

Hungarian National Development Plan

After joining the European Union, Hungary will be eligible for its major support schemes, the Structural Funds and the Cohesion Fund, the main Community tools for strengthening social and economic cohesion and reducing development disparities between member states and regions. In order to qualify for these resources, the accession countries are to prepare and submit a **National Development Plan (NDP)** for the applicable part (2004-2006) of the 2002-2006 European planning period. Complying with mandatory Community directives, the NDP contains in a coherent and comprehensive structure the national development objectives, the instruments used to fulfil these objectives and the financial and institutional conditions necessary for the implementation. Based on the results of discussions with Hungary over the NDP, the European Commission prepares the Community Subsidy Allocation, which constitutes the legal framework for payments from the Funds. The Community Subsidy Allocation includes European and Hungarian undertakings of financial obligations for the amounts allocated on certain development fields, co-financed from the Structural Funds between 2004-2006.

The National Development Plan is a fundamental strategy document of the development policy of the government between 2004-2006, in accordance with the 4-year fiscal strategy while also providing a framework for the development policies of individual ministries. The NDP for the 2004-2006 period discusses in detail only the measures to be co-financed from EU Funds. Nevertheless, development programs under the National Development Plan must be in accordance with the general development policies of the government, i.e. the government programme and the Hungarian Mid-range Economic Policy Programme. Besides the development conceptions of the following years, the strategy of the National Development Plan also marks the development pathways that will be framed in the NDP prepared for the next EU budget period between 2007-2013. The outline of these conceptions will be defined by a Future Scenario for the period until 2015, which will frame the NDP-s being presently prepared for 3 years and the second one, covering a 7 year interval.

The NDP is prepared by the Government, with the co-ordination of the Office for the National Development Plan and EU Subsidies within the Prime Minister's Office. However, according to the principle of partnership, the economic and social partners, organisations, regional institutions and the public sector have to be involved in the preparation, implementation and financing of the NDP.

The success of the preparation and accomplishment of the National Development Plan's developments greatly determines Hungary's absorption capacity, i.e. the country's capability to fully utilise all the available subsidies to accomplish its development conceptions. It also determines whether Hungary will become a net contributor in 2004 or in the years following the accession.

The Structure of the National Development Plan

According to mandatory regulations and informal guidelines of the European Commission, the NDP includes the following:

- Ex ante evaluation (assessment of the feasibility and expected impacts of the programmes before their actual implementation)
- Situation analysis (assessment of the current social and economic situation of the county)
- SWOT analysis (an ordered presentation of the strengths, weaknesses, opportunities and threats as shown by the situation analysis)
- Development strategy and objectives
- Coherence and consistence of the strategy
- Financial tables: framework numbers of the Community and domestic (budgetary and other) contributions providing the financial background of the programmes
- Brief description of the operational programmes
- Institutional structure for the implementation
- Document on Partnership