



Coordination and subordination in the process of strategic planning of Regional development

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Annotation: The purpose of this paper is to analyze the possibilities of achieving effective integration in the process of strategic planning of regional development in Bulgaria in the following areas: pan-European and national development, regional and spatial planning. In view of this the European and the national benchmarks for strategic planning in the next programming period (2014 - 2020 years) that were decisively approved by the European partners are described, the coordination and subordination links are explored in order to be reflected in the new generation of strategic planning and programming documents by means of which the current needs and challenges will be translated into future goals of the management of regional development.

Key words: regional development, strategic planning, Europe 2020 strategy, coordination and subordination in regional development

I. INTRODUCTION

The challenges of the modern world and the fact that the current programming period has almost come to an end raise reasonable questions regarding the future of EU regional development. Regional problems are found to consist of complex and multidimensional problems and therefore pragmatic piecemeal actions would not lead to the desired results. The complexity of problems necessitate engagement of a variety of resources, a large number of people, organizations or institutions that need to be coordinated by a single document - a program, a strategy, a plan, a concept. Obviously, the management of regional development should be based on these tools to elaborate and implement policies so it needs to be connected to the implementation of a structured strategic planning process [1].

In theory the strategic approach can be defined as developing a concept or a platform to formulate the prospective directions of development by adapting to the constantly changing environmental conditions (internal and external) [2]. The positive effects that may occur as a result of the strategic planning, e.g. tools for regional development management, can be summarized and presented as follows:

- policy coordination between participating institutions, clarity of roles and responsibilities at all levels of government, transparency of actions;
- effective targeting of resources and achievement of good and sustainable outcomes;

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- implementation of regional development policy on the national territory with a high degree of compliance with European standards, recommendations and practices

The latter is especially important for the current and future European development of Bulgaria. The strategic planning and programming within the EU is defined as a pre-requisite for the participation of Member States, respectively of their regions, in the schemes of targeted support in the sphere of regional policy. In this respect, one of the main requirements to be fulfilled by Bulgaria in order to receive funds from the Structural Funds and the Cohesion Fund is to elaborate realistic and feasible strategic planning documents in compliance with the principle of broad representation and partnership of all stakeholders.

Most important is to find the right strategies to end the crisis and to provide a solid basis for future development. In this respect, Member States and their regions will have an important role in formulating an adequate response to the challenges - structural reform, reassessment of comparative advantages, identification of new sources of growth, etc. The adequate management of the regions “tomorrow” means competent and responsible development of strategies for development “today” based on current policy instruments and reflecting current views, objectives and priorities adopted at supranational and national levels.

II. EUROPEAN AND NATIONAL GUIDANCE FOR STRATEGIC PLANNING IN THE PROGRAMMING PERIOD AFTER 2013

The political and expert debate on the future of cohesion policy after 2013 has already started. The ambitious European objectives for economic and social cohesion based on the idea of developing the competitiveness of regions [11] have a decisive role in this respect. The effectiveness of the policy needs to be increased along with its contribution to the economic and social development of European regions and the welfare of European citizens [9]. The reform in the European cohesion policy, discussed within a dedicated High Level Group on the future of cohesion policy justifies the setting of a more general development policy the main purpose of which is to address the shortcomings of the single European market through greater mobilization of the territorial potential [3]. In this context, efforts should be

directed primarily at focus on key priorities, greater emphasis on outcomes and policy evaluation, simplification of the systems for management and control of the instruments of cohesion policy and maintenance of a political debate regarding the policy outcomes at the highest level.

The outlined European horizons for the future require that each region finds individual solutions in the context of common policies in order to deal with the encountered mixture of difficulties [13]. These difficulties arise mainly from: globalization, demographic trends, the impact of climate change on Europe's environment, security and independence of energy supplies.

The encouragement of territorial cohesion, introduced with the Treaty of Lisbon in 2009 to complement the objectives of economic and social cohesion and placed within the focus on the future cohesion policy, is seen as an alternative to the support of regional development under these complex conditions. The questions discussed relate to how people use the spaces in which they live, the extent to which the territorial dimension of sectoral policies is measured, the territorial diversity, the need to develop a strategic and flexible territorial cooperation.

The preparation of the next generation of strategic documents should improve the quality of the implemented regional policy in the EU. In practice this involves utilization of the experience and the knowledge accrued in previous programming periods. The policy in the period 2007-2013 focuses on enhancing the strategic dimension of cohesion policy and strengthening the link between priorities at EU level with those at national and regional level. At the same time it is recognized that the methods for allocating funds and the systems for monitoring and reporting do not focus enough on strategic priorities thus leaving significant areas in need of interventions out of the focus of political interference [9]. Therefore, the qualitative changes in the future should put an accent on the following areas:

- focus of the policy on a limited number of priorities in line with Europe 2020 strategy;
- a stronger connection between performance and results and between incentives and pre-requisites by improving the systems for monitoring and evaluation and determining measurable goals in terms of quality and quantity;
- enhanced strategic dimension of policy;
- strengthening the interaction and coordination with sectoral policies in order to achieve synergy at all territorial levels;
- introduction of simplified, more efficient and transparent governance and control.

At national level, the selection of priorities for development is a subject of the strategic political process and dialogue in the specific national and regional context. Most important is to put in place a well-structured and focused planning process that will ensure a sufficient number of quality projects for the next programming period in accordance with the relevant EU policies and general real projects.

The following system of principles that will be particularly relevant to the planning and programming process of regional development in Bulgaria can be organized on the basis of the evaluated experience in planning and in accordance with current requirements:

- defining the objectives and the expected outcomes in a clear and unambiguous manner taking into account supranational priorities and avoiding a segmented approach;
- operationalization of the measures of operational programs by reporting them better in the plans and strategies at all levels of governance in order to achieve greater synergy between the co-financed interventions and the measures financed exclusively from national funds;
- strengthening the technical and managerial capacity of the partners in the process of elaboration and implementation of strategic documents by creating a clear differentiation of responsibilities, refining the methodological guidelines, simplifying the mechanisms of monitoring and control, etc.

III. IMPLEMENTING EFFECTIVE COORDINATION AND SUBORDINATION OF THE OVERALL PROCESS OF REGIONAL DEVELOPMENT PLANNING

To implement the requirements discussed above the successful preparation of the strategic documents for regional development in the programming period after 2013 requires undertaking initiatives to implement effective coordination and subordination in the overall planning process. This integrated approach to strategic planning presumes achievement of a single logical interconnection between several diverse groups of documents - general strategic documents for the development of EU, national documents for compliance with EU cohesion policy, documents realizing the overall vision for the development of the country, documents that reflect regional and spatial planning. This is schematically presented in fig. 1 showing the relationships and the dependencies between the documents for development that aim to ensure conformity and subordination of all levels of governance - supranational, national, regional and local level. The proposed scheme is adapted by the author on the basis of materials of the Bulgarian government and the Ministry of Regional Development and Public Works [4, 6, 7].

The European concept of strategic programming of cohesion policy is based on a new approach aimed at achieving closer integration of EU policies to implement the Europe 2020 strategy and "Europe 2020 Integrated Guidelines" which provide the framework for the strategy and the reforms at the level of Member States [5]. As a result, the European Commission approved a *Common Strategic Framework* at EU level where the general and the specific objectives of the Europe 2020 strategy are transformed into specific investment priorities. The framework is based on the system of EU Structural Instruments - Cohesion Fund, European Regional

Development Fund, European Social Fund, European Fisheries Fund [10].
Agricultural Fund for Rural Development and European

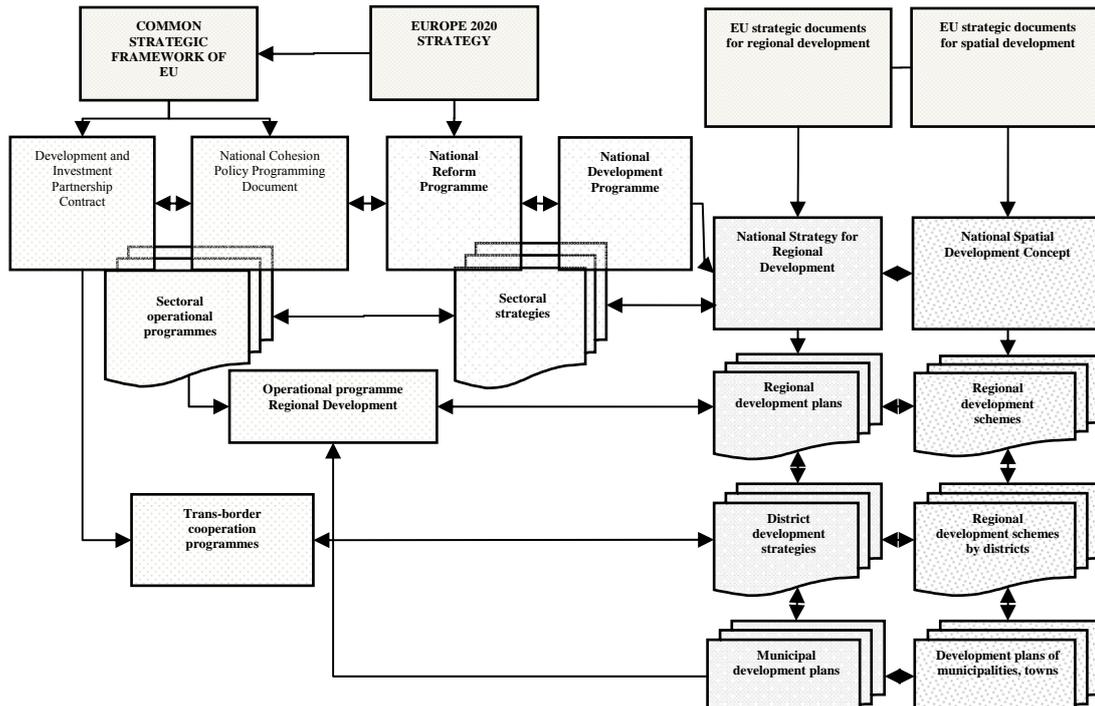


Fig. 1. Coordination and subordination in the strategic planning of regional development

Furthermore, a *Development and Investment Partnership Contract* was signed at national level which, on the basis of the overall strategic framework, determines the investment priorities, the allocation of national resources and EU resources between priority areas and programmes, the terms and objectives agreed to be achieved. The main purpose of this strategic document is to agree a mechanism for coordination of EU funds at national level and thus to promote the economic, social and territorial cohesion of the Bulgarian regions with the rest of the Union in a coordinated (integrated) way. At the discretion of the parties, its scope can be expanded to include other policies and instruments of EU funding.

The title of the *national programming document under the cohesion policy of the EU* is to be specified (an analogue of the current National Strategic Reference Framework). In turn, this document is subordinated to the General Strategic Framework of the EU and is developed in coordination with the Development and Investment Partnership Contract. The idea is to ensure consistency between Community priorities on the one hand, and the National Reform Programme by using a similar document. The National Cohesion Policy Programming Document in practice is the starting document for programming under EU funds which should reflect the progress of Bulgarian regions and the added value that is provided by the cohesion policy in terms of pan-European development.

The *operational programs* are developed and implemented in line with these national documents and they will be currently the main vehicle of operational management of regional development. They also identify

the specific investment priorities with clear and measurable objectives so as to ensure the achievement of the national targets set in the context of Europe 2020 strategy.

The national documents that relate to the overall development of the country over the next programming period operate in coordination with the Cohesion policy documents. One of them is the current *National Reform Programme 2011-2015* that was elaborated in pursuance of the Europe 2020 strategy. The paper reported the new developments in macroeconomic monitoring procedures and the thematic coordination within the so-called "European semester" (a tool for better coordination of economic policies within the EU) in response to the recommendations made in the Integrated Guidelines [8]. The program is aimed at key priority issues concerning the improvement of competitiveness, that are to be resolved by a small and open economy such as the Bulgarian economy whose main goal is to overcome the current crisis as soon as possible. The priority areas targeted by the efforts of Bulgaria's economic policy can be summarized in the following way:

- modernization of the infrastructure for better connectivity of territories;
- development of competitive youth possessing advanced knowledge, skills and training;
- improving the business environment - fiscal stability, innovation, investment research;
- increased confidence in public institutions - efficient legal system to protect the interests of citizens and businesses, social justice and security.

A long-term national programming document for the development of the Republic of Bulgaria - *National Programme for Development: Bulgaria 2020* [6] – is being elaborated in coordination with the National Reform Programme. It allows for a high level of consistency and coherence between the objectives and the measures set out in various national and sectoral strategies and programmes. This subordination of various strategic documents aims to provide an opportunity to effectively address government policies towards European Development of Bulgaria. The preparation of the National Development Programme 2011-2020 in practice precedes and should serve as a basis both for creating national positions on the new cohesion policy and for working under the National Cohesion Policy Programming Document for 2014-2020.

The logic of planning requires that the coordination between the reform programme and the development programme serves as basis for elaboration of the current programme of the Government of the Republic of Bulgaria from which the different *sectoral strategies* stem that may cover various aspects of social development, and more specifically reforms in the road, rail and water sectors, innovations, business regulatory environment, inclusion of the Roma population, environment, building institutional capacity, electronic governance, etc.

It is important to emphasize the coordinating link between the sectoral operational programs and the sectoral strategies of the government that must be specified adequately at regional level through the system of regional development planning documents (National Regional Development Strategy (NRDS) and its subordinated documents from the lower hierarchical levels of governance).

A significant place is allocated to the *strategic regional development documents* that are developed according to the Regional Development Act. The NSRF will continue to be at the top of this planning system (as in the current programming period). Supranationally this document should provide coordination with the strategic documents for regional development promoted at EU level. The regional policy in Bulgaria is subject to specific national regulations, but must combine the accepted community priorities and the key areas of impact, which are contained in documents such as the Danube Strategy, the Black Sea cooperation initiatives and others. In parallel, the NSRF should take into account the priorities of the cohesion policy for the period, i.e. to become integrated with the common EU strategic documents. In order to prepare relevant strategic projects that will have the desired impact on the economic, social, infrastructural and regional development and to be valuable for the EU with added value they bring, the strategic planning documents for regional development should contain the regional and the local agendas of the Europe 2020 strategy. Given that there is a common strategic document at national level (National Development Programme) determining the strategic development of the country as a whole the NSRF should take into account the provisions of this document. Thus the NSRF defines the government policy for regional

development, the relationships with related sectoral and operational programmes and policies by setting a common political platform for the preparation of documents at the lower territorial levels.

The idea of developing an Action Plan under the NSRF to achieve the objectives of the strategy is currently an object of public debates [4]. It would set the time frame and regulate the specific tasks to be realized - by the government, by the state agencies, by the regional and local authorities and by the widest circle of partners involved in the implementation of the strategy.

Another requirement to the coordination of the planning process, which stems from the registered dissonances in regional planning in the current programming period, is associated with the need to significantly enhance the territorial focus of future planning documents. To achieve this it is necessary to ensure that the documents for regional and territorial planning at national, regional and local level are interconnected and consistent.

First of all, the elaboration of the next NSRF should be consistent with the *basic EU documents for spatial development* – the European Spatial Development Perspective, the studies carried out within the framework of ESPON (European Spatial Planning Observatory Network), the European Charter on the Structure of the Territory, the Charter of European Cities, etc.

Next, it is necessary to fill the missing peak of the pyramid of planning documents for territorial planning, namely *the strategic document for spatial development at national level for the period 2014-2020*. Irrespective of whether the discussed proposal to develop a more streamlined document that is strategic in nature and presents a concept for spatial development in the long run will be approved or the legislative change will be avoided by finalizing the development of a *comprehensive national development scheme* (CNDS) under the Territorial Development Act of the Republic of Bulgaria, the following needs to be specified:

- functional and hierarchical structure of the network of urban centers and their future development including the specifics of agglomerations;
- development of the network of urban centers in the country and their links with the networks of urban centers in neighboring countries, and outlining the primary and the secondary axes of development;
- future development of transport corridors and infrastructure projects with international and national importance;
- specification of the areas for cross-border and interregional cooperation which allow joint planning and management with neighboring countries;
- specific zoning of the territory (protected areas, production areas, transport areas, tourist areas) requiring a specific development policy.

The creation of a long-term vision for the spatial development of the national territory will serve as a basis for the preparation of planning documents for spatial and socio-economic development at regional and local level as



well as a specification of the operational programs for the next programming period 2014-2020.

The idea of developing an integrated system of strategic documents that will integrate the vision of socio-economic and spatial development at all levels of government is supported with regard to finding a solution to this important problem in this paper. In general terms, this implies that the documents and NSRF and CNDS are to be united at national level; the regional development plans and the regional development schemes for the regions of level 2 - at regional level; the district development strategies and the regional development plans of districts - at district level; the district development plans and the general development plans - at local level. These documents have similar analytical and strategic parts and when suitably matched they can serve as a basis for integrated development. This would help the relevant institutions avoid duplication of efforts related to obtaining and processing the required information, the numerous coordination procedures for discussions and adoption of similar planning documents as well as achieving consistency between the different hierarchical levels of governance. An additional argument in this regard is that the responsible national government authorities for both planning processes are common – the Minister of Regional Development and Public Works and the the National Expert Council for Spatial Planning and Regional Policy. The same wide platform for discussion at the time of developing, adopting and implementing the planning documents would be created as before but with expert advice reduced in half due to the synchronization of the institutional system of the lower levels of governance.

Subordination is carried out from national towards regional level and from there to the local level within the system of planning documents. Subordination means that the strategic directions from the higher hierarchical level of governance are projected onto the relevant regional level by taking into account its specific territorial requirements.

The reasons for maintaining the regional level of planning are due to the fact that the programming of the assistance from the EU structural funds to the regions that are supported under Objective 1 “Convergence” is most adequately effected at level 2 of regional level. This means that the Regional Development Plan will continue to identify the current problems and needs of the region, the gaps in the economic, the social and the infrastructural development, the available potential and the opportunities for future development. These documents must provide the necessary background information for preparation of the next Operational Programme for Regional Development 2014-2020, which is to summarize the logic of the planned interventions that are most relevant to the specific needs for development of the regions.

Thee practical experience accumulated so far in the sphere of regional development planning indicates that there is a need for closer interaction and coordination between regional and local development strategies and plans and the operational programs financed by EU funds, which continue to be among the main financial resources

for regional and local development. The project interventions for regional development to be included in regional development plans, district development strategies and municipal development plans must be derived from the priority areas for funding under the operational programs. Only this would create conditions for “smart” spending of the resources of EU funds.

Another option that is insufficiently exploited is the achievement of full coordination with sectoral development strategies, which in turn should also address the specific problems in the regions in order to achieve synergistic effects in use of resources to support regional and local development. Positive effects in this direction may be provided by strengthening the role of Regional Development Councils, which can provide an appropriate environment for adoption of integrated solutions for development through the implementation of projects with regional and interregional importance, and for the appropriate use of the current financial tools for regional development.

A district can achieve sustainable integrated development by developing a District Development Strategy and achieving internal and external coherence [7]. The internal coherence implies logical connection between objectives and the priorities selected for their effective implementation, and between the objectives and the priorities in order to avoid duplication of efforts, inefficient use of resources or achievement of conflicting and partial effects in problem solving. The external coherence of the strategic framework for development of a district requires conformity with the policy context and the priorities of regional policy at national and European level and with the conditions of access to financial resources to support regional and local development.

A positive aspect is the inclusion of the possibility of formulating a priority axis associated with the development of territorial cohesion and cooperation between regional authorities for realization of cross-border and interregional initiatives in the methodological guidelines for developing these documents after 2013. More specifically, particular requirements could be included to address the issues of territorial cooperation, i.e elaboration of specific joint projects with other districts to solve common problems.

One of the most important issues in the elaboration of a municipal development plan is the provision of interconnection between the formulated most general strategic development goals, the identified priorities for action and their specific targets that will be achieved through the implementation of the proposed package of measures and activities involving preparation, financing and implementation of specific projects. Developing municipal objectives into “winning” projects (that were awarded national and European funding) means that they must be subordinated to and coordinated with the European directions for regional development and the approved national vision. In that respect, their content may be extended in the future by inclusion of mandatory problematic issues such as:

- description of the territorial scope of the planned activities related to the recovery and the integrated development of towns (settlements);
- measures and activities planned in conjunction with the reduction of greenhouse gases, reduction of harmful emissions especially from the big polluters in the municipalities, for increase of energy efficiency as a whole and the wider use of renewable energy;
- activities related to social inclusion of marginalized groups and the reduction of the number of early school leavers.

IV. CONCLUSIONS

The prospective analysis of the process of strategic planning of regional development leads to the conclusion that the formulation of an adequate response to global and regional challenges in the next programming period requires a definitive rejection of the negligent preparation of strategic documents that only apparently meet European and national principles for integrated regional development.

The complexity of the governance of regional development requires approval of a single (integrated) “political map” which reflects objectively the needs and the opportunities for joint implementation of measures, activities and projects of each territorial level of governance, ministry or agency.

Applying the tools of strategic planning on the basis of the actual coordination and subordination in the process of preparation of planning and programming documents provides for a logical interconnection between the undertaken commitments at supranational (European) level, the national priorities for comprehensive development, the needs of regional socio-economic and spatial development. The integration of these broad relations can actually be realized by:

- creating an optimal model for allocation of government responsibilities between the bodies of executive authority and efficient decentralization of management powers to the territorial bodies of executive authority;
- setting a single programming framework of development policies - national and regional levels;
- implementation of effective mechanisms and procedures for partnership in the elaboration, financial provision, implementation and evaluation of regional development policies – provision of internal, interinstitutional, supra-national coordination;
- creating a broad platform for public consultation in the process of elaboration and implementation of development policies;
- providing adequate information regarding development policies.

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