in from now on discussed with the partner countries in bilateral selection committees, in which Flemish civil servants and civil servants from the partner country decide which of the projects will be submitted to the competent Flemish authorities for financing. (Reglement Samenwerkingsprogramma, 2001)

¹² 'Capacity building' means *promotion of expertise*, namely any transfer of Flemish know-how, experience or expertise in the field of the organisation and management of companies, institutions, government services, etc to Central and Eastern European managers, civil servants, etc., that is not or insufficiently available in these countries. (See Reglement Samenwerkingsprogramma 2001, Algemene bepalingen)

The various Flemish departments and administrations were also involved more closely in the policy. For the elaboration of the work programmes, the administrations involved were made responsible for looking for suitable projects and project leaders. The administration for Foreign Affairs takes care of the coordination of integrated cooperation. In addition, the Advice Committee, that assesses projects within the framework of the Cooperation Programme, will in future be compiled of representatives of all the functional administrations of the Ministry of the Flemish Community.¹³

D. Changes in the policy instruments

The critical examination of the policy led to the decision that the bilateral treaties and work programmes for their execution offered a suitable framework for cooperation since they could contribute to the visibility of Flanders and offer the opportunity to make agreements about budgets and priority sectors and projects. As a result, it was decided to continue the work programmes of existing treaties and to enter into additional treaties with the candidate member states that Flanders did not have a treaty with yet (Bulgaria, the Slovak Republic and the Czech Republic). If necessary, 'memoranda of understanding' could be concluded with non-priority partners such as Russia and the Ukraine for cooperation in specific domains.

The strategy and the organisation of the Cooperation Programme were thoroughly revised. The regulations were drastically amended, so that the objectives, the geographic and sector priorities, the admissibility and evaluation criteria, the financing and the procedure of the Programme could be brought into line with the new direction that Central and Eastern Europe policy was taking and with the demands set by the changed circumstances in the Central and Eastern European countries.¹⁴

Since both instruments, the bilateral treaties and the Cooperation Programme increasingly ran parallel in various fields (see above), it was decided to further integrate the two instruments.

¹³ Namely the administration for Economic Affairs and Employment, Home Affairs and the Civil Service, Culture and Media, Welfare, Public Health and Equal Opportunities, Agriculture, Science and Innovation; the departments for Education, Environment and Infrastructure (sectors environment and mobility); and the administration for Foreign Policy, which takes on the chairmanship and the secretariat. (Reglement Samenwerkingsprogramma 2001, Algemene bepalingen).

Thus the resources that are available for the Cooperation Programme can in future be used in a coordinated way for the elaboration of the work programmes (by means of projects). In addition it was decided that the annual bilateral selection of the projects within the framework of the Cooperation Programme would occur in the mixed committees as much as possible. These committees meet on a regular bases (usually every two years) to elaborate the work programmes to execute the bilateral treaties. (Reglement Samenwerkingsprogramma, 2001, par. 3)

In the years 2001, 2002 and 2003, in comparison with the previous years, considerably more project proposals for financing were submitted. The number of projects that was eventually selected for subsidy did not rise in the same way. (See tables 2 and 3)

E. Financing

By better gearing the Cooperation Programme and the work programmes to each other it became possible to better divide the resources available amongst the various countries and sectors. In future, the subsidy, which is awarded by the Flemish government to a project within the framework of the Cooperation Programme, will cover the costs that are not borne by the beneficiary country itself. As stated above, the partner country must provide at least 15% of the project costs. In addition, since 2001 guarantees are expected from the partner country with regard to the continuity of the projects, to guarantee the sustainability of the projects, even when the Flemish contribution has stopped.

A sum of 5,720,000 euro was earmarked for financing projects in the ten Central and Eastern European partner countries on the 2003 budget of the administration for Foreign Policy.¹⁵

The sums that are spent within the framework of the Cooperation Programme and the work programmes, also include the resources, which are spent on cooperation with Central and

¹⁴ For a detailed description of the new Regulations of the Cooperation Programme 2001, please see Section 5: Evaluation and expectations of the Flemish “midfield” with regard to the cooperation with Central and Eastern Europe.

¹⁵ This sum was allocated to the various partner countries as follows: Estonia: 480,000 euro; Bulgaria: 725,000 euro; Hungary: 495,000 euro; Latvia: 425,000 euro; Lithuania: 450,000 euro; Poland: 935,000 euro; Rumania: 960,000 euro; Slovenia: 295,000 euro; Slovak Republic: 460,000 euro and Czech Republic: 495,000 euro. See the ‘Guidelines for promoters’, <http://www2.vlaanderen.be/ned/sites/buitenland/Promotoren.htm>.

Eastern European countries by the department for Education and the administrations for Culture and Science. What is more: Flanders continued its efforts with regard to Central and Eastern Europe via multilateral channels.

Table 2: Estimated available and allocated budget of the Cooperation Programme ‘Central and Eastern Europe’ 2001-2003

YEAR	AVAILABLE BUDGET (IN MILLION EURO)	ALLOCATED BUDGET (IN MILLION EURO)
2001	6.250	6.071
2002	6.183	6.183
2003	5.720	5.7

Source: Ministry of the Flemish Community, administration for Foreign Policy, and press release by the Flemish government on 10 October 2003: Het Vlaams Beleid t.a.v. Centraal- en Oost-Europa.

Table 3: Number of projects submitted and approved 2001-2003

INVITATION 2001				
Country	Number Submitted	Number ruled out	Number scored	Number selected
Bulgaria	29	12	17	6
Estonia	12	4	8	3
Hungary	19	14	5	4
Latvia	9	1	8	2
Lithuania	10	6	4	3
Poland	20	11	9	7
Rumania	34	20	14	8
Slovenia	12	5	7	5
Slovak Republic	26	11	15	5
Czech Republic	8	3	5	3
TOTAL	179	87	92	46
INVITATION 2002				
Country	Number Submitted	Number incomplete	Number complete	Number selected
Bulgaria	33	3	30	5
Estonia	8	0	8	2
Hungary	13	0	13	4

Latvia	9	0	9	4
Lithuania	14	0	14	4
Poland	30	1	29	7
Rumania	54	14	40	9
Slovenia	7	0	7	3
Slovak Republic	34	3	31	4
Czech Republic	7	0	7	3
TOTAL	209	21	188	45

INVITATION 2003

Country	Number submitted	Number incomplete	Number complete	Number selected
Bulgaria	19	0	19	4
Estonia	10	0	10	3
Hungary	17	0	17	5
Latvia	11	0	11	3
Lithuania	16	0	16	5
Poland	23	1	22	8
Rumania	35	1	34	6
Slovenia	9	0	9	3
Slovak Republic	24	0	24	3
Czech Republic	16	1	15	3
TOTAL	180	3	177	51

Source: Ministry of the Flemish Community, administration for Foreign Policy, and press release by the Flemish government on 10 October 2003: Het Vlaams beleid t.a.v. Centraal- en Oost-Europa.

F. Nature of the projects

In countries that had progressed far in the accession process, in future the emphasis was placed more on the transfer of knowledge and training instead of supporting infrastructure projects or the transfer of technical equipment for example. In countries that had not progressed as far, the possibility was left open to offer more direct and tangible support. The aim was to pay more attention to the sustainability of the projects by at the beginning of the projects asking the promoters for guarantees about monitoring progress and the commitment of the partners.

G. Coordination of the new Central and Eastern Europe policy

The coordination of the bilateral treaties and the work programmes itself also remained in the hands of the administration for Foreign Policy after 2001. The selection, monitoring and control of the projects still occur by the relevant specialist administrations and departments.

In the Cooperation Programme, the administrative organisation was changed drastically. Whereas before 2001 the administration for Economic Affairs took care of collecting the project proposals and following up the financed projects (see above), in the future the administration for Foreign Policy was charged with that task. Since 2001, the resources that are made available to the Cooperation Programme are also recorded on the budget of the ABB. The role of the ABB in the organisation of the Cooperation Programme has thus clearly increased and in fact comprises the global coordination of the Cooperation Programme. (Reglement Samenwerkingsprogramma, 2001)

4. A perspective for Flemish Central and Eastern Europe policy

In May 2004, most of the Central and Eastern European member states will join the European Union.¹⁶ The accession of Rumania and Bulgaria is planned for few years later, in 2007. Once again this makes it necessary to thoroughly review the reorientation of the policy with regard to Central and Eastern Europe. (Buitenlands Beleid, Beleidsbrief, 2003:16-17) As soon as the ten Central and Eastern European countries have joined the Union, the international political environment will after all drastically change. This will have to be reflected in the organisation, the objectives and the content of Flemish Central and Eastern Europe policy. Even more so since during the past few years this policy on a number of essential points has increasingly focussed on supporting the efforts of the candidate member states in their preparation of their accession.

In 1999 the administration for Foreign Policy anticipated the possible impact of the accession of the candidate member states on the Flemish policy: “there is a real chance that the political upgrading by membership of the EU means that some Central and Eastern European countries would be less inclined to maintain fully-fledged international cooperation with federal states.

¹⁶ Namely Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Slovak Republic and Czech republic. (<http://europa.eu.int/scadplus/leg/nl/lvb/e50010.htm>)

After the accession to the European market, their economies will also become stronger competitors with regard to trade and employment.” (Bijdrage Vlaamse administratie, 1999:10) This led the administration to say that the challenge for Flanders in the next decade would consist of in the first place continuing the cooperation and solidarity with the priority partner countries in the most useful way and make the most use of the credit already acquired and in the second place make the economic ties with these countries as strong as possible on the eve of their accession to the EU.

In the analyses carried out by the administration for Foreign Policy in 2001, the coming accession of the candidate member states and the accompanying changes in the strategic environment were also taken into account. A framework of time was built into the cooperation that determined that from 2001 until the effective accession of each partner individually, cooperation would continue within the framework of the accession process. As soon as the accession is a fact, it was said, the emphasis of the cooperation could shift to building networks, maintaining contacts, scientific and cultural cooperation and developing economic relations in which Flanders would also be a demanding party. In the changed circumstances, it would be possible to cooperate more on a reciprocal basis. (Nota aan de Vlaamse regering, 2001:13)

The time has come to investigate which form the relations between Flanders and the Central and Eastern European countries can and should take, after the accession of these countries to the European Union. In light of the changing international context, the entire Flemish Central and Eastern Europe policy will have to be examined in order to reformulate the relevance and possible principles, objectives and contents of this policy.

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