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# **Ex-ante Evaluation of the Cooperation Programme INTERREG V - A Slovenia – Hungary 2014-2020**

**Final evaluation report**

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## 1. Executive Summary

The purpose of this report is to present findings regarding the implementation, effectiveness and impacts of the Cross Border Cooperation and to provide recommendations for implementation of the programme developed under the ex-ante evaluation process of the Cooperation Programme INTERREG V - A Slovenia-Hungary 2014-2020. The evaluation was conducted from August 2014 till February 2015. In this time several meetings with relevant programme authorities, programme partners, past beneficiaries and target groups and future possible beneficiaries were organized. In this process ex ante evaluation team developed several reports and comments to drafts of the operational programme in the process of its development.

Improvements were done from the first draft of the operational programme till last in steps of the programming:

- Analysis of the CBC area was improved significantly by developing a broad analysis of the whole area and several aspects while later focusing the analysis to needs later defined in the priority actions of the programme.
- Initially there were tendencies for infrastructure oriented implementation which could hinder already developed cross border initiatives by not developing services and cooperation. Later this was improved by planned actions related to services and products development, based on existing facilities and heritage characteristics.
- The planned activities were improved and better structured along with clearer definition of target groups and beneficiaries. Some of them might be quite complex, but the implementation structures should ensure that the potential beneficiaries are well informed and understand the opportunities the programme is bringing. The objectives of the programme were better structured and focused.
- Indicators improved significantly and are better structured and in line with specific objectives of the programme. Same goes for the result and for output indicators. Baseline values still need to be determined for some of them.

The key factors fostering the integration can be seen in long cross border **cooperation tradition and partnerships** that were formed in previous programming period as seen in the analysis of the INTERACT. Even more several partnerships remain in the overall theme natural heritage utilisation in several projects. There are more projects developed with focus on the themes promotion of cultural heritage, protection of natural resources and biodiversity and water, waste, soil, brownfields, air. **Similar territorial, natural, rural situation** in both countries in the CBC area may give potential for joint approaches and joint approach to the opening opportunities and problems solving. **Common natural resources and interconnected nature protection areas** of Goričko/Őrség and other natural sites and common watersheds are the key for integration to protect the living space, the biodiversity and quality of life for the inhabitants of the area and for the wider society. **The area is well equipped with tourist infrastructure and facilities**, but these are concentrated in primary tourist areas. The rural, remote locations –although being rich in natural heritage, old buildings and rural traditions - are not integrated into the touristic offers. The services of the main tourist centres are not very diverse: the offer is focused around spa and health tourism and the built heritage of the main centres. **There is a huge potential in connecting the attractions of the remote locations to the offer of the main tourist centres**, and in developing the necessary service infrastructure in the sparsely populated rural locations having a small village structure. **Skills in project preparation and management exist while they should be developed further on.**

The key factors hampering integration and cooperation may be the result of quite tightly closed borders in the past. **Whole CBC area is fragmented in urban and rural areas.** A key to success will be the development of a business support services network and other public services from current “equipped” centres to smaller towns and rural areas, thereby connecting the remote rural areas and smaller settlements to the service centres of the urban areas. This network will need to play a role in animation and promotion of business development, social integration to find and grow ideas and innovation at home and merge smaller parts of the mosaic to larger regional and internationally recognizable products and services. **The differences in development of the area (internal disparities) affect the ability of partners to define expected project results that would be applicable for different parts of the CBC area.** This is also realised by the project applicants who see different needs of people and regions. This may affect their ability to find suitable partners on the other side of the border

and on the other side to understand the project issues (needs and constraints of the target groups) also in the future. **Institutional, administrative and regulatory frameworks on both sides of the border do affect the integration.** This impacts cooperation later in the project preparation and implementation phase especially in the areas where higher level of agreement is necessary before any action can take place. There is the necessity to harmonise the Institutional, administrative and regulatory frameworks. **The lack of political discussion is also a factor for asymmetries between the actors involved in the programme implementation due to knowledge and mental barriers of the representatives of the organizations involved on all levels of cooperation** (there are no long term policy and joint measures developed in nature conservation, water management etc.) Lower levels of programme (operations) have less mental barriers for cooperation since they see the opportunity for their project idea to be financed but the policy decisions need to be done beforehand. **Language barriers are visible in the programme implementation.** Most of the partners in the projects use English language to communicate and produce project results while their own language is used mainly for reporting and communication with authorities.

**The programme tends to address most of challenges seen by the public living in the CBC area on EU wide level.** The key will be to find sound and workable solutions to the defined problems that still exist even if the area is cooperating for several years already. **The key is in finding suitable solutions for the future competitiveness of the CBC area in question.**

**The analysis of the programme area** in general covers all necessary aspects and the chapter is focused on key **challenges and is thus consistent with the needs** that led to identification of **programme objectives**. Geographic similarities within programme area are adequately addressed and national level context is provided for the participating regions. Data provided are detailed enough to support the findings as described in the chapter. In the process of preparation of the CP SI-HU, most of the ex-ante recommendations have been considered, for example, more information on capacity for entrepreneurship, business and social initiatives, employment initiatives and trends in tourism was added. It was recommended that the context of wider neighbourhood of the programme area (especially Austria) should be added, as well as information on human resources in tourism sector and monitoring arrangements. **The programme focuses on high level of conservation natural and cultural heritage, increased awareness of the natural and cultural heritage and its use for joint development of tourist products and services, tourist offer linking current tourist centres (magnets) to more rural, remote, underdeveloped but heritage-rich areas and cross-border cooperation between public institutions and civil society institutions;** the focus is supported by the data in the analysis. Aspects of cross border cooperation that are not covered with investment priorities are the strong support to SMEs and development of transport services (apart from public transport) and intermodality. The programme has appropriately **considered macro-regional country and region specific programmes, strategies and recommendations that are relevant in the cross-border cooperation context,** such as Europe 2020 and EU Strategy for the Danube Region.

**Selection of thematic objectives and investment priorities is based on analysis of the CBC area and is justified.** The programme is focused to Protecting, promoting and developing cultural and natural heritage in order to utilize opportunities in tourism which is already one of the driving forces of the Region, and also a key endogenous sector for development, bringing a clear socio-economic added value for the border region. The area is rich in environmental resources and natural values which need to be protected and adequately used together with cultural values of the CBC area. The region can utilize potential of connecting larger centres with villages and rural areas. Besides this the programme is focused to cooperation which will be built through institutional capacity building & efficient public administrations in order to strengthen cross-border cooperation of the institutional stakeholders to contribute to a balanced, harmonious development of the whole area. This should be achieved by jointly addressing common problems and learning how to work together.

The **programme objectives are consistent with the EU policy level** and is focused to all three major objectives of the **EU Strategy for the period until 2020;** in particular priority 1 will mostly contribute to sustainable growth, while priority 2 will mostly contribute to inclusive growth. The programme is also consistent with the **Partnership Agreement of Slovenia and Hungary and country specific recommendations on**

**National Reform programmes for Slovenia and Hungary** on employment, labour market and vocational training and education. The vision and specific aims of the programme are clearly focused on heritage, its use for development of tourism and the role of tourism in local economy. Such focus of the programme is understandable in the view of very small budget for its implementation.

**Identification of problems was done in the two fold process by developing a wide situation analysis and by workshops with partners of the programme.** This process led to identification of several cooperation possibilities and opened a wide discussion among partners on potentials and needs. The draft OP offered grounds for internal inter-ministerial discussion and discussion between Slovenia and Hungary on potentials and necessary actions. **The solution offered in the strategy of the programme was designed to cover the most necessary needs addressed in the CBC area and those needs addressed by the participating partners in the programme.** Solution designed offers a possibility to build on past experiences and offers solid grounds for further building of competitiveness of the area in tourism development through cooperation in the CBC Area. This is also seen in focus of the programme which only finances 2 priorities largely focused to smaller necessary actions but giving enough space for partnerships to evolve in sustainable solutions for the future. The key message for the future of the programme and its implementation needs to be clear and focused to sustainable and workable projects that will design products of the CBC area and implement necessary actions for their placement on the market. **The preparation of the programme was very condensed and more time could be spent on public discussions in the CBC area.** This would enable better projects and partnerships for the new period and would help in developing more intense and stronger initiatives. This would also help the programme in developing partnerships focused to employment and business development opportunities but this gap may be overreached in the implementation of the programme with intense promotion of the programme and clear identification of the focus of the programme. The programme will need to evaluate implementation of the strategy and evaluate the programme itself in order to keep track of results and impact achieved. This is even more important to achieve indicators planned and to give a CBC area support in building products to use opportunities identified. **The programme needs to address key problem of the CBC area in unemployment rates and in migration rates which may only be overcome with opening an employment opportunities and quality of life.**

**The cross-border programme reviewed the needs in the programme area and defined realistic perspective for the future. But more pro-actively steering of the bottom-up demand for future project proposals is necessary to achieving a more visible overall programme impact.** This must be done by well-targeted communication measures and influencing partners in the project generation process by suggesting important topics for co-operation and mobilising strategic key-players capable of tackling such aspects. **During the approval process, programme partners must focus on projects which generate durable improvements in employment, business opportunities and close cross border cooperation.** Establishing of more pro-active and on-going interaction with the regional competitiveness and employment initiatives is necessary to build on sustainability of projects financed.

All three **horizontal principles (sustainable development, equal opportunities and non-discrimination, gender equality) are well considered. Minor improvements** would enhance their implementation, but this can be also done in later stages of programme implementation. Most of all, clearer information is needed on which issues, principles and/or target groups would be the requirements or selection criteria to ensure sustainable development, equal opportunities and non-discrimination as well as gender equality on project level. **Indicators improved through the process of programming. The indicators planned may be influenced by the activities planned but clear focus of the MA and partners in the implementation of the programme needs to be put on the changes necessary.** The key challenge of the programme will be in selection of projects to be supported and their content and results planned. This will need to be in strict line with the programme objectives and indicators. Baseline indicators are developed from the surveys and statistical data and are clear and relevant for the programme in question some of them are still missing which will need to be improved. Target values are planned based on knowledge of the CBC Area and knowledge of the current partners and their potential. **The beneficiaries in the CBC area expect further modernization of the programme in terms of efficiency of reporting and monitoring. The planned actions of the operational**

**programme need to be implemented in this respect to improve the efficiency of the programme in general.** Some milestones for the output indicators may be too optimistic but the key will be in the efficiency of the MA and JTS in kicking off of the programme.

Stakeholders in the ex-ante evaluation process and respondents of the survey conducted presented some shortcomings of the Programme management in the past. Respondents highlighted difficulties coming from the administrative complexity of the application and project implementation (monitoring) procedures and requirements, language barriers, financial and cash flow problems, and problems with Lead Partner principle as a key problems of the programme implementation. **In the new programming period 2014-2020 stakeholders expect to have more support in specific fields (e.g. preparatory workshops, partner search), as well as the sharing of key success factors and lessons learnt from similar projects.** In order for the programme to be efficient and to have an impact on the target groups it needs to be as less as possible administrative but more focused to actions and impact rather than to reporting, counting and similar. **To this end the monitoring system needs to be simple and efficient while more content and guidance needs to come from the management of the programme and from the evaluations.**

**The key Community added value of the current draft of the CBC programme may be seen in ability of citizens to know each other and getting on together by understanding each other and building mutual trust and partnership.** The programme is securing the mechanism for the neighbours to get to know each other which helps in joint drafting, implementation and financing of cross-border programmes and projects. This is especially important because of the nature of the border which was closely guarded and controlled for a long period. **The programme mobilizes endogenous potential by strengthening the regional and local level of partnerships and initiatives for cross-border cooperation on a variety of issues, focusing on issues important for quality of life and sustainable development of the area. Quality of life will be improved through development of tourism products, trainings, exchange of experience and joint planning, especially in the field of tourism development, environmental and cultural heritage protection.** Some infrastructure will be developed, but the key will be the support for improvement of tourist products and services, innovative use of heritage for tourism development, entrepreneurship and similar which will lead towards development of new services and products and on the long run also more jobs.

**Altogether the programme budget consists of 18.641.194,12 EUR, with an ERDF contribution of 14.795.015,00 EUR, which corresponds to 79,37 % of the total financing.**

Somehow larger projects can be expected under the 1<sup>st</sup> priority where investments in infrastructure are being expected while some smaller projects will be implemented under the second priority. This is not expected to be a cost-intensive infrastructure but on the other hand some part of these investments will be able to generate revenues and the financial structuring of projects must be done in this perspective. **Under the priority 3 Technical assistance large portion of funds is planned for the Preparation, implementation, monitoring and inspection while the evaluations and promotion of the programme are planned with fewer funds.**

**As detected in the programme analysis the key in the programme implementation will be to support smaller less developed areas of the CBC area. As planned in the financial tables under the dimension 3 Territory Type the most of the funding (more than 80%) will be available for the Small Urban areas and rural areas.**

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## List of Acronyms:

CBC	Cross border cooperation
EC	European Commission
EU	European Union
DAC	Development Co-operation Directorate (DCD-DAC)
JMC	Joint monitoring committee
EABR	European association of border regions
VET	Vocational education and training
PCM	Project Cycle Management
NGO	Non-governmental organization
CfP	Call for proposals
CPR	Common provision regulation; Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
OECD DAC	OECD Development Assistance Committee
EAFRD	European Agricultural Fund for Rural Development
EMFF	European Maritime and Fisheries Fund
ERDF	European regional development fund
ESF	European social fund
CSF	Community support framework
NUTS	Nomenclature of territorial units for statistics
CBC area	Territory under the CBC programme covering NUTS 3 regions Podravska, Pomurska, Zala and Vas



## 2. Introduction

### a) Scope of the report

The Common Provision Regulation requires an ex-ante evaluation for each programme in order to improve the quality of its design. The ex-ante evaluation reports should be sent together with the programme proposals to the Commission services which will consider them when assessing the programmes prior to their adoption.

Cohesion policy for the period 2014-2020 must be strongly oriented towards results in order to contribute to the Union strategy for smart, sustainable and inclusive growth (Europe 2020 strategy). To this end the regulation increases the importance of well-designed programmes taking into account European, national and regional needs, and focuses on the results they want to achieve. The role of the ex-ante evaluation is thus reinforced in the new programming period. It should ensure that the operational programmes clearly articulate their intervention logic and can demonstrate their contribution to the Europe 2020 strategy. Ex-ante evaluation also helps put in place functioning monitoring systems which meet evaluation requirements. The ex-ante evaluation should be seen as a useful supporting process and advice from the evaluators should be fully considered. However, the ultimate responsibility for the design of an effective operational programme rests with the future managing authority.

The tasks of an ex-ante evaluation are grouped into five components:

- Programme strategy:
  - Consistency of programme objectives, Challenges and needs in relation to Europe 2020 objectives, Consistency of programme objectives with challenges and needs,
  - Coherence; Internal coherence, Relation with other relevant instruments,
  - Linkage between supported actions, expected outputs and results;
  - Horizontal principles
- Indicators, monitoring and evaluation
  - Relevance and clarity of proposed programme indicators; Relevance, Clarity,
  - Quantified baseline and target values;
  - Suitability of milestones
  - Administrative capacity, data collection procedures and evaluation
- Consistency of financial allocations
- Contribution to Europe 2020 strategy
- Strategic Environmental Assessment (delivered in separate report).

It is good practice that the ex-ante evaluators work in close interaction with the authority responsible for the preparation of the programme. Work is undertaken in stages, depending on when elements of the programme are available and give their feedback to the programmers. The interaction between those responsible for drawing up the programmes and the evaluators will need to be coordinated.

The Common Provisions Regulation emphasises the need to strengthen the partnership and multi-level governance approach by involving partners throughout the whole programme cycle - preparation, implementation, monitoring and evaluation. This should contribute to give more legitimacy to the decision-making process, to widen the range of expertise and knowledge involved, to ensure a collective commitment on the selected priorities and objectives as well as a shared understanding of the results to be expected.

The evaluators are functionally independent of authorities responsible for the preparation and the implementation of the future programme. This independence is essential to support a good ex ante evaluation where the evaluators will constructively criticize and give expert judgments on the different elements of the programme. The level of independence should be such that there is no doubt that the work is carried out with objectivity, and the evaluation judgments are unbiased and not subordinated to an agreement of the services responsible for design of the programme.

CPR underlines that "the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated." Programmers should follow this principle when deciding on the cost and complexity of the ex-ante evaluation.

#### b) Purpose of the document

This evaluation report is prepared in the framework of the contract number: 1-14-918910-919010-AP.

The purpose of this report is to present findings regarding the implementation, effectiveness and impacts of the Cross Border Cooperation and to provide recommendations for implementation of the programme. The Evaluation Report follows the guidelines and common practices for the evaluations and the Terms of Reference for the assignment.

#### c) Time of the evaluation and process

The evaluation was conducted from July 2014 till February 2015. In this time several meetings with relevant programme authorities, programme partners, past beneficiaries and target groups and future possible beneficiaries were organized (list of meetings is in the attachment). In this process ex ante evaluation team developed several reports and comments to the operational programme:

- A draft document presenting the section 2 of the future Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020,
- First draft of the Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020,
- Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, Proposal, Selection of investment priorities within the Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, working document,
- Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, Situation Analysis, 1st draft,
- Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, version 3.1, received on 5 February 2015,
- Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, version 3.2, received on 24 February 2015,
- Minutes and PowerPoint presentations of the 8<sup>th</sup>-12<sup>th</sup> Task Force Meeting, OP Slovenia-Hungary 2014-2020,
- Some other documents related to the preparation of the Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020 like minutes of meetings, lists of participants, reports on the implementation of the previous programme and similar.

The ex-ante evaluation team was also active at the task force meetings for the preparation of the Operational programme Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020 where presentations of evaluated content were delivered.

#### d) Improvements of the programme due to evaluation recommendations

Document read and evaluated	Report of the evaluator	Changes done based on recommendations of the evaluator
OP SI-HU 2014-2020 PART I. PROGRAMME STRATEGY, 1st DRAFT, Budapest 18 July 2014 sent by Oláh Annamária Gyöngyvér, <a href="mailto:gyongyver.annamaria.olah@im.gov.hu">gyongyver.annamaria.olah@im.gov.hu</a>	Brief recommendations on the short presentation of the future: Cross Border Cooperation Cross-Border Cooperation	In general recommendations on positioning of the analysis and future justification were incorporated in future drafts of the programme. The key aim of the document was to set up a discussion on the priorities and objectives.

on Friday, July 25, 2014, 12:07 PM with 22 pages.	Programme Slovenia – Hungary 2014-2020, 14. August 2014,	
OP SI-HU 2014-2020, 1st DRAFT, Budapest, 18 August 2014 sent by Székelyhidi Eszter <a href="mailto:szekelyhidi.eszter@hbhe.hu">szekelyhidi.eszter@hbhe.hu</a> on 19.8.2014, 3:43 with 33 pages and SECTION 2: DESCRIPTION OF PRIORITY AXES send on 14.8.2014, 18:51 with 9 pages.	Recommendations on first draft of the future Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, Initial evaluation report, 22. August 2014	Recommendations in the analysis part of the draft OP were not taken into consideration but several contextual and data issues were improved. The activities were better structures while the target groups and beneficiaries still need polishing. The objectives of the programme are better structured while focus to only one economy sector needs to be clarified.
Second draft cooperation programme, Version 2.1, 29 october 2014, SLOVENIA-HUNGARY CROSS-BORDER COOPERATION PROGRAMME 2014-2020 INTERREG V-A received Friday 31.10.2014 14:52 sent by Székelyhidi Eszter <a href="mailto:szekelyhidi.eszter@hbhe.hu">szekelyhidi.eszter@hbhe.hu</a>	Brief recommendations on the short presentation of the future Cross Border Cooperation Cross-Border Cooperation Programme Slovenia – Hungary 2014-2020, Initial recommendations report, 6.11.2014	Analysis of the CBC area was improved significantly by developing a broad analysis of the whole area and several aspects while later focusing the analysis to needs later defined in the priority actions of the programme. Planned activities were infrastructure oriented in the beginning which could hinder cross border initiatives already developed by focusing too much to small number of investments and not developing services and cooperation. Later this was improved by planned actions related to services and products development which should utilize the build facilities and only add those missing.
Third draft cooperation programme, version 3.2, 23 February 2015, Cooperation Programme Interreg V-A Slovenia-Hungary 2014-2020 received Tuesday, February 24, 2015 1:10 AM sent by Székelyhidi Eszter <a href="mailto:szekelyhidi.eszter@hbhe.hu">szekelyhidi.eszter@hbhe.hu</a>	Final evaluation report Cooperation Programme Interreg V-A Slovenia-Hungary 2014-2020	The planned activities were improved and better structured together with definition of target groups and beneficiaries. The objectives of the programme were better structured and focus only to economy sectors was improved by cooperation actions to be implemented. Indicators improved significantly and are better structured and in line with specific objectives of the programme. Same goes for the result and for output indicators.

### 3. Regulation

The Common Provision Regulation requires an ex-ante evaluation for each programme in order to improve the quality of its design. They should be sent together with the programme proposals to the Commission services which will consider them when assessing the programmes prior to their adoption. The Common Provision Regulation (CPR) defines:

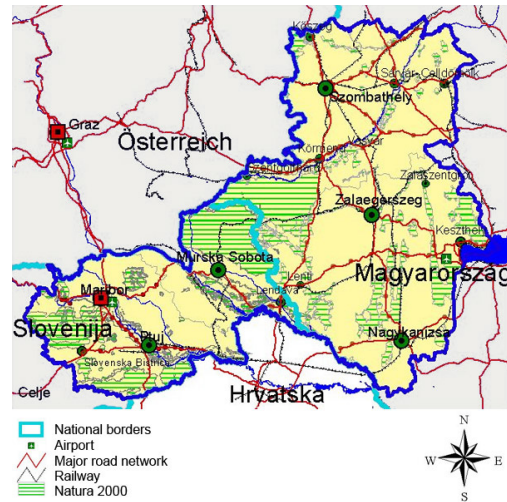
- Partnership and multi-level governance (Article 5),
- Promotion of equality between men and women and non- discrimination (Article 7),
- Sustainable development (Article 8),
- Preparation of programmes (Article 26),
- Procedure for the adoption of programmes (Article 29),

- the structure and topics of the ex ante evaluation (Article 55). Where appropriate, the Strategic Environmental Assessment will be made based on so-called SEA Directive (Directive 2001/42/EC), taking into account also climate change mitigation needs.

#### 4. Short presentation of the programme evaluated

The programme area includes the Pomurje and Podravje regions in Slovenia and counties Zala and Vas in Hungary. The territory of the Slovenia-Hungary border region covers 10,658 km<sup>2</sup> in total, 2/3rd of the area belongs to the Hungarian, 1/3rd to the Slovenian border region. The length of the Slovenian-Hungarian border is around 100 km (Schengen zone).

The mission of the programme is to **transform the Slovenia-Hungary CBC area into a socially and environmentally sustainable joint “green tourism” region providing a high quality living perspective for its inhabitants** not only in the core zones and their agglomerations, but also in remote and/or rural areas.



#### Sustainable utilisation of the region’s natural and cultural values

offers opportunities for **tourism development**, providing **workplaces available locally**, fostering **entrepreneurship** and resulting in **higher** and more **balanced economic performance**. Widespread social, economic and institutional connections ensure the rational and sustainable utilisation of the resources, skills and capacities and create a strong sense of common regional identity based on tolerance and mutual understanding. These measures shall increase the region’s population retention force, especially for young generation, contributing to the limitation of the population decrease particularly in the remote, rural areas.

The overall vision of the Programme is **to become an attractive area for living, working, investing, undertaking** through **better capitalizing on existing natural and cultural assets in tourism** catalysing the **development of the whole region** on one hand and on the other **jointly addressing those common problems which call for common solutions at CBC level**.

The specific aims are the following:

- Better **usage of under-exploited natural and cultural values** through **cooperation in tourism**, as the region’s key competitive, labour-intensive sector.
- **Create/strengthen local economy** (workplaces available locally, new enterprises, entrepreneurship) in rural areas **through tourism development** by interlinking remote cultural and natural heritage spots with larger tourism destinations
- Further develop the **“green and liveable” region brand** of the CBC area through maintaining natural and cultural resources and improving social, economic and institutional connections
- Extending the cross-border cooperation by **strengthening the institutional capacities of public and civil stakeholders** in mutually important fields of public policies and services

CP SI-HU will contribute to Europe 2020 through investing in thematic objectives (TOs) TO 6 (protecting the environment and promoting resource efficiency) and TO 11 (enhancing institutional capacity and an efficient public administration). By selecting just 2 TOs, the programme shows a high thematic concentration that necessary also because of the rather small size of the Programme. This is fully in line with the ETC Regulation, according to which at least 80% of the ERDF finances shall be concentrated on a maximum of four thematic objectives. The structure of the programme is shown in the table below.

The cooperation programme addresses the following two priority axes:

Table 1: Basic structure of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A

Priority	Thematic objective (TO) and Investment priority	Specific objective and desired result	Type and examples of actions to be supported under the investment priority
<b>Priority 1 Attractive Region</b>	<p>Thematic Objective 6 Environmental protection &amp; resource efficiency</p> <p>6c: Conserving, protecting, promoting and developing natural and cultural heritage.</p>	<p><u>Specific objective:</u> To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.</p> <p><u>Desired result:</u> The Programme aims to reach a higher level of development of sustainable forms of tourism in the remote, rural regions of the programme area, while building on the experience and attractiveness of the important tourist centres located here.</p>	<p>The applicants are encouraged to tackle two or more of the listed types of actions, in an integrated manner.</p> <ul style="list-style-type: none"> <li>• Jointly developed plans and strategies for the sustainable utilization of cultural and natural heritage for better use of the touristic potential of the programme area through improved know-how and for an enhanced exploration / exploitation of the cross-border opportunities in the field</li> <li>• Small scale investments regarding sustainable utilization of cultural and natural heritage by promoting of environmental friendly technologies,</li> <li>• Small scale renovation / revitalization and conservation of cultural and natural heritage, as part of jointly developed touristic products, in order to ensure their preservation, as a pre-requisite for their touristic utilization</li> <li>• Improving accessibility to cultural and natural heritage sites as part of joint tourism measures</li> <li>• Raising local awareness about the importance of the protection and preservation of cultural and natural heritage on both sides of the border, in order to diversify the touristic supply of the region and increase its touristic potential</li> </ul>

Priority	Thematic objective (TO) and Investment priority	Specific objective and desired result	Type and examples of actions to be supported under the investment priority
			<ul style="list-style-type: none"> <li>• Regional cross-border cooperation in tourism destination management, development of regional trademark and quality management systems, common branding and promotion, joint organization and participation in fairs and exhibitions, transfer of know-how, etc., for increasing the visibility, marketability and competitiveness of the touristic offer in the programme area and for improving the management of the touristic services</li> <li>• Supporting diversification of quality cross-border tourism services offered in the area -bike tourism and related services (e.g. development and posting of cross-border thematic biking routes, biking tourism related services - as bike rentals etc.), hiking, equestrian and water tourism (e.g. designation and promotion of cross-border thematic routes, service development), and complementary services to wine, gastronomy, cultural and health tourism</li> <li>• Joint development of new, innovative tourism products and services based on joint quality standards</li> <li>• Trainings and capacity building for the local entrepreneurs and/or employees in developing relevant skills related to tourism (language courses, specialized professional trainings, conferences, etc.) in order to increase the quality and competitiveness of the tourism services and to indirectly contribute to local job creation</li> <li>• Improvement of the usage of modern (communication) tools and promotion activities in order to increase the visibility and attractiveness of the tourism offer in the programme area</li> <li>• Establishment of clusters oriented towards the creation and development of sustainable tourism products and services in order to support the SMEs active in tourism sector in developing the quality and efficiency of their activities.</li> </ul>

Priority	Thematic objective (TO) and Investment priority	Specific objective and desired result	Type and examples of actions to be supported under the investment priority
<b>Priority 2 Cooperative Region</b>	<p>Thematic Objective 11 Institutional capacity building &amp; efficient public administrations</p> <p>11b : Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions</p>	<p><u>Specific objective:</u> To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations</p> <p><u>Desired result:</u> The Programme aims to reach higher level and more stable, as well as more extended cross-border cooperation amongst the institutions and organizations from both sides of the border, by increasing the institutional capacity of the stakeholders.</p>	<p>Institutional cooperation - exchange of experience, know-how, best practices; empowerment, advocacy and capacity building - in different fields, as:</p> <ul style="list-style-type: none"> <li>• environmental protection, energy efficiency, renewable energy,</li> <li>• social services (social innovation), healthcare,</li> <li>• mobility of the work force (vocational trainings, vocational orientation, lifelong learning, language courses, education for people with special needs, etc.),</li> <li>• spatial planning, regional development, accessibility – harmonization of cross-border public transport,</li> <li>• civil protection and common risk prevention and management,</li> <li>• cultural cooperation.</li> </ul>

Priority	Thematic objective (TO) and Investment priority	Specific objective and desired result	Type and examples of actions to be supported under the investment priority
<b>Priority 3 Technical Assistance</b>		<p><u>Specific objective:</u> Contribution to the efficient implementation of the Cooperation Programme.</p> <p><u>Desired result:</u> The Priority Axis will support the sound and efficient implementation of the Cooperation Programme. In this sense, it will ensure the proper operation of the programme management structures in delivering their specific tasks.</p>	<ul style="list-style-type: none"> <li>• Activities related to the operation of the Managing Authority, Certifying Authority, and Audit Authority</li> <li>• Organization of the Monitoring Committee meetings</li> <li>• Setting-up and operation of the Joint Secretariat</li> <li>• Elaboration of the documents specific for programme implementation - Calls for Proposals, Implementation Manuals, Evaluation Manual, different templates to be used by the stakeholders</li> <li>• Preparation of annual implementation reports</li> <li>• Development and maintenance of the e-monitoring system</li> <li>• Organization and implementation of the project selection procedures</li> <li>• Monitoring visits related to project implementation</li> <li>• Specific activities of first level control,</li> <li>• Audit activities</li> <li>• Programme level communication events and actions,</li> <li>• Information events for potential applicants;</li> <li>• Support events for project beneficiaries</li> <li>• Elaboration of the Evaluation Plan of the programme - Article 114.1 CPR Regulation,</li> <li>• Elaboration of studies,</li> <li>• Preparation of the future Cooperation Programme, activities related to the closure of the previous programme (Article 59 of CPR)</li> </ul>

Source: third draft of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A, version 3.2 received on 24 February 2015. HitesyBartuczHollai Euroconsulting Kft., February 2015



### e) Financial plan for the programme

Altogether the programme budget consists of 18,641,194.12 EUR, with an ERDF contribution of 14,795,015.00 EUR, which corresponds to 79,37 % of the total financing.

**Table 2:** Financial table of the programme

Priority axis	Fund	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e)	For information	
					National Public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
Priority axis 1	ERDF	Total eligible cost	10,000,000.00	1,764,705.89	1,058,823.50	705,882.39	11,764,705.89	85.00%	Not applicable	
Priority axis 2	ERDF	Total eligible cost	3,295,015.00	581,473.24	348,883.94	232,589.30	3,876,488.24	85.00%	Not applicable	
Priority axis 3	ERDF	Total eligible cost	1,500,000.00	1,500,000.00	1,500,000.00	0	3,000,000.00	50.00%	Not applicable	
<b>Total</b>	Total all Funds	Total eligible cost	14,795,015.00	3,846,179.13	2,907,707.44	938,471.69	18,641,194.13	79.37%	<b>Not applicable</b>	

Source: third draft of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A, version 3.3 received on 3 March 2015. HitesyBartuczHollai Euroconsulting Kft., February 2015

## 5. Important contextual factors characterising cross-border area

The programme area covers 10,628 km<sup>2</sup>, with a population of about 1 million. The overall borderline length is 102 km of which most of the border is on land. Until 20.12.2007<sup>1</sup> there were 8 international border crossings.

**The area covered with the CBC programme is relatively large compared to some other EU states, for example the area is half the size of Slovenia (20,273 km<sup>2</sup>). On the other hand the programme area is not among largest ones in Europe. Nevertheless the small financial frame for the programme puts additional pressure to the programme management when promoting the programme and supporting potential beneficiaries in order to select “right ones” and have an impact on the area as planned.**

The programme area covers the Slovenian NUTS 3 regions Pomurje and Podravje region while in Hungary the programme area includes counties Zala and Vas. **The administrative governance of the territory is divided in NUTS 2 and 3 regions. On the Hungarian side the regional administration on the level of county has regulatory powers, while Slovene regions on NUTS 2 and 3 level are for statistical means only. This influences the cooperation on the regional level, which causes some difficulties in larger preparatory and implementation initiatives.**

Looking to GDP the area is lagging behind some other regions in the neighbourhood which makes it even harder to generate high economic momentum and grow high end business environment and business community. But on the other hand this gives a unique opportunity to become a service area for these regions which may be offered selected services which can be produced here with better quality and higher value to the logistics and vicinity of the area.

**Table 3:** Time travel to major cities by car

Major city	Zalaegerszeg	Murska Sobota
Budapest	2' 51"	3' 19"
Ljubljana	3' 20"	2' 4"
Vienna	3' 18"	3' 11"
Bratislava	3' 38"	3' 48"
Zagreb	2' 11"	1' 54"
Graz	2' 16"	1' 24"

Source: Via Michelin

**Table 4:** Table Gross domestic product (GDP) at current market prices by NUTS 3 regions in the CBC region and some larger cities and regions in the vicinity (by NUTS 3)

Country/NUTS 3 region	2004	2007	2008	2009	2010	2011
<b>Hungary</b>	<b>8.100</b>	<b>9.900</b>	<b>10.500</b>	<b>9.100</b>	<b>9.600</b>	<b>9.900</b>
Vas	8.100	9.000	9.100	7.500	8.200	8.800
Zala	7.500	8.000	8.700	7.500	8.000	7.900
<b>Slovenia</b>	<b>13.600</b>	<b>17.100</b>	<b>18.400</b>	<b>17.300</b>	<b>17.300</b>	<b>17.600</b>
Pomurska	9.300	11.200	11.900	11.400	11.400	11.900
Podravska	11.300	14.400	15.500	14.500	14.400	14.700
Grad Zagreb	13.000	17.300	19.100	17.800	18.600	18.600
Budapest	16.800	21.300	23.000	20.600	21.100	21.800
Wien	38.100	42.900	44.000	43.000	44.300	45.600
Graz	35.100	38.700	39.400	38.200	38.500	40.000
Osrednjeslovenska	19.300	24.500	25.900	24.700	24.500	24.600
Bratislavský kraj	14.300	24.000	27.400	28.300	29.200	31.500

<sup>1</sup> Entry of Slovenia to Schengen area

Source: [http://epp.eurostat.ec.europa.eu/portal/page/portal/region\\_cities/regional\\_statistics/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/region_cities/regional_statistics/data/database)

The cross-border programme area is characterised by relatively small cities with their agglomerations which account for the majority of population and are centres of education as well as of research and knowledge. The largest ones are Maribor (popul. 112,088), Szombathely (popul. 78,884), Zalaegerszeg (popul. 59,499), Nagykanizsa (popul. 49,026), Keszthely (popul. 20,619), Ptuj (popul. 23,229) and Murska Sobota (popul. 19,016)<sup>2</sup>. In addition the programme area consists of rural areas, which are predominantly characterised by agriculture, forestry or tourism.

The population density is around or below the national averages in all regions (only Podravje exceeds the Slovenian average). Negative demographic trends characterise the border region: relatively high natural loss and negative demographic balance due to high migration resulting in population decline and ageing at an accelerating rate. Life expectancy of the border region's population is higher than the Hungarian average but lower than the Slovenian one.

Table 5: Population on 1 January by broad age groups and sex - NUTS 3 regions and national level

	2009	2010	2011	2012	2013
<b>Hungary</b>	<b>10.030.975</b>	<b>10.014.324</b>	<b>9.985.722</b>	<b>9.931.925</b>	<b>9.908.798</b>
Vas	260.950	259.364	257.688	256.215	255.294
Zala	290.204	288.591	287.043	283.249	281.673
<b>Slovenia</b>	<b>2.032.362</b>	<b>2.046.976</b>	<b>2.050.189</b>	<b>2.055.496</b>	<b>2.058.821</b>
Pomurska	119.537	119.548	119.145	118.988	118.022
Podravska	322.900	323.343	323.119	323.534	323.238

Data: European commission, Euro stat: <http://epp.eurostat.ec.europa.eu/portal/page/portal/population/data/database>

The GDP (in PPS) of Hungary and Slovenia has developed in a rather similar way over the past years – the Slovenian figures being more positive – with a slow but steady growth, interrupted temporarily by the financial-economic crisis. In spite of the improving trends, there is still a substantial development gap in terms of GDP/capita between the counties of the SI-HU CBC Region and the EU-28 average (in 2011, Zala county and Pomurje region produced GDP per capita rates of less than 60% of the EU-28 average, while the figure for Vas county was 60% and 71% for Podravje).

Agriculture is still relatively large compared to national and Western European figures, exceeding 7% in Vas, Zala counties and Pomurje region. The industrial sector (excluding construction) is of importance to the Gross Value Added (GVA) especially in Vas (39%), which is the most industrialized county of Hungary, followed by Zala (35%). The Slovenian regions of the Programme reach a 23-24% share, which is very close to the national average. Identically to the developed world, the service sector has the largest share of GVA, including trade, transport, tourism-related services. Public administration and community services / activities of households are below the national average in Hungary and slightly higher in the Slovenian counties. The innovation performance of the region is weak, however it is very different on the two sides of the border: while in average the R&D capacity and R&D expenditure per capita are lower than the national & EU average, in the Slovenian counties the R&D intensity is relatively high, due to the outstanding performance of Maribor (a university city) compared to other Eastern European countries, and even to EU countries. On the contrary in Hungary the Western Transdanubian Region has a poor R&D intensity.

<sup>2</sup> Source: Statistical Office of Republic of Slovenia (2014) and <http://www.citypopulation.de/> (2011)

The lack of entrepreneurial spirit, market knowledge, the low level of internationalization and financial resources are barriers to SME development. In general the region is also characterized by low cooperation “performance”, lack of inter-company relations, low level of clusterisation.

**Table 6: Business demography and high growth enterprise by NACE Rev. 2 and NUTS 3 regions : population of active enterprises**

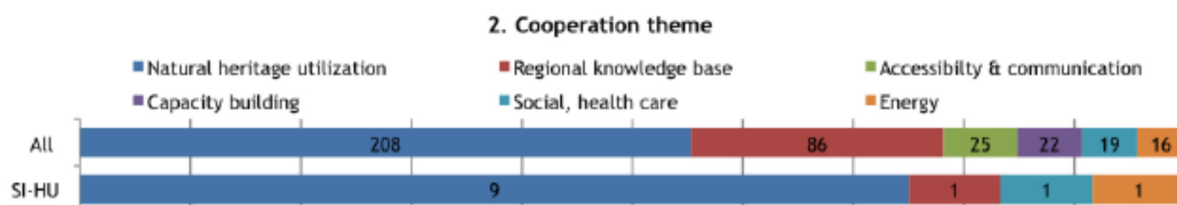
NUTS 3 regions	2008	2009	2010
Vas	15.985	15.766	15.933
Zala	18.987	18.476	18.536
Pomurska	4.978	5.198	5.476
Podravska	17.745	19.042	19.795

Data: <http://appsso.eurostat.ec.europa.eu/nui/setupDownloads.do> (INDIC\_SB: Population of active enterprises in t, NACE\_R2: Industry, construction and services except insurance activities of holding companies, UNIT: Number)

Historically the Slovenia-Hungary CBC area has good cooperation experience due to long lasting cooperation processes which started in 1995 when Slovenia became entitled to the pre-accession EU funds. According to INTERACT study towards cross-programme evaluation, thematic aspects of cross-border cooperation in Central and South-Eastern Europe: Understanding the added value<sup>3</sup>, compared to the overall picture for all analysed CBC programmes in Europe, the Slovenian-Hungarian programme stands out for the following reasons:

- all project partners who answered the survey have cooperated previously;
- the majority of projects are in the overall theme natural heritage utilisation;
- there is comparatively less interest in the theme of regional knowledge base;
- there is more of a focus on the themes such as:
  - promotion of cultural heritage
  - protection of natural resources and biodiversity and
  - water, waste, soil, brownfields, air;
- comparatively less weight is given to the theme of promotion of sustainable tourism;
- as an achievement, capacity building gets comparatively less importance while the importance of other achievements is similar to the overall picture for all programmes;
- the benefits of awareness raising, access to new solutions and commitment to new actions are given relatively more importance;
- relatively less importance is given to the benefit extended networks;
- the user groups of private sector and educational sector are given comparatively less importance;
- greater importance is given to individual citizens and the project partners themselves as user groups.

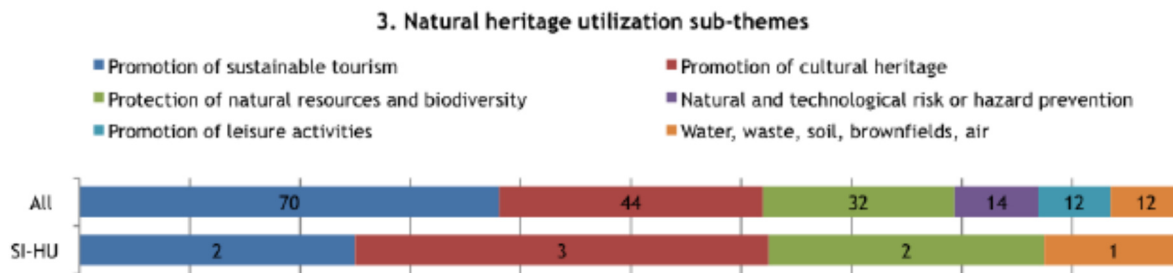
**Table 7: Cooperation themes SI-HU CBC programme**



Source: INTERACT Programme Secretariat on behalf of the Managing Authority, the Self-Governing Region of Bratislava, INTERACT Programme, June 2010, ISBN 978-80-970473-3-7

<sup>3</sup> INTERACT Programme Secretariat on behalf of the Managing Authority, the Self-Governing Region of Bratislava, INTERACT Programme, June 2010, ISBN 978-80-970473-3-7

Table 8: Cooperation themes of the SI-HU CBC programme



Source: INTERACT Programme Secretariat on behalf of the Managing Authority, the Self-Governing Region of Bratislava, INTERACT Programme, June 2010, ISBN 978-80-970473-3-7

Even if the dual language possibilities are established in Slovenia for the Hungarian speaking minority and for other participants the level of knowledge of Hungarian language in Slovenia is too low. Similarly may be said for Hungary. For both counties the number of Hungarian or Slovenian speaking population is too low to be detected by the statistical offices in both countries. Language barriers are still visible in the programme implementation. Most of the partners in the projects use English language to communicate and produce project results while both languages are used mainly for reporting and communication with authorities.

Altogether 43 projects were implemented in the course of the OP Slovenia-Hungary 2007-2013, within the frame of two Priority Axes, in two calls for proposals. The implementation of the Programme shows a pretty high concentration both in terms of the size of the projects and their thematic focus. The average project size of both calls was approximately 800.000 EUR, while the thematic areas addressed by the big majority of projects were:

- tourism/cultural heritage/cultural cooperation (around 20% of approved projects),
- environment/energy/natural heritage (around 25% of approved projects),
- e-service development (around 15% of approved projects).

On the other hand there was relatively low interest towards certain areas e.g. transport. Participants of stakeholder workshops have also emphasised tourism as a success area producing both big projects strengthening European identity of the region through improved awareness raising and small projects with people-to-people actions in culture and tourism.

#### f) Conclusions on determining factors

Table 9: Effects of CP on determining factors

Determining Factor	Effects	
	at programme level	at project level
Context factors characterising cross-border areas		
<b>Topographic / geographic nature of the common border</b>	The programme is developed for a small territory covering 4 NUTS 3 regions with small population. The common border is flat and very well accessible from all directions while the area is in near vicinity of developed areas in Austria, Slovenia, Slovakia and Croatia. Before entering of Hungary and Slovenia to Schengen area the border was well equipped with the border crossings while the cooperation started after changes in political systems 20/30 years ago. It can be said that border was hindering the cooperation on people to people level while there could be more cooperation developed on political level and on the level of business	<b>Cross border programme with Hungary was first developed through national programs in PHARE times and later under the trilateral programme among Croatia, Hungary and Slovenia. In the beginning of the cross border cooperation, projects were developed by the limited number of participants which is reasonable having in mind small funding for the CBC programme from the beginning. Under the 2 calls for Proposals of the cooperation programme Slovenia-Hungary 43 projects were contracted.</b>

	<p>communities of both countries. Some disparities may be seen in transport infrastructure and services that are weaker on the Hungarian side, so is the settlement density and network of villages and towns.</p> <p>Geographically the region is characterized mainly of alternating flat and hilly areas.</p> <p>The cooperation area is very rich in environmental resources and natural values: it has a diverse flora and fauna resulting in high biodiversity to be protected and managed by the their respective Management Authorities, such as National Park Directorates in Hungary and Public Institutes in Slovenia. The programme area is crossed by several important rivers (Mura, Drava, Zala and Raba) and contains parts of the south western shores of Balaton lake. The border region is rich in thermal and mineral waters. They are intensively used for touristic purposes or energy production, the thermal waters being one of the main elements on which the biggest touristic centres of the area were built upon.</p>	
<p><b>Political / administrative nature of the common border</b></p>	<p>The administrative governance of the territory is divided in NUTS 3 regions and municipalities. On the Hungarian side the regional administration on the level of Vas and Zala have regulatory powers; however the Slovenian regions on NUTS 3 level are for statistical means only. This influences the cooperation on the regional level, which causes some difficulties in larger preparatory and implementation initiatives. Especially addressing larger programmes and cooperation initiatives where policy level needs to be involved is lacking. The project level is not enough when addressing large problems or opportunities, the higher levels of governance will need to be involved in order to later give way to projects in implementing the policy decisions.</p>	<p><b>The programme contains some cooperation topics that will need to be addressed politically and on strategic level before going to the project level. For example, projects in CP SI-HU will not be able to develop and implement initiatives in transport or natural risks prevention if not consulted with national level in Slovenia. This may affect the time and in impact of the implementation of projects. Beneficiary organizations are very good implementing factors for the projects but they are not able to set policy decisions for the programme area. Even when the applicants are ministries and organizations of national level they are implementing projects to solve particular problem, not to set the policy.</b></p>
<p><b>Economic disparities</b></p>	<p>Economic disparities in the area are not that high to have large impact to cooperation. Similarly the challenges of the programme area are similar on both sides of the border. The area is known for less developed business activities and this needs to be addressed in full scale. As we stressed out in some stages there are several regions in the vicinity that are more competitive; this will need to be taken into account and the strategy of the programme area will need to be set to take necessary steps towards developing business dynamics in the area and building opportunities for growth, not just jobs. Business generation, R&amp;D, innovation, internationalization etc. processes in the programme area are weak while the NGO and public sector received support in previous programming periods. The neighbouring cross-border areas are both primarily rural, although the income levels are different. The industrial</p>	<p><b>Given the needs and potentials for the projects in both countries, the programme helps the project management to develop and implement projects with joint perception and strategies. Projects might address smaller number of target groups due to small funding under the programme, therefore the programme management needs to be very strong in ensure dissemination of results and lessons learned among larger population of the area to achieve the largest possible effect of the programme. Economic crisis in both countries might affect the project partners in terms of possibilities to implement projects and impact target groups. The economic capacity of partners, especially in the NGO community may be affected by the lower economic stability; this may also be seen in municipalities and institutions applying for funding.</b></p>

	and service centres are in the urban areas further inside the countries. Economic disparities do not present a barrier to development cooperation.	
<b>Existence of historic ties &amp; converging cultural / linguistic circumstances</b>	<b>Historically the ties between the countries are good and are positively affecting the cooperation. As said before this CBC programme has long history and partners are well known to each other. Language barriers are still an issue due low knowledge of Hungarian and Slovenian language. Due to this English language used in all communications among partners. Cultural barriers do not present a problem due to openness of the border and small differences in culture which is marked with territory of the CBC area. Minorities with ties to the neighbouring country live in both sides of the border which adds to cultural and day to day ties of the partnering countries.</b>	<b>Historic, cultural and linguistic circumstances are the assets that are used to add value and quality to projects and are used to form stronger partnerships. Language barriers may be seen in communication in projects and with target groups but this is being solved with translation or in English language.</b>

**g) The depth and intensity of co-operation, main factors fostering integration and means to promote positive factors or to overcome persisting obstacles**

The key factors fostering the integration can be seen in **long cross border cooperation tradition** and partnerships that were formed in previous programming period as seen in the analysis of the INTERACT. Moreover, several partnerships remain in the overall theme natural heritage utilisation in several projects. There are more projects developed with focus on the themes of promotion of cultural heritage, protection of natural resources and biodiversity and water, waste, soil, brownfields, air.

**Similar territorial, natural, rural situation** in both countries in the programme area may give potential for joint approaches and these lead to the opening opportunities and problems solving. Common natural resources and interconnected nature protection areas of Goričko/Őrség and other natural sites, as well as common watersheds are the key for integration to protect the living space, the biodiversity and quality of life for the inhabitants of the area and for the wider society.

**The area is well equipped with tourist infrastructure and facilities**, but these are concentrated in primary tourist areas. The rural, remote locations –although being rich in natural heritage, cultural heritage, old buildings and rural traditions - are not integrated into the touristic offer. The services of the main tourist centres are not very diverse: the offer is focused on spa and health tourism and the built heritage of the main centres. There is a huge potential in connecting the attractions of the remote locations to the offer of the main tourist centres, and in developing the necessary service infrastructure in the sparsely populated rural locations with small village structure.

**Skills in project preparation and management exist**, but should be developed further.

The key factors hampering integration and cooperation may be the result of quite tightly closed borders in the past.

**Whole CBC area is fragmented in urban and rural areas. A key to success will be the development of a business support services network and other public services from current “well-equipped” centres to smaller towns and rural areas, thereby connecting the remote rural areas and smaller settlements to the service centres of the urban areas. This network will need to play a role in animation and promotion of business development, entrepreneurship and social integration to find and grow ideas and innovation at home and merge smaller parts of the mosaic to larger regional and internationally recognizable products and services.**

**The differences in development of the area (internal disparities) affect the ability of partners to define expected project results** that would be applicable for different parts of the CBC area. This is also noticed by the project applicants who see different needs of people and regions. This may affect their ability both today and in the future to find suitable partners on the other side of the border as well as to understand the project issues (needs and constraints of the target groups).

**Institutional, administrative and regulatory frameworks on both sides of the border do affect the integration.** This affects cooperation later in the project preparation and implementation phase especially in the subjects where higher level of agreement is necessary before any action can take place. There is the necessity to harmonise the **institutional, administrative and regulatory frameworks**.

The lack of political discussion is also a factor for **asymmetries between the actors involved in the programme implementation** due to knowledge and mental barriers of the representatives of the organizations involved on all levels of cooperation (there are no long term policy and joint measures developed in nature conservation, water management etc.). Lower levels of programme (operations) have less mental barriers for cooperation since they see the opportunity for their project idea to be financed, but the policy decisions need to be done beforehand.

**Language barriers are visible in the programme implementation.** Most of the partners in the projects use English language to communicate and produce project results while their own language is used mainly for reporting and communication with authorities.

Cross-border areas must be considered within territorial dimension of the climate change, the intensity of disastrous natural hazards, the ecosystems (all this does not stop at the border), the shifting to more sustainable transport as well as the accessibility (cross-border transport networks, missing cross-border connections / links in the transport network).<sup>4</sup>

Table 10: Addressing the challenges of the CBC regions with the cooperation programme SI-HU

Priority	Specific objective and desired result	Addressing challenges of the CBC regions
<b>Priority 1 Attractive Region</b>	<p><u>Specific objective:</u> To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.</p> <p><u>Desired result:</u> The programme aims to reach a higher level of development of sustainable forms of tourism in the remote, rural regions of the programme area, while building on the experience and attractiveness of the important tourist centres located here.</p>	<ul style="list-style-type: none"> <li>• Different administrative structures and competences; dissimilar fiscal and social legislation; different spatial planning and planning laws and varying environmental and waste legislation;</li> <li>• Unresolved everyday border problems and absurdities;</li> <li>• Different transport systems, which are not geared to the requirements of the cross-border internal market;</li> <li>• Diverging labour markets, wage structures and social systems;</li> <li>• Growing cross-border tourism in conflict with nature conservation and protection of the environment;</li> <li>• Difficulties in cross-border vocational training, which creates a lasting barrier to an open European internal market and a cross-border labour market;</li> <li>• Prejudices, stereotypes, and inadequate empathy and understanding of the different characteristics of the own neighbours.</li> </ul>

<sup>4</sup> Opinion of the AEBR on the 6th Report on economic, social and territorial cohesion (6th Cohesion Report)



Priority	Specific objective and desired result	Addressing challenges of the CBC regions
<b>Priority 2 Cooperative Region</b>	<p><u>Specific objective:</u> To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations</p> <p><u>Desired result:</u> Further deepen and expand the cross-border cooperation between institutions and organizations from the two sides of the border, by increasing the institutional capacity of the stakeholders in delivering better quality public services and exploit the potentials of cross-border relations.</p>	<ul style="list-style-type: none"> <li>• Different administrative structures and competences; dissimilar fiscal and social legislation; different spatial planning and planning laws and varying environmental and waste legislation;</li> <li>• Unresolved everyday border problems and absurdities;</li> <li>• Different transport systems, which are not geared to the requirements of the cross-border internal market;</li> <li>• Diverging labour markets, wage structures and social systems;</li> <li>• Difficulties in cross-border vocational training, which creates a lasting barrier to an open European internal market and a cross-border labour market;</li> <li>• Prejudices, stereotypes, and inadequate empathy and understanding of the different characteristics of the own neighbours.</li> </ul>

The programme tends to address most of challenges seen by the public living in the CBC area on EU wide level. The key will be to find sound and workable solutions to the defined problems that still exist even if the cooperation is established in the programme area for several years already. The key is in finding suitable solutions for the future competitiveness of the programme area in question.

## 6. Programme strategy: Consistency of programme objectives with challenges and needs - Quality of analysis of the programme area

### h) General conclusions and recommendations

**Geographic similarities** within programme area are adequately addressed and **national level context is provided** for the participating regions by providing information how the regions in the programme area compare with Slovenia and Hungary respectively. The **potential influence of neighbouring regions** (for example, their competitiveness and impact on the job migrations) has probably been taken into account, but it is not specified in the analysis of the programme area.

In general, all **necessary aspects are covered in the analysis** and the chapter is focused on key challenges. Data provided are detailed enough to support the findings as described in the chapter. In the process of preparation of the CP SI-HU, **most of the ex-ante recommendations have been considered**, for example, more information on capacity for entrepreneurship, business and social initiatives, employment initiatives and trends in tourism was added. However, a thoughtful **reflection on human resources and workforce / employment in tourism sector** is missing.

The **difference in data availability and collection** between Slovenia and Hungary has been accounted for and should be further considered in arrangements for monitoring of the programme.

On the basis of findings, the following **general recommendations** were made:

- Context of wider neighbourhood of the programme area should be added,
- Some information on human resources in tourism sector should be added to better support the decision to support activities for development of tourism,
- Care should be taken that programme monitoring arrangements account for the differences in data collection in both countries.

### i) Detailed presentation of recommendations for the analysis part of the programme

Table 11: Recommendations for the analysis part of the programme

Part of analysis	Comments and recommendations
<b>Environment and energy</b>	<p><u>Data missing or inappropriate:</u></p> <ul style="list-style-type: none"> <li>• Several areas from the analysis are covered from the mainstream national challenges that do not have potential or need for the CBC cooperation. But again there are some initiatives that may be or more tangible to CBC cooperation (impact from transport, negative effects of tourism and similar).</li> </ul> <p><u>Key questions from the analysis:</u></p> <ul style="list-style-type: none"> <li>• To what extent can tourism be further developed on the basis of natural and cultural heritage?</li> </ul> <p><u>Important messages from the target group meetings:</u></p> <ul style="list-style-type: none"> <li>• There is already quite some cooperation for nature conservation, but it might be quite dispersed. Some examples of best practice are present in the region.</li> </ul> <p><u>Findings on consideration of recommendations:</u></p> <ul style="list-style-type: none"> <li>• The analysis was improved with strong focus on data and issues directly relevant in CBC context, including data from regional level in both countries. Presentation value of the analysis has increased and is more relevant for highlighting the strategy of the CP.</li> <li>• Information on heritage is clearly presented.</li> </ul>
<b>Demography and social well-being</b>	<p><u>Data missing or inappropriate:</u></p> <ul style="list-style-type: none"> <li>• There are several factors affecting the demographic picture of the programme area, such as potential for normal living conditions in terms of personal income, internal and external accessibility of the regions and its social dynamics.</li> </ul>

Part of analysis	Comments and recommendations
	<ul style="list-style-type: none"> <li>The analysis presents several topics but a more detailed presentation for understanding possibilities of local inhabitants to be active, engaged in innovation processes would be more useful.</li> <li>Presentation of different vulnerable groups was missing.</li> </ul> <p><u>Key questions rising from analysis:</u></p> <ul style="list-style-type: none"> <li>Possibilities for innovation and personal development, access to life-long learning, internet, libraries, social clubs and similar needs to be understood in order to understand the quality of life in rural and in urban areas.</li> <li>Current social practices need to be understood from public participation to social networks and possibilities of people to engage in projects, initiatives and voluntary schemes for certain needs and issues.</li> <li>There are several vulnerable social groups which need further attention and understanding.</li> </ul> <p><u>Important messages from the target group meetings:</u></p> <ul style="list-style-type: none"> <li>Entrepreneurship and innovation capacity is very low in the programme area.</li> <li>The diversity of jobs in the programme area is low.</li> </ul> <p><u>Findings on consideration of recommendations:</u></p> <ul style="list-style-type: none"> <li>Vulnerable social groups and minorities are presented.</li> <li>Migrations are presented in a way to support demographic data, and an overview of quality of life is presented with a range of data.</li> <li>More data were used and the presentation of the key issues has greatly improved. Information on impact of neighbouring regions, especially Austria on demography and work migration is missing.</li> </ul>
<b>Accessibility</b>	<p><u>Data missing or inappropriate:</u></p> <ul style="list-style-type: none"> <li>Presentation was more focused to external accessibility of the programme area while some data and presentation of internal factors would be appreciated.</li> <li>Some data on current infrastructure (capacities, quality) may be used to support the statements in the analysis.</li> <li>Users and capacity of transport network must be addressed in order to understand if the current transport infrastructure is good enough or it needs improving.</li> <li>Existing services and their use may be presented using the transport network to understand necessary improvements of services in future.</li> </ul> <p><u>Key questions rising from analysis:</u></p> <ul style="list-style-type: none"> <li>Better presentation of current and future accessibility needs and use of transport means would better present the real need for the development of new infrastructure.</li> <li>More data should be included to support challenges stated in the OP.</li> <li>CBC region needs to build its internal transport services and infrastructure based on interoperability and intermodality and build services that will serve the needs of inhabitants, tourists and business.</li> </ul> <p><u>Important messages from the target group meetings:</u></p> <ul style="list-style-type: none"> <li>Public transportation is scarce and does not reach across the border.</li> <li>The main transport corridors enable fast access to the region, while internal connections are slower.</li> </ul> <p><u>Findings on consideration of recommendations:</u></p> <ul style="list-style-type: none"> <li>The chapter has focused on internal accessibility and mobility by different modes of transport.</li> <li>Current infrastructure is described.</li> <li>The context of infrastructure and accessibility for tourism development is described.</li> </ul>
<b>Economy and labour market</b>	<p><u>Key questions rising from analysis:</u></p> <ul style="list-style-type: none"> <li>Economic analysis is very well done and presents several aspects that are necessary to characterize the situation in the area. The parts of National characteristics of R&amp;D</li> </ul>

Part of analysis	Comments and recommendations
	<p>activities and business infrastructure should also present the use of these projects rather than only facts that it exists.</p> <ul style="list-style-type: none"> <li>• Presentation of users and availability of support infrastructure (business incubators, technology parks) could give better understanding what is necessary to be addressed by programs etc.</li> </ul> <p><u>Important messages from the target group meetings:</u></p> <ul style="list-style-type: none"> <li>• The diversity of economic activity of labour market is very low.</li> <li>• Innovation capacity in the region is low.</li> </ul> <p><u>Findings on consideration of recommendations:</u></p> <ul style="list-style-type: none"> <li>• The analysis was improved with more information on business demography, entrepreneurship, access of labour market to vulnerable groups and similar.</li> </ul>
<p><b>Tourism</b></p>	<p><u>Data missing or inappropriate:</u></p> <ul style="list-style-type: none"> <li>• Analysis of the tourism is very well done and presents several aspects that are necessary to characterize the situation in the area.</li> <li>• The part of culture in the CBC region is missing or is not analysed. Culture may be interesting to understand the potential to relate the cultural capital to business and rural development and potential for people-to-people actions.</li> </ul> <p><u>Important messages from the target group meetings:</u></p> <ul style="list-style-type: none"> <li>• Tourism is focused on several centres, mostly wellness and spa centres.</li> <li>• Tourist offer is not very diverse, but gradually new forms of tourism are developing.</li> </ul> <p><u>Findings on consideration of recommendations:</u></p> <ul style="list-style-type: none"> <li>• The analysis was improved with more detailed data and information on tourism-related projects from the past programming period.</li> </ul>

**j) Cross border aspects covered by suggested investment priorities**

CP SI-HU focuses on the following topics:

- **high level of conservation natural and cultural heritage**, recognised on international, national and regional level provide strong identity of the programme area and are good basis for development of sustainable tourism,
- **increased awareness of the natural and cultural heritage** of the programme area and **capacity** for its use for **joint development of tourist products and services**,
- **tourist offer linking current tourist centres (magnets) to more rural, remote, underdeveloped but heritage-rich areas** in order to increase tourist stay in the area and provide opportunities for economic development of these areas,
- strengthening of the existing and creation of new **cross-border cooperation between public institutions an civil society institutions** in order to improve environmental protection, energy issues, accessibility, social services and healthcare, spatial planning and regional development, civil protection and common risk prevention and management, cultural cooperation, cross-border mobility of the workforce, access to employment and education, vocational training, lifelong learning and collaboration on the level of civil society. Among these activities, targeting of the vulnerable groups is envisaged.

Aspect	Comment
high level of conservation natural and cultural heritage	<p>Higher level of conservation may be of assistance to the development of tourism in the region but programme should focus on developing local approach and practices for sustainable management and use of heritage for tourism development in order to maintain their heritage value. Several nature conservation and cultural heritage projects were funded by now and results should be presented to show how further investments in conservation will help in developing new products and services through local engagement and business development.</p> <p>Public institutions and civil society organisations are the beneficiaries that can prepare and obtain funding for their projects. However, it is even more important that the actions are focused on (indirect) support to revenue generating products and services for conservation in relation to tourism.</p>
increased awareness of the natural and cultural heritage and its use for joint development of tourist products and services	<p>Common branding should be already developed since the programme has been implemented for quite a while. There should be a clear understanding of implications of establishing a cross-border brand.</p> <p>Support for development of tourist products and services will be given to public institutions and civil society organisations as the beneficiaries of the programme. However, it is unlikely that they could provide sustainability of results and take care of further offering of the developed tourist products and services. As a result, businesses should be included as a target group which will provide them in a sustainable way; this will help the economic growth of the programme area.</p>
tourist offer linking current tourist centres (magnets) to more rural, remote, underdeveloped but heritage-rich areas	<p>Tourism may not be the only integration resource of the rural and urban parts of the programme area. The programme may offer several coordination and integration initiatives to link and coordinate whole area internally and develop internal local development network that would bring the services from current highly addressed areas to poorly addressed areas. Besides tourism, these could be business support, infrastructure and services, logistics, trainings and several others..</p>
cross-border cooperation between public institutions and civil society institutions	<p>The CBC programme Slovenia-Hungary is an old programme that is investing in cooperation for at least 15 years. In order to understand what further investments are necessary in terms of institutional capacity after this time, the programme had to build on results achieved in the past programming. The programme has not made substantial shift towards supporting involvement of private entities and projects that will directly help generating revenues in the region, however, some efforts will be done on the implementation level through the design of call for proposals. The cooperation among public institutions should be focused to clearly selected topics where cross border cooperation is sensible and could strongly complement the activities on the national and regional level (e.g. risk management, data exchange etc.).</p>

### **Conclusions and recommendations**

- Analysis of the programme is providing supporting information that shows the needs for the selected investment priorities and expected results. Moreover, compares the programme area very well to the national level in both countries.
- Analysis could be complemented by brief overview of impacts of trends in the neighbouring regions, especially Austria, on the development of the programme area. There seem to be strong impacts on demography, economic development and innovation.
- Private sector needs to be involved in the programme implementation in order to start building revenue generating projects and improve long-term sustainability, especially in tourism development. Since SMEs are listed as target groups, it should be ensured that they actually actively participate in the projects.
- Social dialogue could be used for better management of the programme area. The opportunity for this is in supporting cooperation between the beneficiaries and the target groups of the two programme priorities. Such approach would be probably more demanding also for the MA and JTS, but it could, among other, improve the quality of public administration and provision of public services.

#### **k) Other aspects of cross border cooperation not covered with investment priorities**

The traditional concept of national border is developed out of a protective function; from a legal standpoint, borders represent a line where the sovereignty of states ends. Border regions are typically peripheral in many of their nation's spheres: the economy, transport, culture and population density often declined as one moved from the centres of a state to the border. Throughout Europe, the peripheral location of border regions within their respective country frequently leads to imbalances in comparison with the degree of economic concentration in central regions and urban areas. With a few exceptions this turned the border regions into structurally weak areas with non-existent or inadequate development in terms of roads or railways and economy.

The programme area is no exception to these findings, therefore these issues should be addressed. The main weakly represented issue only indirectly covered by the CP SI-HU programme is support for entrepreneurship and businesses. Demographic change and migration from the programme area is related to shortage of alternative and high-quality jobs. These issues are addressed mainly by activities aiming to improve the cross-border mobility of the work force in the programme area, increase the access to employment and training (e.g.: language courses), vocational trainings, vocational orientation, lifelong learning, education for people with special needs, etc. While these activities are important, entrepreneurship might be the missing issues, as the main problem of the area is the low availability and low diversity of jobs in the programme area.

Providing support for entrepreneurship would help to create and expand businesses and create new employment opportunities and enable young people who leave for the studies to return to the area. This will be indirectly possible through support for development of tourism products and services, but it is focused on a narrow field and the effect is diminished by indirect involvement of potential entrepreneurs – they are a target group and therefore success largely depends on the project partners' efforts related to that target group. Thus, during the programme implementation care should be taken that the SMEs and entrepreneurship support are strongly addressed by the projects wherever possible.

Under TO 11, exchange of experience, empowerment, advocacy and capacity building for cross-border cooperation in different fields is addressing also accessibility in terms of harmonization of cross-border public transport. However, accessibility and mobility are wider issues that have to be addressed beyond provision of public transport and infrastructure for alternative modes of transport (e.g. cycle paths). Besides intermodality of transport, freight transport could be an issue for provision of locally produced goods. These issues could as well be addressed in projects in the field of spatial planning and regional development, but that will largely depend on the applicants.

#### **l) Relation with other relevant instruments**

In the chapter "1.1.1. Policy framework of the Programme", the Programme has considered macro-regional country and region specific programmes, strategies and recommendations that are relevant in the cross-border cooperation context. These are:

- the EU Strategy for the Danube Region (EUSDR),
- National level strategies and programmes:
  - Development Strategy of Slovenia 2014-2020,
  - National Reform Programme of Slovenia 2013-2014,
  - National Reform Programme of Slovenia 2014-2015,
  - National Reform Programme 2014 of Hungary,
  - National Development and Regional Development Concept 2020 of Hungary (OFTK)
  - Smart Specialization Strategy of Slovenia,
- Regional strategies and programmes:
  - draft Regional Development Programme of Pomurje for 2014-2020,
  - draft Regional Development Programme of Podravje for 2014-2020,
  - draft Regional Development Plan of Zala county for 2014-2020,
  - Regional Development Concept of Vas county.

No further details are presented on how these strategies and programmes were taken into account, except for the EU Strategy for the Danube Region, which is presented in further detail in chapter "Contribution of planned interventions towards macro-regional and sea basin strategies". The EU Strategy for the Alpine Region

(EUSALP) could be included as well because of Pohorje, but it is relevant only for small part of the programme area. The **strategies and programmes listed above may have strong impact on the programme area and implementation of the CBC programme in the planned period.** Clear understanding of these strategies may also help in later understanding of **implementing capacity**, actions needed for the programming area to be able to implement the interventions planned and potential synergistic effects between different strategies and programmes. Thus, **complementarity needs to be ensured during programme implementation** when the details for open call for proposals will be prepared.

Information is missing **whether Rural Development Programmes and CLLD were considered** during preparation of the CP SI-HU. These programmes and concepts **could provide synergies** for the implementation of the programme, thus it would be useful to show their **possible strengths and opportunities** and of these approaches for the programme area. This may be done later in the preparation stage for call for proposals. Closer relationship with CLLD concept may be very helpful, especially in implementation of activities under the TO 6c.

Apart from all these strategies programs the **possible competition and impact may also be expected in areas where several programs overlap geographically**, in this case the programmes in the border areas with Austria and with Croatia. Evaluation of the programme implementation needs to include **evaluation of effects of the overlapping programmes** and amend one of the programmes if necessary. The border area with Austria has especially strong impact on employment and migrations of labour force, as well as trends in tourism.

## **7. Challenges and needs in relation to Europe 2020 objectives - Justification for the choice of thematic objectives and corresponding investment priorities**

The chapter on contribution of programme strategy to Europe 2020 and cohesion policy is very general and does not assess the amount of contribution to individual thematic objectives. Justification of selection of the thematic objectives and investment priorities is provided, but an explanation why some of other issues, fit to other thematic objectives of Europe 2020 Strategy have not been included in the programme. Contribution to growth types and thematic objectives of Europe 2020 and justification are shown in the tables below.

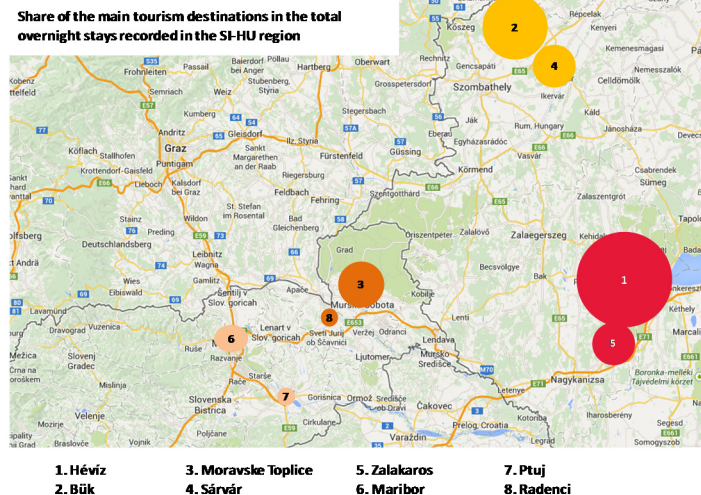
**Table 12: Contribution of CP SI-HU to the growth types and thematic objectives of Europe 2020 strategy**

Growth segment	Thematic objective of the Europe 2020 Strategy	Investment priority	CP Priority Axis	Comment
Smart growth		/	1, 2	CP describes that it will contribute to knowledge and innovation based tourism development (new, high quality products and services with cutting-edge technologies; bilateral cooperation); knowledge sharing in cooperation actions
Sustainable growth	(6) protecting the environment and promoting resource efficiency	6(c) Protecting, promoting and developing cultural and natural heritage	1	CP describes that it will contribute to preservation and sustainable utilization of cultural and natural values and resources by promoting resource efficient, greener and more competitive tourism development (green tourism brand)
Inclusive growth	(11) enhancing institutional capacity and an efficient public administration	11(b) Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	2	CP describes that it will contribute to tourism development (as labour intensive economic sector) in remote areas delivering social and territorial cohesion, promoting cooperation, by cooperation by involving also new actors from the public and civil word in addressing jointly important policy fields and in combatting against climate change, poverty and social exclusion, based on participatory approach and large stakeholder involvement.



Selected thematic objective	Selected investment priority	Justification	Comment
TO 6 Environmental protection & resource efficiency	6(c) Protecting, promoting and developing cultural and natural heritage	<ul style="list-style-type: none"> <li>Tourism is already one of the driving forces of the Region, and also a key endogenous sector for development, bringing a clear socio-economic added value for the border region.</li> <li>The cooperation area is very rich in environmental resources and natural values (it has a diverse flora and fauna resulting in high biodiversity to be protected), therefore the protection and sustainable utilization of the natural values is of utmost importance.</li> </ul>	<p>Tourism plays a very important role in the economy of the Region. According to the latest territorial data (2012), more than 1.5 million tourists spent closely 5.4 million overnight stays in the Slovenian-Hungarian border region. The average length of stay was 3.45 nights, significantly higher than the Hungarian and Slovenian national averages. On the other hand, the ratio of foreign overnight stays was 49% (below the national averages), indicating that the area is far from fully exploiting the cross-border opportunities. The weight of the Hungarian side in the tourism flow of is significantly larger: more than 2/3rd of the tourist arrivals and 72% of the overnight stays are realized in this side of the border.</p> <p>The cooperation area is very rich in environmental resources and natural values: it has a diverse flora and fauna resulting in high biodiversity to be protected and managed within national parks, nature parks and numerous protected areas and Natura 2000 areas are contributing to the maintenance of natural heritage. The most important nature park in the programme area is the trilateral Goričko (SI) – Őrség (HU) – Raab (AT) Nature Park, unique for its cross-border character, but there are other well-known and appreciated areas, as Írottkő Nature Park and Šturmovci Nature Park. The rates of NATURA2000 areas calculated based on the total territory are below the national averages except Pomurje (37.2%) – Podravje has the least of its territory classified as protected, only 6.2% enjoying this status, compared to 31% Slovenian national average; in Hungary, the national average of protected areas is 15%, Vas county being close to this value with 14.2%, while Zala county is considerably lagging behind with 6.7%.</p>

Selected thematic objective	Selected investment priority	Justification	Comment
		<ul style="list-style-type: none"> <li>The region benefits of the operation of several large touristic centers with high number of visitors/guests, but their offer is restricted to the wellness and spa services delivered in the centers. Additional potential attractions/services from the larger region are not visible or needing further development to be included into their general offer</li> </ul>	<p>The existing highway system of countries provides an easy access to the region for both goods and people, but the inner connectivity of the road and railway infrastructure needs improvement in order to provide better accessibility for the remote areas. The public transport service is poor internally in the regions and in the cross-border transport. The bus services are limited to connecting Budapest and Ljubljana, with only one stop in the border area at Nagykanizsa. As bus transport facilities on the two sides of the border are not connected to one another (no physical connection of the stations, no harmonized timetables), bus transportation does not support the stimulation of the border traffic.</p> <p>The tourism products are mainly driven by natural values: the main tourism products are built on the outstanding natural resources. The territory is rich in thermal waters, therefore health / medical / wellness tourism are the most important tourism products attracting the largest number of tourists in both sides of the border (key destinations: Hévíz, Bük, Zalakaros, Sárvár, Moravske Toplice, Radenci, Lendava). It is a unique feature of the border region that both summer and winter holiday resorts are available here: Lake Balaton is the most popular summer holiday destination in Hungary, while for winter tourism Mariborsko Pohorje is a popular destination being one of the most famous ski resorts in Slovenia.</p>



Selected thematic objective	Selected investment priority	Justification	Comment
		<ul style="list-style-type: none"> <li>Being a labour intensive sector, tourism can contribute to create new/more/qualified job in sectors in difficulties (e.g. agriculture) and in less developed parts of the region (rural areas, small towns)</li> <li>Sustainable tourism development is in line with the challenges and needs of the border region with clear cross-border dimension.</li> </ul>	<p>Structurally, the Region is characterized by rural settlements, and most of the bigger urban centers have a peripheral location in geographic terms. In Hungary more than 95% of the settlements are rural, concentrating more than 60% of the population in villages/small towns below 5000 inhabitants. Another characteristic of the region is the concentration of the population in the major urban centers, this concentration being the most significant in Podravje region, where more than one third of the population lives in Maribor (36%). The situation is similar in Vas county where 30% of the population lives in the county capital Szombathely. Agriculture enjoys a relatively large share compared to national and Western European figures, exceeding 7% in Vas and Zala counties and Pomurje region. The industrial sector (excluding construction) is important for the Gross Value Added especially in Vas (39%), which is the most industrialized county of Hungary, followed by Zala (35%), Slovenian regions of the Programme reach a 23-24% share, close to the national average.</p> <p>On the NUTS 3 level regions are focusing their development to different sectors and strategies while tourism development is one common aspect visible among all partners and it may be concluded that this strategy plays clear cross-border dimension for all. <u>Pomurje</u> is focusing its measures for the 2014-2020 period to food chains, agriculture production and <b>sustainable tourism</b>. <u>Podravje</u> is focusing to economic competitiveness, inclusive society and prosperity, environmental protection and transition to low-carbon economy, <b>sustainable tourism</b> and rural development. <u>Zala county</u> outlines three main long-term objectives for the development of the county through promoting SMEs and large multinational corporates but also by strengthening traditional industries, employment and social cohesion through establishing flexible education-frames supporting both future-oriented and <b>traditional economic branches</b> and to develop a “liveable” Zala county based on <b>healthy, attractive</b> and human centred built and <b>natural environment</b>, supported by state of the art institutional structure and services. <u>Vas county</u> development objectives are focused on employment and development of labour intensive economic activities, investment in R&amp;D and education, and strengthening special fields of regional economy such as <b>tourism, local public services</b>, use of renewable energy.</p>

Selected thematic objective	Selected investment priority	Justification	Comment
TO 11 Institutional capacity building & efficient public administrations	11(b) Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	<ul style="list-style-type: none"> <li>Strengthening cross-border cooperation of the institutional stakeholders contributes to a balanced, harmonious development of the two sides of the border.</li> <li>Cooperation between actors of the two sides of the border can provide strong added value to the development of the region, however. Capacity building, empowerment are important preconditions to enable public and private organizations to jointly address common problems, to learn how to work together.</li> </ul>	<p>There are not a lot of institutions with cross border cooperation practices in the programme area. One of them is the Protected Area - the trilateral Goricko – Ōrség – Raab Nature Park, which forms a border region unique in Europe: the cooperation of three nature parks covering in total 105,200 ha territory of protected areas in Austria, Hungary and Slovenia. The Memorandum of understanding of Partnership between all three Parks was signed in 2006. At cross border level the protection of environmental values (natural parks, rivers, thermal water) is implemented via this cooperation while several other forms of cooperation will need to be developed in future for efficient management of the area and providing services to citizens and businesses. One of the options is to preserve the existing flora and fauna, while others are to improve services with environmental interest which are connected to different sectors like tourism, transport, local handmade products etc. Some opportunities lie in transport services where interoperability between Hungary and Slovenia is barrier-free due to the Schengen zone regime.</p> <p>Cross border cooperation will also need to address demographic trends that are alarming in the Programme area. Depopulation due to the natural loss and the significant migration flow (which has been worsening in recent years), especially in the Slovenian part of the border region, and an ageing society characterise the border region. The territorial disparities within the region are also reflected in the employment trends. While the unemployment rate of Vas county is significantly below the national average, Zala county faces more difficulties with unemployment, showing a significantly worsening tendency. Pomurje and Podravje regions are laggards among the Slovenian regions. The urban centres offer work to the local labour force and serve as commuter targets for surrounding municipalities. The unemployment rate is significantly higher in the more peripheral areas, i.e. away from the main economic-transportation corridors, with less developed infrastructure and small villages. The labour market migration is high in the region, especially among skilled people, as in the programme area less jobs are available for people with higher educational attainment than at national level. Neighbouring regions in Austria have a significant impact on labour migration.</p> <p>The tourism management system is quite well-functioning in Zala County, while it is less developed in Vas County. In the previous programming period the Tourist Association of Pomurje continued activities regarding its transformation into a regional tourism organization that will implement all the functions of the destination organization in accordance with the development guidelines of Slovenian tourism. This need and potential of common tourism development has been already recognised by tourism actors of the border region; cooperation and joint tourism development have been boosted by the previous cross-border cooperation programme, and actors have taken steps towards creating a joint regional tourism destination. As an example for the cooperation of the tourism supply elements on the Slovenian part of the border, there are close to 20 hiking theme trails connecting the natural and cultural sites (e.g. wild garlic trail, sweet trail, wineries trail). The cross border cooperation has no limits in jointly addressing common problems and to learn how to work together. After several years of cooperation this must be a focus of the 2014-2020 period to engage in efficient cross border management of joint challenges.</p>

- Recent changes in public administration structures, consequently in their tasks and responsibilities, makes even more important to exchange good practices, working methods, operational tools. Cooperation is also a learning process for both public and private organizations, necessary to create innovative and competitive services to address new societal challenges. The selected TO / IP provides appropriate answers for the identified challenges and needs, as it targets an increased, harmonized collaboration regarding the most important policy fields of the region.

Altogether 43 projects were implemented in the course of the OP Slovenia-Hungary 2007-2013, within the frame of two Priority Axes, in two calls for proposals. The big majority of projects were tourism/cultural heritage/cultural cooperation (around 20% of approved projects), environment/energy/natural heritage (around 25% of approved projects), e-service development (around 15% of approved projects) while there was relatively low interest towards certain areas e.g. transport. The respondents of the survey conducted amongst a wide circle of applicants and other stakeholders in the launching phase of the programming considered knowledge sharing (exchange of experience and information, transfer of good practices) as the most important achievement of cross-border cooperation. The importance of effective common project implementation based on clear tasks and responsibilities, active participation of the partners, smooth cooperation, communication and trust, as well as common risk management was also emphasized.

## 8. Consistency of programme objectives

Programme consists of 3 priorities and 2 thematic objectives. Each priority has its own specific objective.

Table 13: Architecture of the programme

Priority	Thematic objective (TO) and	Specific objectives	Investment priority
<b>Priority 1 Attractive Region</b>	Environmental protection & resource efficiency	To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.	6(c) Protecting, promoting and developing cultural and natural heritage
<b>Priority 2 Cooperative Region</b>	Institutional capacity building & efficient public administrations	To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations	
<b>Priority 3 Technical Assistance</b>		Contribution to the efficient implementation of the Cooperation Programme	

### m) General conclusions and recommendations

The programme **improved consistency in the process of programming and public participation**. Several needs identified in the programme area have been discussed in Task Force meetings and presented in the public participation process. CP SI-HU **is consistent with the EU policy level and is focused to all three major objectives** of the EU for the period until 2020; in particular priority 1 will mostly contribute to sustainable growth, while priority 2 will mostly contribute to inclusive growth. In the process of programme preparation, those TOs were selected that are in the interest of most participating partners and in line with the analysis of the programme area. Decision on TO 6 (protecting the environment and promoting resource efficiency) was weighed against TO 8 (promoting employment and supporting labour mobility), but TO 6 prevailed as it includes possibility of SME and business development in the field of tourism as well as protection of heritage. **During the implementation, care should be taken that SMEs will be appropriately targeted and included as target groups on project level.** This is important both because of the decisions taken in the programming process and for achieving the selected objectives and target values of the indicators.

The programme has been prepared alongside with the preparation of **partnership agreements of Slovenia and Hungary** and is consistent with them, too. Most of the **country specific recommendations on National Reform programmes** for Slovenia and Hungary are irrelevant for the CP SI-HU as they deal with issues such as banking, fiscal reform, taxation, pension reform and similar. However, the programme will contribute to the following country specific recommendations, shown in the next table.

**Table 14: Contribution to the country specific recommendations on National Reform Programmes**

Recommendation	Country	Comment
Address skills mismatches by improving the attractiveness of vocational education and training and by further developing cooperation with the relevant stakeholders in assessing labour market needs	Slovenia	Priority 2 will among other focus on activities that improve the cross-border mobility of the workforce in the programme area and increase the access to employment and training, as well as cross-border cooperation in the field of education, exchange of experiences; vocational trainings, vocational orientation, lifelong learning, education for people with special needs etc. Projects might be selected that support training and education for improved skills and employability, and/or improve support for job-seeking and employment. Contribution of the CP to the CSR will largely depend on the projects selected and their quality.
Strengthen well-targeted active labour market policy measures	Hungary	Priority 2 will among other focus on activities for cross-border cooperation in the field of education, exchange of experiences; vocational trainings, vocational orientation, lifelong learning, education for people with special needs etc. Projects might be selected that will improve the attractiveness of vocational training and usefulness of skills gained and some might target different vulnerable or disadvantaged groups. Contribution of the CP to the CSR will largely depend on the projects selected and their quality.
Implement a national strategy on early school leaving prevention with a focus on drop-outs from vocational education and training. Put in place a systematic approach to promote inclusive mainstream education for disadvantaged groups, in particular Roma. Support the transition between different stages of education and towards the labour market, and closely monitor the implementation of the vocational training reform	Hungary	Priority 2 will among other focus on activities for cross-border cooperation in the field of education, exchange of experiences; vocational trainings, vocational orientation, lifelong learning, education for people with special needs etc. Projects might be selected that will improve the attractiveness of vocational training and usefulness of skills gained and some might target different vulnerable or disadvantaged groups. Contribution of the CP to the CSR will largely depend on the projects selected and their quality.

Programme has a defined vision and four specific aims to be achieved in the programme area:

- **Overall vision of the Programme:** to become an attractive area for living, working, investing, undertaking through better capitalizing on existing natural and cultural assets in tourism catalysing the development of the whole region on one hand and on the other jointly addressing those common problems which call for common solutions at CBC level.
- **Specific aims:**
  - Better usage of under-exploited natural and cultural values through cooperation in tourism, as the Region's key competitive, labour-intensive sector.
  - Create/strengthen local economy (workplaces available locally, new enterprises, entrepreneurship) in rural areas through sustainable tourism development by interlinking remote cultural and natural heritage spots and connect them to larger tourism destinations, magnets
  - Further develop the "green and liveable" region brand of the CBC area through preserving, revitalizing and valorising natural and cultural resources and improving stakeholder cooperation and social, economic and institutional connections
  - Extending the cross-border cooperation by strengthening the institutional capacities of public and civil stakeholders in mutually important fields of public policies and services

**The vision and specific aims are clearly focused on heritage, its use for development of tourism and the role of tourism in local economy.** Such focus of the programme is understandable in the view of very small budget for its implementation. The aim of strengthening local economy through sustainable tourism is providing for support to SMEs as discussed in the initial stages of programme preparation. Establishing a region brand might take long time, longer than the programme period, and therefore it cannot contribute directly to achieving specific objectives under each TO. However, initiatives that will support visibility of the unique features of the programme area will help setting the context for brand development. Moreover, development and branding of specific products and services might help to establish a regional brand later on.

**n) Detailed presentation of recommendations for the strategy of the programme**

Consistency of the specific programme priorities is shown in the table below.

**Table 15: Consistency of specific programme priorities**

Priority	Thematic objective	Specific objectives	Investment priority
Priority 1 Attractive Region	Environmental protection & resource efficiency	To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.	6(c) Protecting, promoting and developing cultural and natural heritage
<b>Type and examples of actions to be supported under the investment priority:</b> as listed in the chapter on short presentation of the programme (table 1).			
<b>Main target groups supported under the investment priority:</b>			
<ul style="list-style-type: none"> <li>• SMEs and individual service providers active in the sector of tourism or related services</li> <li>• Local communities</li> <li>• Tourists and visitors from the main touristic centers/magnets and from outside the programme area</li> </ul>			



### Types of beneficiaries supported under the investment priority

- Local, regional public and state public administrations/institutions, and their organizations, such as national/natural park administrations, forest authorities, cultural institutions, museums, local action groups, organizations competent in the field of transport, etc.
- State owned companies
- NGOs, non-profit organizations (including legal entities established by private law with non-profit status and purpose of operation), tourism associations, tourism destination management organizations
- In Hungary, church institutions/organizations
- Chambers and professional associations
- EGTCs (in the region there are two active EGTCs)

### Conclusions and recommendations:

- **The development disparities** within the programme area **are adequately addressed**, targeting rural, less developed areas.
- Natural and cultural heritage offer a very good opportunity for job creation; while the specific objective focuses only on use of heritage for tourism development, one of the aims of the CP SI-HU is to **create/strengthen local economy in rural areas through sustainable tourism development based on heritage**. To meet both the aim and specific objective, the programme needs to **support projects with clear understanding of employment possibilities** after they are finalized. In this way, the CP SI-HU **can set an example** to other similar programmes with strong emphasis on TO 6c, as well as national heritage conservation policies.
- The priority, just as the programme, focuses on public and not-for-profit beneficiaries. These beneficiaries might have suitable capacity and previous experience, but it might be questionable **to what extent they will manage to actively involve the target groups in the private sector – SMEs and individual service providers**. Mobilisation of the target groups is necessary for developing new tourist products and services and achieving the diversification as stated in the specific objective of this priority. To ensure that, promotion of programme implementation should include promotion of active involvement of target groups. This issue should also be reflected in the selection criteria. Especially in the activities for joint development of new, innovative touristic products and services and establishment of clusters businesses should be a mandatory target group of each project.
- Tourist infrastructure will be developed and some investment in heritage is expected (e.g. renovation of cultural heritage) in order to increase the capacity for development of new tourist products and services. However, there is a **risk that the tourist infrastructure will provide limited contribution to actual generation of new tourist products and services** and their success in the programming period. The investments should therefore be supported by strong product/service development, promotion and dissemination activities.
- The specific objectives are focused on creating the supply side of tourism development. Care should be taken during preparation of call for proposals and project selection that **supported projects have a suitable strategy and activities for stimulating the demand side of tourism** – i.e. to target potential visitors of the programme area. Support for improvement of the usage of modern (communication) tools is just one aspect of this issue. This is prerequisite for establishment of tourist products and services, as well as jobs that would be viable on the long-term. Moreover, it is important also to ensure use of infrastructure.
- **Some of the proposed activities**, such as establishment of clusters, **have low chance for long-term sustainability of project results** if they fail to establish strong support by their target groups. Selection of projects should focus on selecting the **projects that will achieve networking, joint tourist products and services, joint management of heritage etc.**, not just provide support for building the institutions and their services.

Priority	Thematic objective	Specific objectives	Investment priority
Priority 2 Cooperative Region	Institutional capacity building & efficient public administrations	To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations	11(b) Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions
<b>Type and examples of actions to be supported under the investment priority:</b> as listed in the chapter on short presentation of the programme (table 1).			
<b>Main target groups supported under the investment priority:</b> <ul style="list-style-type: none"> <li>• local, regional and state level public administrations/institutions active in the sectors targeted by the indicative types of actions</li> <li>• local communities of the programme area</li> <li>• general public benefiting from the improve capacities of the organizations/institutions involved in cooperation</li> </ul>			
<b>Types of beneficiaries supported under the investment priority</b> <ul style="list-style-type: none"> <li>• Local, regional and state level public administrations/institutions and their organizations</li> <li>• NGOs</li> <li>• Educational institutions, including rehabilitation centers</li> <li>• Healthcare institutions, providers of social services</li> <li>• Labour force offices, different forms of professional chambers</li> <li>• Cultural institutions and organizations</li> <li>• Stakeholders in the field of risk prevention and emergency management</li> <li>• EGTCs (in the region there are two active EGTCs)</li> </ul>			
<b>Conclusions and recommendations:</b> <ul style="list-style-type: none"> <li>• Institutional cooperation is in the focus of this priority. Considering the current situation in the programme area, it should focus on <b>improvement of services for local communities and the quality of life in the programme area</b>. Benefit for the communities living in the programme area, especially in rural area and smaller towns should be at the forefront of project preparation and project selection. This will help to increase attractiveness of the region and might help reduce outward migration from the programme area.</li> <li>• <b>Local communities and general public</b> are the target groups of the actions under this priority. They should be <b>clearly defined and involved in every project</b> to ensure that they benefit from all the supported activities, services and capacity building. This would be also in line with the findings from the public consultation process and survey among the past beneficiaries.</li> <li>• The priority must support creation of <b>networks and channels for transfer of knowledge</b>. Listed actions include exchange of experience, empowerment, advocacy and capacity building in a variety of fields, likely targeting the <b>institutions</b> active in these fields. It is a very good opportunity for improving their work framework, especially if the results will directly benefit the target groups of this priority.</li> <li>• The priority is <b>especially important for minorities and vulnerable groups</b>. The listed actions offer numerous opportunities for their involvement and <b>care should be taken that the selected projects will actively involve and benefit</b> the members of minorities and vulnerable groups, not just institutions active in this field.</li> <li>• <b>People to people activities</b> (joint events and actions aimed at mutually promoting the two nations' cultural values) need to be supported in order to promote better understanding, networking and exchange of experience, knowledge and skills across the border. On the long run, this will ensure creation of joint products and services not only in tourism, but also entrepreneurial activities, social services, education, volunteering, sports and recreation. These activities and their effect extend beyond pure institutional cooperation and might be therefore more important for the communities in the programme area.</li> </ul>			

Priority	Thematic objective	Specific objectives	Investment priority
Priority 3 Technical Assistance		Contribution to the efficient implementation of the Cooperation Programme.	/
<p><b>Type and examples of actions to be supported under the investment priority:</b></p> <ul style="list-style-type: none"> <li>• Setting-up and operation of the Joint Secretariat,</li> <li>• Activities related to the operation of the Managing Authority, Certifying Authority, and Audit Authority</li> <li>• Organization of the Monitoring Committee meetings</li> <li>• Preparation of annual reports</li> <li>• Development and maintenance of the e-monitoring system</li> <li>• Monitoring visits related to project implementation</li> <li>• Specific activities of first level control,</li> <li>• Audit activities</li> <li>• Programme level communication events and actions,</li> <li>• Information events for potential applicants;</li> <li>• Support events for project beneficiaries</li> <li>• Elaboration of the Evaluation Plan of the programme – Article 114.1 CPR Regulation,</li> <li>• Elaboration of studies,</li> <li>• Preparation of the future cooperation programme, activities related to the closure of the previous programme (Article 59 of CPR provides this opportunity)</li> </ul>			
<p><b>Conclusions and recommendations:</b></p> <ul style="list-style-type: none"> <li>• Activities of the programme should be focused on providing support to partnerships for their coordination, strengthening their capacity in developing integrated cross border projects through <b>events, seminars and workshops</b> rather than presentations of guidelines and calls for projects. Consultation with the stakeholders has shown that they need support also in project preparation phase to fully grasp the cross-border aspect and partnership principle.</li> <li>• <b>Mid-term evaluations should be coordinated with the evaluation of mainstream programmes and regional development strategies</b> on both side of the border and should be thematic to support the key challenges and needs of the programme area to plan for future implementation of programmes. This should be relatively easy to achieve, as all programmes are bound to extensive reporting in 2018 and are likely to perform evaluations more or less at the same time in 2017.</li> <li>• <b>Modern evaluation tools like peer review, joint project strategic planning, joint working groups on local level should be used to strengthen the cross border partnership and build capacities for building of cross border partnerships.</b></li> <li>• Great care should be taken at <b>preparation of call for projects and timely, proactive implementation of promotional activities.</b> Definition of requirements, selection criteria and scoring system could steer the programme in such a way that both the aim and specific objectives will be reached, as well as target values of selected indicators.</li> <li>• The key challenge of the programme will be to <b>build cross border partnerships that will be active beyond the project implementation</b>, both in terms of activities and in terms of time (i.e. continued cooperation after the project is finished). This will add to cross border effect and enable long term management of cross border issues.</li> </ul>			

## 9. Coherence

### o) Internal coherence

The analysis of coherence was based on the overview of to what extent the assessed needs are matched by the analysis, and whether the objectives are based on the detected needs and findings of the SWOT analysis.

The Cooperation Programme is **well structured and concentrated on the programme level with sound intervention logic**, especially in the view of the quite limited amount of funds available. The programme is coherent and focused on two territorial objectives, with the majority of funding allocated to priority 1/TO 6. However, initially one of the options was for the programme to **support general development of small-scale entrepreneurship of the programme area**. An agreement has been reached on selection of TO 6 with the stipulation that SMEs will be involved in development of tourism products and service. In terms of intervention logic, this can be detected as a key weakness are related to the TO 6c, as the compromise between initial idea (support to economic development, SMEs) and further focus on tourism can be spotted sometimes.

The need to facilitate the involvement of local actors / inhabitants and SMEs in tourism and create cooperation networks could be more strongly reflected in the proposed activities. The CP SI-HU briefly **explains the involvement of SMEs** in the justification and description of each of the priorities, and the intention for involvement of businesses is clear from the result indicators, where target values will be difficult to achieve without involvement of businesses. It is likely that SMEs in the programme area, at the moment do not have strong enough experience to take over stronger role, but they are nevertheless very important for long-term impacts of the programme.

Thus stronger/clearer explanation how the programme intends to achieve the objectives with the **SMEs being just target groups**, not beneficiaries. Most likely this is an issue that will be dealt with in the next phases (preparation of call for proposals, detailed criteria for selection). During programme implementation, **strong effort should be made to help beneficiaries and the SMEs to get involved together**. This is especially important for developing new tourist products and services and linking current tourist centres (magnets) with the newly provided services in rural, more peripheral areas in the programme area.

The **beneficiaries** of CP SI-HU are public institutions or civil society organisations. It is therefore likely that most of the projects will deal with cross-border cooperation on institutional level and possibly build on the past CBC projects. Usually, it is private initiative that leads to high added value of projects, but businesses are excluded from the list of beneficiaries. **It will be difficult to ensure that support to public institutions will support development of revenue generating, economically sustainable projects in tourism and heritage and yield projects with high added value**, however, efforts should be made, e.g. to include target groups (including businesses) actively in the projects. Successful projects in this respect will provide an **example of best practice** as numerous cooperation programmes face similar problem.

The **description of the situation in the programme area and the description of the priorities and proposed actions is coherent** and in line with the objectives of the programme. **Potential beneficiaries might find it difficult to understand the context of the proposed actions**, especially where the description is complex and contains a mix of information (e.g. awareness raising of the locals). Moreover, they might find it difficult to see the role of the target groups and might overlook any need to involve them actively in project proposal and implementation. Also, there **might be some overlapping of the activities**, e.g. between the awareness raising activities for locals and trainings and capacity building for local entrepreneurs under TO 6 and trainings, capacity building and awareness raising under TO 11. As a result, **strong promotion of the programme and support to the project applicants will be needed**, as well as strong support for **dissemination of project results**. In this way it will be ensured that projects could build on results of earlier projects funded in the initial phase of programme implementation.

**Investments in tourism infrastructure** in the framework of TO 6c will have an effect they will be effectively planned (linking heritage sites and tourist activities) and maintained. Thus they should seek to complement previous investments in such infrastructure that has already been developed in the past CBC programmes and with ERDF funds and should show that in the project preparation and application phase. If planned accordingly,

these rather small investments can have a positive effect on large number of target groups of the programme area.

The programme is **oriented to rural, more remote and less developed areas**. The definition of these areas has been improved compared to the earlier versions of the programme. It is likely that during the implementation of the programme, in the project approval phase, it will be quite difficult to ensure stronger implementation of the projects in these areas, because:

- there are fewer potential beneficiaries in these areas and the capacity in these areas is lower,
- the project applicants from urban areas and tourist centres (magnets) might have difficulties in designing projects involving these areas.

As a result, the **results of selection process should be closely monitored** and the support to potential applicants and the selection procedure modified accordingly, otherwise it will be difficult to reach the objectives.

#### p) Integrated territorial investment

The programme will not use the integrated territorial investment mechanisms for the implementation of its activities.

#### q) Link between supported actions, expected outputs and results

Results of the programme are specifically linked to Investment priorities through the specific objectives of the programme.

Specific objective	Indicator
<b>To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.</b>	<p><u>Result indicator:</u> Increase in the number of overnight stays in the programme area</p> <p><u>Output indicators:</u></p> <ul style="list-style-type: none"> <li>• Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (EU)</li> <li>• Number of cultural and natural sites involved in sustainable touristic developments (P)</li> <li>• Number of joint cross-border touristic products / services newly developed (P)</li> <li>• Number of persons trained on tourism related skills (P)</li> <li>• Total length of newly built roads / Total length of reconstructed or upgraded roads (EU)</li> </ul>
<b>To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations</b>	<p><u>Result indicator:</u> Increase in the level of cross-border cooperation at institutional level in the programme area</p> <p><u>Output indicators:</u> Number of institutions/organizations involved in cross-border initiatives Number of persons representing institutions and organizations from the programme area participating in cross-border capacity building activities</p>
<b>Contribution to the efficient implementation of the Cooperation Programme.</b>	<p><u>Output indicators:</u></p> <ul style="list-style-type: none"> <li>• Number of successfully implemented projects</li> <li>• Number of organized programme events</li> <li>• Number of staff involved in the implementation of the Cooperation Programme</li> </ul>

The methodology for calculation of indicator values will need to be clearly defined in order to capture the net effects of Cooperation programme as much as possible and account for differences in data collection and data availability. This is especially important in development of tourism in relation to natural and cultural heritage, as the indicator values can be influenced by projects and activities supported by other programmes and funds (e.g. main Operational Programmes for ERDF, national funding for research activities). Moreover, care should be taken that it is clear which activities contribute to which indicator in order to avoid “double counting”.

To achieve the objectives and expected results for Priority 1, the following is needed:

- direct link to businesses as one of the key factors of tourism development and economic growth,
- A description/explanation how the selected beneficiaries should ensure participation and activation of target groups (SMEs, tourists) - for example, how a project will ensure that local initiatives (SMEs) will manage to develop and market of new products.

In Priority 2 the the link between objectives, results and outputs is partial and should be clarified and/or strengthened. While the specific objective talks about increasing the capacity for cooperation in general, the results, indicators and guiding principles focus on institutions as stakeholders. Moreover, some guidelines on the topic of local communities, general public and vulnerable groups would be very useful and would help ensure consideration of horizontal issues.

There are some general assumptions attached to planned specific objectives which need to be monitored and evaluated when implementing the programme. These are shown in the table below.

**Table 16: Assumptions underlying the specific objectives of CP SI-HU**

Specific objective	Assumption
<b>To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.</b>	<ul style="list-style-type: none"> <li>• The potential of natural and cultural heritage is strong enough to provide for additional tourism development. At the same time, tourism development could be steered in such a way that heritage would not be threatened by overuse.</li> <li>• The trends in tourism are favourable for heritage-based tourism and there is enough tourist demand that the results of supported projects could be viable on the long term.</li> <li>• There are enough human resources for tourism development in the region – there are enough people who are capable and interested enough to get involved in tourism development.</li> <li>• The capacity in the programme area is already strong enough to form tourist offer that would attract tourists in the area and increase employment in the sector.</li> <li>• Beneficiaries will be able to design and implement projects that will adequately involve target groups.</li> <li>• Additional tourist infrastructure will help to increase the number of visitors in the area, besides using the tourist infrastructure that has already been developed in the past CBC programmes and with ERDF funds.</li> </ul>
<b>To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations</b>	<ul style="list-style-type: none"> <li>• The beneficiaries, at least those with past CBC experience, will be able to prepare viable and sustainable projects that would yield sustainable results.</li> <li>• Target groups will be appropriately involved in implementation of the projects.</li> <li>• Experience and results from the past projects can be used and further developed for increased benefit to the target groups.</li> <li>• It will be possible to develop cross-border services despite legal and administrative barriers.</li> </ul>
<b>Contribution to the efficient implementation of the Cooperation Programme.</b>	<ul style="list-style-type: none"> <li>• There will be enough good-quality projects to meet the objectives of the CP SI-HU.</li> <li>• Promotion can be done on the basis of experience from the past programmes.</li> <li>• The capacity of beneficiaries is improving and at least those with past experience in programme implementation will be able to prepare viable and sustainable projects and later implement them according to Lead Partner Principle.</li> <li>• There is sufficient staff and it is skilled enough for administrative implementation of the programme as well as providing support to the beneficiaries.</li> </ul>

## 10. Analysis of the programming process

### r) Evaluation of the public participation process

Programming is a unique process of public participation where programming partners learn of their territory and their capacities (analysis) and jointly understand objectives (Strategies, Thematic Objectives) of mutual actions (Investment priorities, Financing) to change the situation in the area in question (Type and examples of actions, Main target groups, Types of beneficiaries, Impact).

The public participation is a key to **clear and correct definition of challenges of the CBC area** and to **develop capacities of potential project applicants at the level and content necessary** for achieving the impact of the programme.

Before approval of the CBC programme public participation is enabled in three parts of the programming process: in the time of programming of the CBC programme itself, in the process of ex ante evaluation and in the process of Strategic Environmental Assessment. After approval of the programme, the mid-term evaluations, each public call and full time management of the programme must be used to actively use public participation to understand the programme in the frame of CBC area and to develop its content to better and more efficient follow the needs of the area in question.

Programming process started in 2010 when first workshops with stakeholders were organized. This led to in-depth analysis of the different national and EU financed programmes in Hungary and in Slovenia which helped partners in the CP SI-HU to understand different needs and possibilities to finance projects focusing needs detected. Full list of involved partners is presented in the table Relevant partners involved in the preparation of the cooperation programme of the programme document. In late 2013 the programming process was supported by the selection of the programming experts under the Managing Authority which was done to help partners to have time for the programming process while the consultant took over tasks of preparation of the final text of the CP SI-HU. To date 12 Task Force meetings were organized to help in preparation process and structure discussion among partners in last stages of programming. The final draft of the programme was prepared for final discussion at the end of February 2015.

2 rounds of public consultations were organised, one in the initial stages of the programming process in July 2014 and one in the finishing stage in February 2015. Both times two workshops were organised, one in Slovene and one in Hungarian part of the programme area. The input from the workshop participants was used at preparation of the programme, especially the analysis and selection of actions to be supported.

In Slovenia the Government office for development and European cohesion policy (GODC) coordinates the development planning. The Office coordinates the development documents of the Republic of Slovenia, monitors the implementation of development policies and its programmes and is responsible also for the coordination of documents pertaining to development planning and compliance of national development planning programmes and the European Union and other international organisations' development documents. GODC is also managing the preparation and coordination of the strategic documents with the European Union. Through the process of preparation of this ETC programme Slovenia favoured focused development strategies with an overview of the impact of different strategies to one particular area.

Due to the regional development potential in Slovenia in this programming period a greater emphasis will be on the coordinated action between national and regional levels, based on the intersection between the development documents at national and regional level.

In the context of the preparation of the regional development programmes at the level of the statistical regions Slovenia also concentrated on the identification of the regions' specialisation as a method of concentration and activation of the region's potential. Regions will therefore promote development based on their comparative advantages (geographic, cultural, natural, economic and social). Integration between regions and the creation of joint projects and initiatives to achieve synergies in several regions simultaneously will also be promoted.

In relation to national investment programmes financed from the resources of the European Structural and Investment Funds (ESIF) in Hungary the coherence is ensured with the Partnership Agreement of Hungary and at the same time, coordination is needed in cases where there is a possible overlap of thematic objectives.

Furthermore coordination was needed in those cases, where there is a territorial overlap of cross-border cooperation programmes and transnational programmes such as the Austria-Hungary Co-operation Programme 2014-2020, the Hungary-Croatia Cross-border Co-operation Programme 2014-2020, the Danube Transnational Programme, Central Europe and Interreg Europe.

The organisational unit being responsible for the ETC CBC Programmes operates within the Prime Minister's Office as well, according to the related Government Regulation (27/2014. (II.7.) Korm. rendelet). Regarding the ETC CBC Programmes, the Deputy State Secretariat for International Affairs is responsible for the Managing/National Authority activities.

The coordination was needed with the Ministry of National Economy in case of the mainstream programmes EDIOP and TOP. The development of thematic routes with national importance (overarching the territory of several counties) is one area of intervention of EDIOP's priority axis 6. Within the framework of 1st priority axis of the TOP, thematic roads with county level importance and linked to national networks will be eligible for funding. It is recommended that thematic routes supported by the CBC programme are coordinated with networks developed under EDIOP or TOP. The coordination has been ensured already at the time of the planning of the CP SI-HU, as the activities of the OPs have been collated.

Cooperation between the organisations managing EU and national funds will continue also in the Programme for the period 2014-2020. The coordination is ensured through the Programme related national level consultations in Hungary, the ETC working group meetings as well as the review and commenting procedures established among the responsible Hungarian line ministries. The Deputy State Secretariat for International Affairs cross-checks the CP with the coordinating institutions to avoid overlaps during the programming period.

Further ensuring coordination and checking overlapping is national responsibility meaning that on one hand Member States establishes the required mechanism and on the other hand the composition of the Joint Monitoring Committee of the Cooperation Programme, Programming Group and Joint Secretariat are responsible for facilitating coordination between authorities responsible for the implementation of the European Structural and Investment Funds (ESI Funds).

During the implementation of the Programme special attention will be paid to the elaboration of the programme documents. In Hungary the IT system for mainstream operational programmes will be used to check double financing as also stated in the Partnership Agreement of Hungary. Double financing is to be scanned while audit procedures and the First Level Control shall stamp the submitted original invoices in order to make them inappropriate for other financial programmes.

Besides this processes of ex-ante evaluation and strategic assessment started in July 2014. Both were managed by the external experts in order to help Managing Authority and the partners to focus on enabling the swift discussion and final preparation of the programme document.

**Table 17: List of events in the ex-ante evaluation process**

Scope of the event	Topics	Number meetings
<b>Meetings with relevant programme partners and authorities</b>	Presentation of the methods and principles of the ex ante and discussions on first conclusions and recommendations. And meetings with consultants for the preparation of the programme.	8
<b>Meetings and focus groups with authorities with knowledge of the CBC area</b>	Presentation of the priorities, objectives and measures expected for the CBC programme and discussion on their past experience and potentials for the development of partnerships. Park authorities, municipalities and similar.	5



<b>Meetings and focus groups with potential applicants</b>	Presentation of the priorities, objectives and measures expected for the CBC programme and discussion on potentials for the development of partnerships. Social groups, NGO.	3
<b>Meetings and focus groups with partners with largest impact from the programme</b>	Presentation of the priorities, objectives and measures expected for the CBC programme and discussion on potentials for the development of partnerships that will have large impact to programme area.	2

Table 18: List of events in the Strategic Environmental Assessment process

Scope of the event	Topics	Number of participants
<b>Meetings with relevant programme partners and authorities</b>	Presentation and discussion on SEA process and results	TF members
<b>Meetings and focus groups with authorities relevant for the approval of the Strategic assessment</b>	Impacts of the programme and possibility to enhance positive impacts (to be held in February)	/
<b>Meetings and focus groups with authorities with knowledge of the CBC area</b>	Nature protection planning and implementation, threats in the CBC area	2
<b>Meetings and focus groups with authorities and organization with potential for mitigation measures preparation</b>	Discussions with programme authorities on selection criteria and obligatory content of projects	2
<b>Meetings and focus groups with partners with largest impact from the programme</b>	n/a	

### s) Evaluation of the programming process

The programming process was evaluated on the basis of overview of individual steps in programming.

Table 19: Evaluation of the programming methods and process

Steps in programming	Evaluation
Identify the Problem	Identification of problems was done in a twofold process by developing a wide situation analysis and by workshops with partners of the programme. This process led to identification of several cooperation possibilities and opened a wide discussion among partners on potentials and needs. This process was very intense and was able to bring the programme to the level of draft in the summer 2014. The draft offered grounds for internal inter-ministerial discussion and discussion between Slovenia and Hungary on potentials and necessary actions. Coordinated action was taken for the final decision among key partners of the programme which enabled the consultant to start preparing the final version of the CBC programme, even more focused than previous versions. The small amount of available funding for the programme lead to two priorities - one focused on TO 6 Environmental protection & resource efficiency, investment priority 6(c) Protecting, promoting and developing cultural and natural heritage and the other on TO 11 Institutional capacity building & efficient public administrations. Decision on TO 6 was weighed against TO 8, but TO 6 prevailed as it includes possibility of SME and business development in the field of tourism as well as protection of heritage.
Design a Solution	The solution offered in the strategy of the programme was designed to cover the most necessary needs addressed in the CBC area and those needs addressed by the participating partners in the programme. Solution designed offers a possibility to build on past experiences and offers solid grounds for further building of competitiveness of the area in tourism development through cooperation in the CBC Area. This is also seen in focus of the programme which finances only 2 priorities, mostly with smaller necessary actions but giving also enough space for partnerships to evolve in sustainable solutions for the future. The key message for the future of the programme and its implementation needs to be clear and focused to sustainable and workable projects that will design products of the CBC area and implement necessary actions for their placement on the market. The projects need to

	build on employment opportunities, business development and improving living conditions for local inhabitants, not only on cooperation among institutions.
Write the Program and checking the Solution	Preparation of the programme was started in 2010 and the process was well managed till the final stages of the programming. The preparation of the programme was very condensed and more time could be spent on public discussions in the programme area. This would enable development of better projects and partnerships for the new programming period and would help in developing more intense and stronger initiatives. This would also help the programme in developing partnerships focused to employment and business development opportunities, but this gap may be overreached in the implementation of the programme with intense promotion of the programme and clear identification of the focus of the programme. Timely evaluation of implementation of the strategy and of the programme itself will be needed in order to keep track of results and impact achieved. This is even more important for achieving the target values of indicators planned and to give the programme area support in building products for using the identified opportunities. The programme needs to address key problem of the programme area in terms of unemployment rates and migration rates, which may only be overcome with opening up employment opportunities and ensuring quality of life.

#### t) Addressing the lessons learned from the past and capacity of the eligible applicants

Cross border programme Slovenia-Hungary-Croatia was a trilateral programme implemented in 2000-2006 period. In the ex-post evaluation of INTERREG III, this programme is listed as a programme with **unfavourable cross-border framework conditions**, mostly very high and sometimes medium concentration of ERDF support on INTERREG III “priority topics” and mostly a poor/very poor and sometimes a medium level of depth & intensity of cooperation.

This programme was among few ones that had a density of rail & road border crossing possibilities per 100 km of borderline which was above the average of Strand-A of the new member states (Bavaria-Czech Republic, Austria-Czech Republic, Austria-Hungary, Slovenia-Hungary-Croatia, Hungary-Slovakia-Ukraine, Saxony-Czech Republic, Czech Republic-Poland). At all other borders this density was a considerably and even extremely below the Strand-A average, although in one case it seems that the existing maritime separation does not represent a major obstacle (e.g. Finland-Estonia).

This programme had wide partnership within the MC / SC or other existing structures where decision making structures were generally made of representatives of public authorities (i.e. state-level, regional & local authorities), representatives from existing cross-border structures, economic and social partners or other professional/sector-specific organisations and NGOs. However, only the national, regional/local authorities and cross-border structures had voting rights, whereas the economic & social partners as well as NGOs did not. Overall joint management structure was highly centralised where central state authorities ensured all of the primary programme management functions and no direct involvement of regional or local authorities could be observed.

Ex-Post Evaluation of INTERREG III 2000 – 2006 presents several recommendations for the programme period of 2007-2014 (only parts relevant for the CBC programmes are listed):

- The cross-border programmes **should review their current programme objectives to see whether they still represent a realistic perspective for achieving impacts**. If this is not the case for certain objectives, modifications should be made to ensure that the intervention logic of the programmes is fully consistent.
- The cross-border programmes should more **proactively steer the bottom-up demand of future project proposals** with a view to achieving a more visible overall programme impact. For this purpose, the strategic programme partners could adopt different approaches:
  - Through well-targeted communication measures, the partners could influence the project generation process by suggesting important topics for co-operation and mobilising strategic key players capable of tackling such aspects,
  - Programme partners could also launch specific project calls dedicated to “strategic operations” which tackle important development needs and have significant implications for territorial integration,

- During the approval process, programme partners can focus on projects which generate durable improvements in relation to issues of strategic cross-border relevance and on projects contributing to the establishment or further development of a joint and durable problem-solving capacity.
- The cross-border programmes should – if not already undertaken – **establish a more proactive and on-going interaction with the convergence and regional competitiveness and employment programmes and other territorial co-operation programmes in their co-operation area**. This would help to ensure complementarity, co-ordination and synergy (e.g. joint thematic workshops/seminars, regular participation of programme delegates in Monitoring Committee meetings of other programmes etc.). Such action should not be limited to the remainder of the current programming period but also involve the preparation of a more complementary and integrated approach for the period after 2013.
- Where possible, the Objective 3 programmes **should experiment with the new European Groupings for Territorial Co-operation to prepare the setting-up of fully integrated cross-border and transnational programme management structures for the period after 2013**. Such processes may require some time to be implemented and such structures should already be in place and operational during the first years of the programmes in order to ensure a sound start of the implementation process.
- The cross-border and transnational programmes **should undertake the first steps to prepare their future co-operation programmes for after 2013**. Especially the programmes which have not yet elaborated a cross-border territorial development concept or a transnational spatial vision should develop a joint medium-term territorial integration strategy that clearly identifies the most important needs in the co-operation area.

**The cross-border programme reviewed programme objectives and defined realistic perspective for the future. But more proactive steering of the bottom-up demand for future project proposals is necessary to achieve a more visible overall impact of the programme. This must be done by well-targeted communication measures, influencing partners in the project generation process by suggesting important topics for co-operation and mobilising strategic players capable of tackling such aspects. During the approval process, programme partners must focus on projects which generate long-lasting improvements in employment, business opportunities and close cross-border cooperation. Establishing of more proactive and on-going interaction with the regional employment and competitiveness initiatives is necessary to build sustainability of financed projects.**

The survey conducted amongst a wide circle of applicants and other stakeholders in the launching phase of the programming, as well as workshops held revealed important findings both for the achievements and the shortcomings of the 2007-2013 Programme. The respondents considered knowledge sharing (exchange of experience and information, transfer of good practices) as the most important achievement of cross-border cooperation. The importance of effective common project implementation based on clear tasks and responsibilities, active participation of the partners, smooth cooperation, communication and trust, as well as common risk management was also emphasized. Stakeholders appreciated the support received from and the communication with the JTS/MA.

As for the shortcomings of the Programme, respondents highlighted the difficulties coming from the administrative complexity of the application and project implementation (monitoring) procedures and requirements; language barriers, financial, cash flow problems, Lead Partner principle were also emphasized. Regarding the 2014-2020 programme period respondents expect to have more support in specific fields (e.g. preparatory workshops, partner search), as well as by sharing of key success factors and lessons learnt from similar projects.

The comprehensive analysis on active stakeholders in Slovenia-Hungary 2007-2013 CBC Programme carried out in 2012 within the "RegNet" project also confirmed the key statements of the survey (e.g. language barrier, LP principle and problems related to pre-financing/own contribution). The beneficiaries were highlighting that the most important impact of the Programme was its role in improving the employment opportunities, increasing competitiveness as well as creating and developing cooperation networks. Conclusions were drawn regarding a sound need for increased local/regional cooperation on institutional/organizational level.

Based on the above the overall evaluation of the 2007-2013 Programme is summarized as a fairly well-performing one. According to the overwhelming majority of the beneficiaries the Programme made an important

impact on the development of the programme area. However there are gaps and areas for improvements to be tackled by the future Programme.

#### u) Horizontal principles

**Horizontal principles need to be taken into account throughout whole programme in all stages of strategy definition and in later implementation stages of the programme.** Key horizontal principles that are to be adequately incorporated in the programme:

- ensure gender equality;
- take into account the particular needs of those disadvantaged, disabled or from ethnic minority background with special regard to the Roma;
- ensure the protection and growth of the natural and built environment in order to support sustainable development.

All the horizontal principles are described in the programme, but description should include clear explanation how issues will be tackled in practical implementation. Horizontal principles need to be respected in:

- Staff and beneficiary induction to the management of the programme,
- Partnership development,
- Procurement and working with project partners and contractors,
- Marketing and communication,
- Monitoring (tracking data on projects involving green technologies, heritage conservation and similar, breakdown of data on persons involved, breakdown of data on minorities and vulnerable groups involved,...),
- Review processes.

The horizontal principles are presented in section 8. All three topics (sustainable development, equal opportunities and non-discrimination, gender equality) are well considered, but minor improvements would enhance their implementation as they would clarify how the principles will be implemented in practice. In general, the project assessment and selection are described in chapter 5.3.2, where it is explained that quality assessment of projects will include long term and sustainable social and economic effects of project proposals. The approach to this quality assessment (criteria, issues to be assessed etc.) is going to be further defined in the following phases, during preparation of the call for proposals. The section on horizontal principles provides some insight on possible approach, as it describes the following:

- Consideration of environmental concerns and reduction of project environmental impact by assessing project contribution to certain environmental issues,
- Consideration of equal opportunities, non-discrimination and gender equality in the framework of each of the two programme priorities.

Monitoring of application of horizontal principles is partially described in the general chapter on monitoring, but it is not tackled in the section on horizontal principles. This is important in order to provide project partners with timely guidance on data collection and for setting up the programme monitoring system. This is important because tracking some data later is very tedious; example of such data is tracking of information on projects involving green technologies, nature conservation and similar, tracking breakdown of persons involved by gender, minority group, vulnerable group and similar. Monitoring of the programme should be designed in such a way that data will be captured that would enable assessment of use of horizontal principles.

The general orientation of CP SI-HU to sustainability is clearly described, especially by supporting the selection of TO 6c. Moreover, principles for projects' assessment, selection, implementation, monitoring and evaluation to ensure sustainability are listed, as well as environmental concerns to be assessed for each projects. They are listed in a general way and can be further developed in the next phases of the programme implementation, however, before publishing of the call for proposals clearer explanation should be available to the project applicants. For example, it should be clear whether:

- the listed environmental concerns to be considered will serve as environmental/sustainability criteria for selection,

- consideration of life cycle costs has to be shown already in the application phase, whether it is required/expected only for certain types of projects, what methodology should be used and how its consideration will affect the prospects for funding.

The approach of CP SI-HU to ensuring equal opportunities, non-discrimination and gender equality is well described, including the description of applying this horizontal principle in each of the priority axes. However, some clarification is needed; it could be done in the next phases of the programme implementation, but should be available before publishing of the call for proposals. In that phase, information should be provided whether targeting vulnerable groups, focusing on decreasing gender bias, involvement of minorities, access for people with disability, etc. will be selection criteria or a requirement. In addition, clarification is needed for the following issues tackled in the section of the CP on horizontal issues of equal opportunities, non-discrimination and gender equality:

- Whether the selection criteria will favour the projects dealing with disadvantaged groups in order to ensure significant proportion of them,
- Whether project design targeting vulnerable groups and people with disability will be a requirement or a selection criteria,
- How will involvement of minorities affect selection of projects,
- Whether virtual access to sites be a requirement or a selection criterion,
- Potential support for projects focusing on decreasing gender bias (e.g. male/female professions).

### **Conclusions and recommendations**

- The chapter should not focus on justification of selection of thematic objectives and investment priorities in terms of horizontal issues. To ensure good balance between contribution of the programme in general and the contribution of projects as selected by relevant programme authorities, clearer **information is needed on what requirements and selection criteria will be used** to ensure sustainability, equal opportunities, non-discrimination and equality between men and women in the implementation of all the projects.
- In order to clarify how monitoring of implementation of horizontal principles will be ensured, it would be good to **briefly describe monitoring** also in the section on horizontal principles.
- **Clear explanation of principles for ensuring sustainable development and environmental concerns** should be available to the project applicants in time for the call for proposals, so that they will be aware on selection and project assessment criteria.
- Regarding the call for proposals, **clear information** whether targeting vulnerable groups, focusing on decreasing gender bias, involvement of minorities, access for people with disability etc. **will be selection criteria or a requirement for project proposals** is needed. It should be explained already prior to call announcement how these criteria will be applied and what will be the minimum requirement.

## 11. Indicators, monitoring and evaluation

Result indicators provide information on the progress towards the change that the programme intends to bring to the region. Each priority axis should include at least one result indicator. **To be relevant, these indicators need to be responsive to the policy**, i.e. their value should be influenced in as direct way as possible by the actions funded under the priority axis. Result indicators should cover the most important intended change.

The indicators at the level of Programme Specific Result indicators by Specific Objective need to follow impacts of the programme intended. **This means that they will need to present changes in the CBC area not only in terms of direct result of the programme measured with outputs (number of projects, number of R&D Personnel etc.) but will need to at least try to monitor changes in the CBC area and to help the management of the programme better evaluate and implement the programme.**

**The indicators will also need to be clear in terms of impact from other programs** which asks for the development of indicators that will be programme specific and measurable. This will be possible when the **programme is focused and edited in terms of specific objectives and clear message of the programme.**

**The programme follows the list of Common Output Indicators for the European territorial cooperation goal** annexed to the regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal.

### v) Overview of indicators at the level of priorities

The analysis of indicators on the level of priorities is shown in the table below

Table 20: overview of indicators at the level of priorities

Priority	Thematic objective	Specific objectives		Investment priority	
<b>Priority 1 Attractive Region</b>	Thematic Objective 6 Environmental protection & resource efficiency	<ul style="list-style-type: none"> <li>To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.</li> </ul>		6c: Conserving, protecting, promoting and developing natural and cultural heritage.	
<u>Categories of intervention planned:</u>					
<ul style="list-style-type: none"> <li>032 Local access roads (new build)</li> <li>034 Other reconstructed or improved road (motorway, national, regional or local)</li> <li>090 Cycle tracks and foot paths</li> <li>091 Development and promotion of the tourism potential of natural areas</li> <li>093 Development and promotion of public tourism services</li> <li>094 Protection, development and promotion of public cultural and heritage assets</li> <li>095 Development and promoting of public cultural and heritage services</li> </ul>					
Level	Indicator	Baseline value	Target value	Relevance	Clarity
<b>Programme Specific Result indicators by Specific Objective</b>	Number of overnight stays in the programme area	5,269,268	5,532,728	Indicator is relevant to the objective but the programme will need to take care of the distribution of the funds in projects in order to keep the balance between infrastructure related projects and product development and promotion activities in order to have an impact to overnight stays.	The indicator is clear and measurable.

<b>Programme specific output indicators by investment priority</b>	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (EU)	10.000	The interventions planned for the development and promoting of public cultural and heritage services may have an impact on this indicator and should in connection to other activities be enough to have positive impact to the CBC area. But this may not be enough to increase the overnight stays by 5 % which needs to be addressed in all projects financed.	The indicator is clear and measurable.
	Number of cultural and natural sites involved in sustainable touristic developments (P)	10	Indicator is relevant in order to monitor the ability of the area to build on the advantages related to nature and culture. The indicator will measure the level of diversification of the touristic offer in the eligible area.	The indicator will provide information about the number of protected and preserved elements of cultural and natural heritage which serve as a basis for the touristic promotion of the programme area. The indicator is clear and measurable but will need clear monitoring guidelines for beneficiaries.
	Number of joint cross-border touristic products / services newly developed (P)	8	The indicator will measure the level of diversification of the touristic offer in the eligible area.	The indicator is clear and measurable but clear monitoring guidelines will be necessary for the beneficiaries.
	Total length of newly built roads / Total length of reconstructed or upgraded roads (EU) in km	4	The indicator is relevant for the activities planned but the implementing procedures will need to focus the programme on increasing the number of overnight stays in the programme area, not to building infrastructure.	The indicator is clear and measurable.

**Comments:**

- Major investments are planned for cycle tracks and foot paths, development and promotion of the tourism potential of natural areas, development and promotion of public tourism services, protection, development and promotion of public cultural and heritage assets, development and promoting of public cultural and heritage services where 9,5 million of EUR are planned.
- The key challenge of the programme will be in selection of projects to develop products that will be competitive enough to bring additional tourists to the area and give them enough content to prolong overnight stays in the area. Infrastructure investments do not directly influence the overnight stays, thus the programme will need to be very careful in financing projects solely related to investments.

**Quantified baseline and target values**

- Baseline indicators are developed from the surveys and statistical data and are clear and relevant for the programme in question.
- Target values are planned based on knowledge of the programme area and knowledge of the current partners and their potential.
- The target value is achievable while the key is in adding to overnight stays and in developing products to grow tourist numbers in the area.
- When used, the indicator "Number of overnight stays in the programme area" should be put in context as there might be other programmes (other Cooperation Programmes, ERDF OPs etc.) influencing its value.

Priority	Thematic objective	Specific objectives	Investment priority		
<b>Priority 2 Cooperative region</b>		<ul style="list-style-type: none"> <li>To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations</li> </ul>	11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions		
<p><u>Categories of intervention planned:</u></p> <ul style="list-style-type: none"> <li>119 Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance</li> <li>120 Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at national, regional and local level</li> </ul>					
Level	Indicator	Baseline value	Target value	Relevance	Clarity
<b>Programme Specific Result indicators by Specific Objective</b>	The level of cross-border cooperation at institutional level in the programme area	To be determined by a survey	Increase 20%	The indicator may be showing perception / opinion of the stakeholders which may not be related to the real cross border cooperation. The indicator will need to show real cross border cooperation which may be measured with joint services offered to citizens and user or similar.	The indicator will measure the perception of the stakeholders related to the quantity and quality of the cross-border cooperation their institution/organization is involved in. The target group will receive a set of questions related to the quantity and quality of their cross-border connections in 2015 and at programme milestones.
<b>Programme specific output indicators by investment priority</b>	Number of institutions/organizations involved in cross-border cooperation		100	Indicator is relevant, it will measure the number of institutions and organizations engaged in joint activities, which will lead to an increased capacity to better respond to the local needs.	The indicator is clear and measurable, but clear monitoring guidelines will be necessary for the beneficiaries.



	Number of joint initiatives for improving cross-border governance	120	Indicator is relevant, it will measure the number of training programs, seminars, conferences, workshops or other means of cross-border cooperation, organized in order to increase the efficiency of governance in the cross-border area.	The indicator is clear and measurable, but clear monitoring guidelines will be necessary for the beneficiaries.
	Number of joint agreements and protocols	20	Indicator is relevant, it will measure the number of jointly developed agreements and protocols for the improvement of the cross-border cooperation and joint enhancement of professional capacities of the organizations in the border area.	The indicator is clear and measurable, but clear monitoring guidelines will be necessary for the beneficiaries.

Comments:

- Major investments are planned in capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including sectoral and territorial pacts to mobilise for reform at national, regional and local level where more than 2,2 million of EUR are planned.
- The key challenge of the programme will be in selecting of projects where cross border services and programmes will be developed and later offered to users on equal grounds on both sides of the border.
- This content will need to be developed in cross border initiatives and the attention of the programme partners needs to be focused on developing full cross border cooperation.

Quantified baseline and target values

- Baseline indicators are developed from the surveys and statistical data and are clear and relevant for the programme in question.
- Target values are planned based on knowledge of the programme area and knowledge of the current partners and their potential.
- Care should be taken that the surveys at different times of programme implementation are performed in a comparable way.

Priority	Thematic objective	Specific objectives	Investment priority	
<b>Priority 3 Technical Assistance</b>		Contribution to the efficient implementation of the Cooperation Programme.	Priority 3 Technical Assistance	
<u>Categories of intervention planned:</u>				
121 Preparation, implementation, monitoring and inspection				
122 Evaluation and studies				
123 Information and communication				
Level	Indicator	Target value	Clarity	
<b>Programme specific output indicators by investment priority</b>	Number of successfully implemented projects	36	Indicator is relevant, it will measure the number of successfully implemented projects	The indicator is clear and measurable.
	Number of programme events	14	Indicator is relevant, it will measure the number of events organized.	The indicator is clear and measurable.

	Full time equivalent positions financed by the Technical Assistance for the implementation of the Cooperation Programme	9	Indicator is relevant, it will measure the number of staff in the implementation of the programme.	The indicator is clear and measurable.
<p>Comments:</p> <ul style="list-style-type: none"> <li>Large portion of funds is planned for the preparation, implementation, monitoring and inspection while less funding is planned for the evaluations and promotion of the programme. This may affect the programme implementation since the programme needs some more focused promotion and information in order to have partners on board for achieving the objectives planned, ready to prepare and implement projects. Similar goes for the evaluation which should help the programme to achieve the targets and objectives.</li> </ul>				

### w) Suitability of milestones

Milestones are defined in the performance framework as shown in the table below. The milestones of financial indicators are adequate in the light of payments certified and paid out to the beneficiaries. Project implementation is likely to start in 2016 and at the beginning, the uptake is slower because although we can expect that some beneficiaries are already well-prepared, it takes some time to implement first activities, have the expenses certified and paid, and then declared to the EC. However, in case the calls for proposals are delayed, the payments will be delayed, too, and therefore the financial milestones for 2018 may be a bit too high.

Table 21: Overview of milestones of CP SI-HU

Priority axis	Indicator type	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
<b>Attractive Region</b>	Financial indicator	P.1. 1	Amount of certified expenditure for Priority Axis 1	EUR	1,435,294.12	11,764,705.88
	Output indicator	6c.1	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Person	2.000	10.000
	Output indicator	6c.2	Number of cultural and natural sites with improved situation in terms of sustainable touristic valorization	Number	2	10
	Output indicator	6c.3	Number of joint cross-border tourist products/services newly developed	Number	2	8
<b>Cooperative region</b>	Financial indicator	P2. 1	Amount of certified expenditure for Priority Axis 2	EURO	465,755.10	3,817,664.71
	Output indicator	11.1	Number of institutions/organizations involved in cross-border cooperation	Number	30	100
		11.2	Number of joint initiatives for improving cross-border governance	Number	40	120
		11.3	Number of joint professional agreements and protocols	Number	6	20

Some output indicators may be too optimistic. This may be said for output indicators:

- Increase in expected number of visits to supported sites of cultural and natural heritage and attractions,
- Number of joint cross-border tourist products/services newly developed,
- Number of joint initiatives for improving cross-border governance,
- Number of joint professional agreements and protocols.

All these activities take time and several actions need to be implemented before the output indicators shown in these figures will be achieved. Increase in expected number of visits to supported sites of cultural and natural heritage and attractions will be achieved only if activities of projects will be very focused to attracting tourists to the region and delivering the expected services. To achieve this, projects will need to develop products and promote them in order to be successful in attracting tourists to the region. Similar goes for the number of joint cross-border tourist products/services newly developed which may be achievable indicator if the region is already certain which products are the key ones and will only be finalized and promoted.

Number of joint initiatives for improving cross-border governance may have a broad definition of actions that will be later developed into cross border actions with serious results. This may be achievable but the focus of the joint initiatives needs to be clear and focused rather than numerous. Similarly number of joint professional agreements and protocols is a relatively broad definition of agreement to be signed, but the key is in the content and in the ability to grow in relevant and sustainable cross border service or product.

#### x) Administrative capacity, data collection procedures and evaluation

The joint implementation structure of the Cooperation Programme is built by:

- Managing Authority (MA),
- Certifying Authority (CA) and
- Audit Authority (AA).

According to Article 123 of the Common Provision Regulation (CPR) 1303/2013 there are no substantial changes in the functions of the programme authorities as well as the Monitoring Committee (MC) and Joint Secretariat (JS) compared to the period 2007 – 2013. Basic programme structure and implementation arrangements will remain the same, ensuring institutional stability and smooth transition to the period 2014 – 2020. The AA will be assisted by a group of auditors comprising a representative of both Member States participating in the CP.

Monitoring Committee (MC) agrees to apply the partnership principle as laid down in Article 5 of the CPR and to find optimal solutions for the benefit of the whole cooperation area. The main functions of the MC are described in the Article 49 of the CPR. It will be the task of the MC to steer the programme and to ensure the quality and effectiveness of its implementation. The MC will carry out its functions in line with Article 49 and Article 110 of the CPR. Modalities of the MC work will be defined in the Rules of Procedure, while taking into account the general rule that each country has one vote and that decisions are taken in consensus.

Member States shall aim to promote equality between men and women and equal opportunity in the membership of the monitoring committees. The MA shall ask the members of the monitoring committee to sign a statement acknowledging their obligations related to confidentiality and conflict of interest.

The participating Member States as National Authorities (NAs) are represented by:

<p><b>Slovenia</b> Government Office of the Republic of Slovenia for Development and European Cohesion Policy European Territorial Cooperation and Financial Mechanisms Department European Territorial Cooperation Division Trubarjeva 11, SI-2000 Maribor</p>	<p><b>Hungary</b> Hungarian Prime Minister's Office State Secretariat for Cohesion Policy Deputy State Secretariat for International Affairs Kossuth square 1-3., HU – 1055 Budapest</p>
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**Proactive project generation is a basic principle of the Cooperation Programme, as it leads to projects with a clear added value in the cross-border approach.** The Joint Secretariat (JS) will, in cooperation with

NAs, provide information and support to potential project applicants interested in becoming a project partner. For this purpose thematic workshops and/or seminars will be organized in the programme area.

**The programme will operate on the basis of the open call system.** This means that project holders can submit project applications continuously after opening the call. Applications received in due time before each MC and fulfilling all requirements will be subject to MC decision. The application process will be carried out completely in an online system using the Harmonized Implementation Tools (HIT). Project applications shall be submitted by the Lead Partner in electronic form to the JS. Methodology for project assessment will be defined and approved by the MC. The MC will set up common standards for the eligibility and selection criteria and will be under overall responsibility of JS.

The results of the assessment in a form of a report and a list of recommended projects are presented by the JS/MA to the MC for its decision. This report will cover all the project applications which were received by the JS, and will provide recommendations for decision – consistently taking reference to the selection criteria given by the programme documents. A special attention will be given to the projects which are focused on the areas less developed in terms of tourism. In order to encourage such initiatives, the projects will be awarded bonus points during the selection procedure, based on the decision of the MC.

**The MC formally decides on the approval of the projects and on the ERDF contribution.** The decision can only be taken by the voting members. The MC meets at least once a year. After the formal decision is made, the applicant will be informed about the decision on the submitted project application by the MA/JS. Following the decision of the MC, the JS will draft a (bilingual) subsidy contract by using a standard bilingual template approved by the MC. The subsidy contract lays down details concerning the responsibilities and liabilities of all contracting parties. It is addressed to the Lead Partner and signed by the legal representative of the Lead Partner and the MA.

**In accordance with Article 125 (4) of CPR and Article 23 (4) of ETC Regulation each Member State shall designate the First Level Control (FLC) Bodies for carrying out verifications in relation to beneficiaries on its territory.** The control system is set up to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations and the compliance with Community rules, programme rules and its national rules.

**The monitoring of the programme will cover financial issues and achieved results considering the targets fixed for the different milestones in the performance framework.** Programme data will be recorded and stored in the programme - Monitoring System (e-MS) and will be used, together with additional information on the financial implementation of the programme, for drafting the annual and final implementation reports.

In accordance with Article 14 of ETC Regulation, the **MA will submit implementation reports** (annual implementation reports and final implementation report) to the EC in accordance with the requirements stipulated in Article 50 of the CPR and respecting the deadlines set in Article 14 of ETC Regulation. The annual implementation reports will be drafted by MA/JS on the basis of programme monitoring data and data provided by the beneficiaries in their progress and final reports. The annual implementation reports of the programme will be submitted to the MC for approval prior to sending to the EC.

The Cooperation Programme has been subject to an ex-ante **evaluation** of independent evaluators with the aim of improving the overall quality of the programme and to optimise the allocation of budgetary resources. The evaluations will be carried out to assess effectiveness, efficiency and impact of the programme. All evaluations, recommendations and follow-up actions will be examined and approved by the MC.

On the side of the programme, **the e-MS** according to Article 72 of CPR shall provide data and information needed to fulfill management, monitoring and evaluation requirements. As stipulated in Articles 74 and 112 of CPR, data exchange with the EC will be carried out electronically (by means of SFC2014). In accordance with Article 122 of CPR, the Programme will ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and the MA, JS, CA, NA and AA can be carried out by means of an electronic data exchange system (e-MS).

Stakeholders in the ex-ante evaluation process and respondents of the survey conducted presented some shortcomings of the Programme management in the past. Respondents highlighted the following as key problems of the programme implementation:

- **difficulties coming from the administrative complexity of the application and project implementation (monitoring) procedures and requirements,**
- **language barriers,**
- **financial problems,**
- **cash flow problems,**
- **problems with Lead Partner principle.**

In the new programming period 2014-2020 stakeholders expect to have more support in specific fields (e.g. preparatory workshops, partner search), as well as the sharing of key success factors and lessons learnt from similar projects.

In order for the programme to be efficient and to have an impact on the target groups it needs to cut administrative procedures as much as possible and be more focused to actions and impact rather than to reporting, counting and similar. To this end the monitoring system needs to be simple and efficient while more content and guidance needs to come from the management of the programme and from the evaluations.

## 12. Contribution to Europe 2020 strategy

### y) The Community added value and the sustainability of the programme

European added value arises from the fact that in the light of past experience, people who are living together in this border region area increasingly want to cooperate and are increasingly used to cross-border cooperation. With this, they make a valuable contribution to the promotion of peace, freedom, security and the observance of human rights.

Table 22: Evaluation of the potential Community added value of the programme CP SI-HU

List of potential Community added values	Comment
<b>Political added value</b>	
<ul style="list-style-type: none"> <li>the development of Europe and European integration</li> </ul>	The fact that both countries are already in the EU does not reduce the importance of the institutions of these countries to promote EU values and horizontal policies of the EU. Programme is so far focused on sustainable tourism based on heritage of the programme area and exchange of experience and cooperation which is a part of the EU values to be promoted.
<ul style="list-style-type: none"> <li>getting to know each other, getting on together, understanding each other and building trust</li> </ul>	The programme is building the partnerships and networks that will help in the long run. The programme was very active in establishing cooperation across once tight border in the previous projects. The experience of the project partners needs to be transferred to citizens of the programme area who are the key target groups of the CP SI-HU.
<ul style="list-style-type: none"> <li>the implementation of subsidiarity and partnership</li> </ul>	The programme is based on operations to be implemented by project partners while some more attention should be given to the higher level policy development and common measures development.
<ul style="list-style-type: none"> <li>increased economic and social cohesion and cooperation</li> </ul>	The programme is focused on tourism development and exchange of knowledge, experience and best practice. The programme intends to stimulate development of rural parts of the programme area by supporting entrepreneurial opportunities in tourism in larger area, thus increasing the chances for viable and integrated businesses. The program may help the programme area to develop internationally recognised CBC tourist products and services, based on heritage and wellness.
<ul style="list-style-type: none"> <li>preparing for the accession of new members</li> </ul>	The programme is not related to accession.
<ul style="list-style-type: none"> <li>using EU funding to secure cross-border cooperation via multiannual programmes, and ensuring that the necessary national and regional co-financing is committed in the long term.</li> </ul>	The programme must develop policy development level in order to secure necessary national and regional co-financing is committed in the long term. This will need to be done through stronger regional and national cooperation and clear definition of joint policies which may be implemented through activities of TO 11. Cooperation is likely to strengthen in the field of water management and nature conservation.
<b>Institutional added value</b>	
<ul style="list-style-type: none"> <li>active involvement by the citizens, authorities, political and social groups on both sides of the border</li> </ul>	Programming process was rather closed so far, but with inputs from public participation in the initial and final stages.
<ul style="list-style-type: none"> <li>secure knowledge about one's neighbour (regional authorities, social partners, etc.);</li> </ul>	The programme area has developed good cooperation and is directly improving the knowledge of stakeholders across the border. The key question need to be the efficiency of the funds spent and the effectiveness of the operations for the objectives set.

<ul style="list-style-type: none"> <li>• <b>long-term cross-border cooperation in structures that are capable of working efficiently</b></li> </ul>	<p>Cross-border cooperation structures were developed several years ago. The efficiency of the processes and the capacity of the structures should be improved and support project partners in application of the partnership principle to its full extent.</p>
<ul style="list-style-type: none"> <li>• <b>vertically and horizontally functioning partnership, despite having different structures and areas of responsibility</b></li> </ul>	<p>There are different levels of governance in the two countries which has an impact on the structures participating in discussion, definition of joint challenges and objectives and preparation of projects.</p>
<ul style="list-style-type: none"> <li>• <b>joint drafting, implementation and financing of cross-border programmes and projects</b></li> </ul>	<p>The programme management structure should go beyond presentations of programme and organizing the workshops for project proposals presentation. In order to steer the programme more closely to the programme objectives the programme management should provide active support to the stakeholders for project development as discussed during Task Force meetings.</p>
<b>Socio-economic added value</b>	
<ul style="list-style-type: none"> <li>• <b>the mobilization of endogenous potential by strengthening the regional and local levels as partners for and initiators of cross-border cooperation</b></li> </ul>	<p>The programme addresses linking rural areas with well-known tourist centres in order to stimulate the development of rural, less known areas through tourism. The infrastructure developed should support the development of services in the rural areas and improve mobility of both the workforce and the tourists.</p>
<ul style="list-style-type: none"> <li>• <b>the participation of actors from the economic and social sectors</b></li> </ul>	<p>The participation of actors from the economic and social sectors is open as they are among the target groups, but it needs to be promoted. The programme implementation structures need to support the preparation of projects targeting the businesses in order to make them use project results and develop products and services in the framework of the programme. Social services should be targeted too in order to exchange experience and best practice to deliver their services more successfully to the most needed.</p>
<ul style="list-style-type: none"> <li>• <b>the opening up of the labor market and harmonization of professional qualifications</b></li> </ul>	<p>The programme offers the opening up of the labour market and harmonization of professional qualifications and employment services, exchange of experience and practice in vocational training and similar.</p>
<ul style="list-style-type: none"> <li>• <b>additional development, e.g. in the fields of infrastructure, transport, tourism, the environment, education, research and cooperation between small and medium sized enterprises, and also the creation of more jobs in these areas</b></li> </ul>	<p>The programme is focused on developing infrastructure for sustainable tourism, including transport infrastructure for improved accessibility of heritage and tourist centres. Moreover, development of joint tourist products and services that would link current well-known tourist centres with more peripheral, rural areas is emphasised; this could lead to improved services and on the long run also to more jobs.</p>
<ul style="list-style-type: none"> <li>• <b>lasting improvements in the planning of spatial development and regional policy</b></li> </ul>	<p>Improvement of planning of spatial development and regional policy is not among the key topics of the programme, but it allows for projects for exchange of experience and joint planning in this field, e.g. urban planning.</p>
<ul style="list-style-type: none"> <li>• <b>the improvement of cross-border transport infrastructure.</b></li> </ul>	<p>The programme supports development of infrastructure, but to a limited extent. Ensuring mobility and public transport is an issue that is tackled only to lesser extent in the current draft of the programme.</p>

The key Community added value of the current draft of the CBC programme may be seen in ability of citizens to know each other and getting on together by understanding each other and building mutual trust and partnership. The programme is securing the mechanism for the neighbours to get to know each other which helps in joint drafting, implementation and financing of cross-border programmes and

**projects. This is especially important because of the nature of the border which was closely guarded and controlled for a long period.**

**The programme mobilizes endogenous potential by strengthening the regional and local level of partnerships and initiatives for cross-border cooperation on a variety of issues, focusing on issues important for quality of life and sustainable development of the area. Quality of life will be improved through development of tourism products, trainings, exchange of experience and joint planning, especially in the field of tourism development, environmental and cultural heritage protection. Some infrastructure will be developed, but the key will be the support for improvement of tourist products and services, innovative use of heritage for tourism development, entrepreneurship and similar which will lead towards development of new services and products and on the long run also more jobs.**



### 13. Consistency of financial allocations

Altogether the programme budget consists of 18,641,194.12 EUR, with an ERDF contribution of 14,795,015.00 EUR, which corresponds to 79,37 % of the total financing.

Table 23: Financial table of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A

Priority axis	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e)
			National Public funding (c)	National private funding (d)		
Priority axis 1	10,000,000.00	1,764,705.89	1,058,823.50	705,882.39	11,764,705.89	85.00%
Priority axis 2	3,295,015.00	581,473.24	348,883.94	232,589.30	3,876,488.24	85.00%
Priority axis 3	1,500,000.00	1,500,000.00	1,500,000.00	0	3,000,000.00	50.00%
<b>Total</b>	<b>14,795,015.00</b>	<b>3,846,179.13</b>	<b>2,907,707.44</b>	<b>938,471.69</b>	<b>18,641,194.13</b>	<b>79.37%</b>

Source: third draft of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A, version 3.3 received on 3 March 2015. HitesyBartuczHollai Euroconsulting Kft., February 2015

Table 24: Financial table of the Cooperation Programme Slovenia-Hungary 2014-2020 by thematic objective

Priority axis	Thematic objective	Union support	National counterpart	Total funding
Priority axis 1	Thematic objective 6	10,000,000.00	1,764,705.89	11,764,705.89
Priority axis 2	Thematic objective 11	3,295,015.00	581,473.24	3,876,488.24
Priority axis 3	Technical assistance	1,500,000.00	1,500,000.00	3,000,000.00
<b>Total</b>		<b>14,795,015.00</b>	<b>3,846,179.13</b>	<b>18,641,194.13</b>

Source: third draft of the Cooperation Programme Slovenia-Hungary 2014-2020, Interreg V-A, version 3.3 received on 3 March 2015. HitesyBartuczHollai Euroconsulting Kft., February 2015

**When we look to the expected projects to be financed from the priorities (as planned in indicators) the average project financed by CP SI-HU will cost around 520.000 EUR. Somehow larger projects can be expected under the 1<sup>st</sup> priority where investments in infrastructure are being expected while some smaller projects will be implemented under the second priority. This is not expected to be cost-intensive infrastructure, but on the other hand some part of these investments will be able to generate revenues, thus the financial structuring of projects must be done in this perspective.**

Under the priority 3 Technical assistance large portion of funds is planned for the Preparation, implementation, monitoring and inspection, while fewer funds are planned for the evaluations and promotion of the programme. This may affect the programme implementation since the programme needs some more promotion and information, although it is not a new programme – this is necessary in order to have partners on board for achieving the planned objectives. More focused promotion may be required and it needs to be done on time for the partners to prepare projects and implement them on time. Similar goes for the evaluation which will need to be done in order to help the programme achieve the targets and objectives.

#### z) Categories of intervention

Table 25: Financial table per Categories of intervention

Categories of intervention	Amount in EUR planned
Priority axis 1	<b>10.000.000</b>
032 Local access roads (new build)	500.000
034 Other reconstructed or improved road (motorway, national, regional or local)	500.000
090 Cycle tracks and foot paths	1.500.000
091 Development and promotion of the tourism potential of natural areas	1.500.000
093 Development and promotion of public tourism services	1.500.000

094 Protection, development and promotion of public cultural and heritage assets	2.500.000
095 Development and promoting of public cultural and heritage services	2.000.000
<b>Categories of intervention</b>	<b>Amount in EUR planned</b>
<b>Priority axis 2</b>	<b>3.295.015</b>
119 Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	1.000.000
120 Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at national, regional and local level	2.295.015
<b>Priority axis 3</b>	<b>1.500.000</b>
121 Preparation, implementation, monitoring, inspection	1.300.000
122 Evaluation and studies	100.000
123 Information and communication	100.000

**Table 26:** Largest investments planned by Categories of intervention

Categories of intervention	Amount in EUR planned
120 Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at national, regional and local level	2.295.015
094 Protection, development and promotion of public cultural and heritage assets	2.500.000
095 Development and promoting of public cultural and heritage services	2.000.000
090 Cycle tracks and foot paths	1.500.000
091 Development and promotion of the tourism potential of natural areas	1.500.000
093 Development and promotion of public tourism services	1.500.000
121 Preparation, implementation, monitoring, inspection	1.300.000

**Table 27:** Interventions by the Territory Type

Interventions by the Territory Type	Amount in EUR planned	Percentage
Large Urban areas (densely populated > 50 000 population)	2.647.507,50	19,9
Small Urban areas (intermediate density > 5000 population)	4.988.504,50	37,5
Rural areas (thinly populated)	5.659.003,00	42,6
<b>TOTAL</b>	<b>13.295.015,00</b>	<b>100%</b>

#### **aa) General conclusions and recommendations**

Altogether the programme budget consists of 18.641.194,12 EUR, with an ERDF contribution of 14.795.015,00 EUR, which corresponds to 79,37 % of the total financing.

The financial allocation takes into account experiences gathered during the programme period 2007-2013 and information received on public consultation events (workshops), wherein its primary source are the regional and SWOT analyses, and by that the characteristics, challenges and needs identified in section 1 of the Cooperation Programme INTERREG V-A Slovenia-Hungary 2014-2020 are identified. Needs for establishing mutual understanding of challenges and their handling, as well as building up capacities in order to guarantee good and long-term partnerships for successful outcomes are shown both on programme and project level.

**When we look at the expected projects to be financed from the priorities (as planned in indicators) the average project under the programme will be around 520.000 EUR. Somehow larger projects can be expected under the 1<sup>st</sup> priority where investments in infrastructure are being expected, while some smaller projects will be implemented under the second priority. The infrastructure is not expected to be cost-intensive, but on the other hand some part of these investments will be able to generate revenues, thus the financial structuring of projects must be done in this perspective.**

Under the priority 3 Technical assistance large portion of funds is planned for the preparation, implementation, monitoring and inspection while fewer funds are planned for the evaluations and promotion of the programme. This may affect the programme implementation, therefore more focused promotion is required for partners to prepare projects and implement them. Similarly evaluation will need to be done in order to help the programme to achieve targets and objectives.

Largest investments (above 1,3 million EUR) are planned in in capacity building for stakeholders, protection, development and promotion of public cultural and heritage assets and in development and promoting of public cultural and heritage services. The programme will need to keep focus to planned indicators and objectives in order to achieve changes in the target groups planned. These include employment and generation of new tourist products and services, therefore the interventions should be suitably focused.

**As detected in the programme analysis the key in the programme implementation will be to support smaller less developed areas of the CBC area. As planned in the financial tables under the dimension 3 Territory Type the most of the funding (more than 80%) will be available for the Small Urban areas and rural areas.**

## 14. Literature and documentation

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11. REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal
12. REGULATION (EU) No 1301/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006
13. REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
14. Association of European Border Regions (AEBR): Opinion of the AEBR on the 6th Report on economic, social and territorial cohesion (6th Cohesion Report),
15. Association of European Border Regions (AEBR) and Conference of European cross-border and interregional city networks (CECICN): Strategic document on Smart cooperation; Territorial Cooperation fostering European integration: Cities and Regions, linking across borders, May 2012

## 15. Annexes

Meetings held for the preparation of the Ex ante evaluation report:

Partners	Date and location	Short minutes
Management Authority and Joint Technical Secretariat, Trubarjeva 11, SI – 2000 Maribor, Slovenia, Aleš Mrkela, Jasmina Litrop	Maribor, 24. 9. 2014	Programming process and decisions taken for selection of the thematic objectives. Characteristics of the region, stakeholders, partnerships and potential support for employment and entrepreneurship.
E-zavod, Zavod za celovite razvojne rešitve, Čučkova ul. 5, 2250 Ptuj, Matjaž Gerl	Ptuj, 25.9.2014	Partnerships in the CBC region and potential for more investment. Past experience and potentials for improvements. Nature conservation and tourism aspects in the CBC region with potential for growth.
Občina Velika Polana, Velika Polana 111, 9225 Velika Polana, Damijan Jaklin, zupan@velika-polana.si	Velika Polana, 25.9.2014	Discussion on potentials for cross border cooperation and current and future challenges of municipalities in the CBC region. Potential for Cross border projects and needs of partners in preparation phase. Nature conservation and tourism aspects in the CBC region will be addressed by smaller municipalities which may help the region in further development. Municipality works a lot on the nature and tourism development.
Mariborska razvojna agencija, Pobreška cesta 20, SI-2000 Maribor, Slovenija, Amna Potočnik and Borut Jurišič	Maribor, 1.10.2014	Discussion on models of implementation of projects and programme as a whole. Discussion in the programming process in Slovenia and key challenges in the CBC Area. Discussion on the workshops organized and meeting held in the process of programming.
The Institute of the Republic of Slovenia for Nature Conservation (Zavod Republike Slovenije za varstvo narave), Gregor Danev, Head of Ljubljana Regional Unit and Project Manager of LIFE+ project for Natura 2000 management 2014-2020	Ljubljana, 3. November 201	The Institute for Nature Conservation has good cooperation with similar services in all neighbouring countries and follows the results of numerous projects funded from various sources, including the cooperation programmes. At the moment, the most important project of the Institute is the LIFE+-funded preparation of the new National Natura 2000 Management Plan. One of the project activities was organization of a series of cross-border workshops on conservation and management of Natura 2000 network in cross-border context; the workshop for Hungary was organized in November 2013. In May the Institute was asked by the Ministry of Environment and Spatial Planning to prepare a list of topics/issues/projects that are in their opinion important or relevant for implementation in the framework of ESI programmes, including Cooperation Programmes 2014-2020. The Institute has prepared an LFA for each of the Cooperation Programmes, including CP SI-HU; in the opinion of interviewee there is a lot of potential to continue the good cooperation established in the previous programming period.
Ministry of Environment and Spatial Planning of Republic of Slovenia, Andrej Bibič, Katarina Zeiler Groznic, senior experts in Sector for Nature Conservation	Ljubljana, 5 November 2014	The Ministry has reviewed the key topics/issues that could be funded from ESI programmes as preparation for the intersectoral coordination in which numerous Government Offices and Ministries participate. They have asked also the

		<p>Institute for Nature Conservation to provide their opinion. The list of proposed topics/projects has been sent to the Government Office for Development and European Cohesion Policy that is the Managing Authority of most of ESI programmes. No feedback was received, but some measures for nature conservation were included in the Operational Programme for Cohesion.</p>
<p>Triglav National Park, Peter Skoberne, acting director</p>	<p>Ljubljana, 11 November 2014</p>	<p>Triglav National Park has good cooperation with various institutions and protected areas in neighbouring countries. At the moment the Park Authority is focused on restructuring their organization and financing and have not worked intensively on preparation of projects, but have participated in some of the activities for preparation of the new National Natura 2000 Management Plan. The Park Authority has not been involved in any consultation process for Cooperation Programme preparation or directly consulted on it; general experience is that the protected areas established on national level can support local communities and cross-border cooperation because they have experienced management structure.</p>