

## **Summary of Public Consultations with Major Stakeholders**

for the future

### **Hungary-Croatia Cross-border Co-operation Programme 2014-2020**

held in Sopje (Virovitičko-podravaska County), Croatia, on 6 May 2014

The participants were welcomed by Ms. Daniela Tomašević, Head of Service in the Ministry of Regional Development and EU Funds, representing the organisation in charge for the programming and setting up of the structures for cross-border co-operation (CBC) in Croatia, acting as the Chairperson of the meeting. She thanked the hosting municipality of Sopje and Virovitičko-podravaska County for the help and support in the organisation of the consultations, the members of the HU-HR Joint Technical Secretariat (JTS) for the technical support and the planning expert team for the work on the elaboration of the draft Programming Document (OP), to be discussed at the present meeting. Ms. Viktória Tóth, Programme Manager at the Department for International Affairs greeted the participants on behalf of the Hungarian Prime Minister's Office and she wished all stakeholders an efficient meeting.

The participants were welcomed by the representatives of the hosting County, Deputy County Prefect Ms. Sanja Bošnjak and the Head of Sopje Municipality, Mr. Josip Granjaš as well. Both speakers emphasised the importance of the Hungary-Croatia IPA CBC Programme for the area as one of the main sources of EU funding in the pre-accession period. The Municipality of Sopje was the first one in Virovitičko-podravaska County to make use of the EU funding available through the (IPA) CBC programme Hungary-Croatia and to implement successfully a project with their Hungarian partners. Mr. Granjaš thanked the JTS for the support they had during the project's implementation. Thanks to the project- the venue of this public consultation has been reconstructed and equipped for cultural events, organised by the local population. Having gained a lot of valuable experience during the implementation of the project within the (IPA) CBC programme, the municipality looks forward to further development with the support of the future programme.

The Chairperson opened the consultations by reminding the participants about the provisions of Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014, i.e. the Code of Conduct on partnership in the framework of the European Structural and Investment Funds (<http://www.hu-hr-ipa.com/en/eu-regulations->), emphasising the importance of the involvement of as wide circle as possible into the planning, decision-making and implementing process. Ms. Tomašević pointed out that the draft OP has been available on the current programme's website for some time (<http://www.hu-hr-ipa.com/en/documents-draft-op->), next to a contact e-mail address provided for any contributions by the stakeholders and the general public. She asked the planning expert team for a short presentation of the content of the document.

Mr. Tamás Lunk, the Team Leader of the expert team in charge of drafting the OP, presented the content of the draft document to the participants, stating that the final version

was quite close, although there is still time for comments and contributions by all the relevant stakeholders in the region, by the Task Force (TF) and by the European Commission in the end, after the document has been submitted for approval.

Mr. Lunk introduced the Expert Team composed of two Budapest-based companies (VitalPro and HBH Consulting) and one Croatian (Razbor), seated in Zagreb. He gave a short overview of the activities so far undertaken by the programming team since the beginning of their work in March of 2013. The work included data analysis, work in the field and consultations with all the relevant bodies in the region concerned. The basis of the work was the elaboration of a situation analysis to which the solutions and development opportunities are suggested through the proposed strategy of the programme, including the proposed distribution of available funding within the selected investment priorities.

Mr. Lunk explained the proposed intervention logic of the programme, reflecting the provisions of the EC regulations concerning the ESI funds, namely the obligation to choose a limited number (max. 4) out of the 11 pre-set Thematic Objectives (TO-s) as well as a number of predetermined Investment Priorities (IP-s) within each of the TO-s – all contributing to the Specific Objectives or the vision of the programme.

Mr. Lunk pointed out that one of the biggest obstacles in data analysis has been the fact that in many cases data on the two sides of the border was not consistent, therefore not always comparable, which led to an on-going struggle during the elaboration of the document and the situation analysis in specific. To tackle the problem, more qualitative tools were used for better access to data, including interviews, questionnaires and workshops with relevant stakeholders so as to determine the most appropriate TO-s to be selected. He continued by pointing out the most important findings of the situation analysis, listing the most prominent assets and challenges to be developed and addressed by the programme strategy, complementing them with the most important inputs gathered during the work in the field and via direct consultations with key persons in the region. Mr. Lunk ended his presentation by pronouncing the envisaged renewed overall vision of the programme and by listing the TO-s and IP-s selected based on the comprehensive study of the region's needs, as well as the specific objectives which the future programme seeks to achieve. Finally, he shortly referenced also the proposed financial allocations according to the individual TO-s / IP-s.

*(A detailed overview is available in the relevant presentation.)*

The Chairperson invited all participants to share their comments, remarks, the opinions on the draft document, pointing out that all comments that have not already been expressed in thematic workshops, interviews and consultations with the experts are still welcome and can be considered and incorporated into the document during the next two weeks.

Mr. Tvrtko Čelan, Programme- and Communication Manager in the JTS, reminded the participants of the meeting that the OP has been available on the current programme's website, where also an address is published to which all the comments can be sent. He projected onto the screen the place on the website where this information can be found, pointing out that the link to the site's 'Planning 2014' page has also been sent with the invitation to the consultation, as well as in the Newsletter of the HU-HR IPA CBC Programme

as launched on 14 April 2014. All the most recent versions of the document and the relevant information will be shared via the website in the future as well.

*Comments of the stakeholders – discussion:*

<p><i>Darko Masnec, Town Križevci – Priority Axis 1</i></p>	<ul style="list-style-type: none"> <li>– it is unclear why a new entity is to be established with an already set-up and functioning system of support to SME-s on regional level in Croatia and in Hungary;</li> <li>– the implementation of the direct support scheme is not clearly elaborated; how much of the allocation would really reach the SME-s; it seems that most of the funding would be spent on the supporting structures;</li> <li>– activities that are proposed to be supported are very general, not addressing specific issues;</li> <li>– there are fears that small-scale direct support will not be effective, as the main challenge the SME-s in the region face is the lack of market for their products; a strategy preparing the market to fit the needs of SME-s would be more beneficial;</li> <li>– there are fears that there will be low interest on the SME side to participate in the programme, as the proposed activities do not address the key issues; it is proposed to consult more closely with the SME-s when working on elaborating the implementation proposal for the measure.</li> </ul>
<p><i>Tamás Lunk, Expert Team Leader</i></p>	<ul style="list-style-type: none"> <li>– the objectives of the priority can still be refined, the activities relating to joint marketing efforts (on third markets as well) can be emphasised in the OP and later in the call for proposals stage;</li> <li>– support to business-related infrastructure development has been considered but was abandoned due to the relatively small amount of funding available to the programme, which would take away funding from other important issues without a significant impact on the region's economy; furthermore, there are several mainstream programmes which can serve the funding of such projects;</li> <li>– the SME scheme is a pioneering effort in CBC programmes, as there are as of yet only few examples, but based on these, a maximum of 20% of the allocated funding would go towards the funding of the supporting mechanisms, while at least 80% would go directly to the SME-s.</li> </ul>

<p><i>Zoltán Pámer, South Transdanubian Development Agency – Priority Axis 1</i></p>	<ul style="list-style-type: none"> <li>– the direct support scheme is a big step forward – the current programme supported the structures, while now most of the funding in the priority will go straight to the SME-s;</li> <li>– it is hard to generate joint projects in the field of tourism, as most of the service providers in this field consider themselves as competition; cyclotourism is an exception, and should be emphasised as the area for potential co-operation, benefiting also from the establishment of the new Euro-Velo route along the border and from the results of the current (IPA) CBC programme and the numerous projects of investment into cyclotourism infrastructure.</li> </ul>
<p><i>Valentina Papić Bogadi, Križevci College of Agriculture – Priority Axis 2</i></p>	<ul style="list-style-type: none"> <li>– the sustainability of the projects implemented within the previous programming period should be taken into account, the priorities and objectives of the new programme should be structured in such a way to enable the continuation of the activities or further development based on the results of the implemented projects;</li> <li>– as a large portion of the previous programme was allocated to tourism-related activities, it would be a good idea that within the Priority Axis 2 there is an opportunity for these activities to be further developed.</li> </ul>
<p><i>Daniela Tomašević, MRDEUF</i></p>	<ul style="list-style-type: none"> <li>– a separate TO for tourism has not been listed among the 11 TO-s defined in the EC Regulation, but the activities related to sustainable development of tourism based on the results of the previous programming period can be funded through TO6 (Priority Axis 2 in the draft OP);</li> <li>– the sustainability of projects and basing the projects on previous results is an important aspect for every supported project during the selection process.</li> </ul>
<p><i>Tomislav Petric, Virovitičko-podravaska County</i></p>	<ul style="list-style-type: none"> <li>– a key issue is the lack of financial capacity to pre-finance the projects, especially for the smaller organisations in the field;</li> <li>– it would be beneficial if at least some funding would be available to the beneficiaries as an advance payment so as to support them in the implementation of the activities.</li> </ul>
<p><i>Daniela Tomašević, MRDEUF</i></p>	<ul style="list-style-type: none"> <li>– the issue will be taken into account, and at least some kind of pre-financing to the projects will be considered when finalising the implementation modalities of the programme.</li> </ul>



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<p><i>Jasmin Sadiković, NGO Zeleni Osijek</i></p>	<ul style="list-style-type: none"> <li>– there is still a big lack of human capacities in the field of management of protected areas, which should also be taken into account and addressed by the programme;</li> <li>– investment in people is as important as investment in infrastructure in the field of nature conservation;</li> <li>– cross-border co-operation in monitoring, exchange of information, joint management of protected areas (e.g. Transboundary Biosphere Reserve Mura-Drava) should be improved and supported;</li> <li>– there is a lack of strategic support by the local and regional governments in the sustainability of the projects funded by the EU after the end of implementation.</li> </ul>
<p><i>Darko Till, Ministry of Tourism, Republic of Croatia</i></p>	<ul style="list-style-type: none"> <li>– the lack of attractions in the region is still a major issue; the development of the Euro-Velo network which is mentioned in the document should be backed by the development of other, complementary attractions along the route, creating an added value for the region.</li> </ul>
<p><i>Miljenko Vahtarić, HCR / CROMAC (Croatian Mine Action Centre)</i></p>	<ul style="list-style-type: none"> <li>– the biggest underlying problem in one part of the Croatian-Hungarian border area is security;</li> <li>– the removal of the landmines is the precondition for the implementation of all the other activities – nature conservation, tourism development, safe communication / transport etc.</li> </ul>
<p><i>Daniela Tomašević, MRDEUF</i></p>	<ul style="list-style-type: none"> <li>– the de-mining project was a real success story of the current programme, hopefully there will be a way to incorporate the results and build on them in the new programming period as well.</li> </ul>
<p><i>Zoltán Pámer, South Transdanubian Development Agency</i></p>	<ul style="list-style-type: none"> <li>– the lack of institutional capacity and human resources is still a major issue in the area;</li> <li>– the whole border area is very fragmented on both sides and there is nobody to co-ordinate the cross-border activities, many services are centralised;</li> <li>– the demographics of the area are worse and worse, therefore investing in people has to be a priority.</li> </ul>
<p><i>Nada Kožul, Regional Development Agency of Slavonia and Baranja</i></p>	<ul style="list-style-type: none"> <li>– the co-operation between Croatia and Hungary despite the language barrier and all the objective obstacles is still on very high level, which is something that should be kept in mind and further developed.</li> </ul>





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<p><i>Zoltán Barna-Lázár, Ex-ante Expert Team Leader</i></p>	<ul style="list-style-type: none"><li>- a horizontal issue to be tackled by the programme is the still quite low level of co-operation in general;</li><li>- the currently running programme has been successful in creating well-functioning strong partnerships and good networks between the participants in the projects, however, this is still only a relatively small group of people and institutions, so the scope of co-operation should be widened and developed further based on the good practices of the current period.</li></ul>
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The Chairperson concluded the session by thanking all participants for taking part in the discussion. She invited them to provide any additional comments and remarks to the experts via the provided e-mail address ([huhrcbc@vitalpro.hu](mailto:huhrcbc@vitalpro.hu)) in the forthcoming weeks.

