



Hungary-Slovakia-Romania-Ukraine
ENPI Cross-border Cooperation Programme

Partnership without borders



DECC

**SUPPORTING THE DEVELOPMENT OF THE
CONOMY, OF CULTURE AND CREATIVITY IN
THE CROSS-BORDER REGION
HUNGARY-ROMANIA-UKRAINE**

FINAL REPORT

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Table of contents

List of Tables.....	6
List of Figures.....	6
Foreword	8
1 Definitions and methodology.....	10
1.1 Cultural and Creative Industries.....	10
1.2 Methodology	10
2 Economic situation of the Cultural and Creative Industries	14
2.1 CCI in Europe	14
2.2 CCI on country level.....	15
2.2.1 Hungary	15
2.2.2 Romania.....	16
2.2.3 Ukraine	17
2.3 CCI on regional level.....	19
2.3.1 Borsod-Abaúj-Zemplén.....	19
2.3.2 Maramures	20
2.3.3 Transcarpathia.....	22
3 Transport and communication infrastructure.....	25
3.1 Road and train network.....	25
3.2 Airports.....	27
3.3 Border controls.....	28
3.4 Touristic routes/trails.....	28
3.4.1 Hiking trails.....	28
3.4.2 Bicycle routes	29
3.4.3 Motorbike routes	29
3.5 IT, broadband	30
4 Statistical analysis of CCI in the area under investigation.....	31
4.1 Number of employees.....	31
4.2 Number of self-employed people	32
4.3 Number of companies.....	33
4.4 Turnover by submarket.....	34
4.5 Hotel stays	34
4.6 Museums, theaters, festivals	36





4.7	Historic, geographic landmarks.....	37
4.8	Libraries.....	38
4.9	Awards.....	39
4.10	Initiative projects foundation/cross-border co-operation.....	40
4.11	Education, number of students.....	41
4.12	Consultancy.....	41
4.13	Funding.....	44
5	Identification of challenges and potentials.....	47
5.1	Principles of regional development.....	47
5.1.1	Complexity of project management.....	47
5.1.2	Top-down and bottom-up.....	50
5.1.3	Networking.....	52
5.1.4	Definition of objectives and target groups.....	53
5.1.5	Cross-border development.....	53
5.1.6	Regional development concept and regional management.....	54
5.1.7	Decision process “who shall do what?”.....	55
5.2	What shall be done.....	56
5.2.1	Identification of challenges and potentials.....	56
5.2.2	Project ideas.....	62
5.2.2.1	From the SWOT analyses.....	62
5.2.2.2	From the branch hearings.....	65
5.2.2.3	From the touristic workshops.....	67
5.2.2.4	Additional project ideas.....	70
5.3	Who shall do what.....	73
5.3.1	Using existing networks and creating new ones, civic participation.....	73
5.3.2	Clustering of project ideas.....	75
5.3.3	Single projects by core stakeholders.....	76
5.3.3.1	Overall CCI-Development.....	77
5.3.3.2	Infrastructure.....	80
5.3.3.3	Tourism.....	81
5.3.4	Complex projects by multiple stakeholders.....	82
5.3.4.1	Overall CCI-Development.....	83
5.3.4.2	Infrastructure.....	87





5.3.4.3	Tourism.....	88
5.4	When shall what be done.....	94
5.5	How shall what be done.....	95
5.5.1	Status quo and market analysis.....	95
5.5.2	Regional management, public counseling.....	96
5.5.3	Funding of regional development.....	99
5.5.3.1	Pros and cons of funding.....	99
5.5.3.2	Designing and using funds.....	101
5.5.4	Evaluation, adjustment of objectives.....	103
	References.....	105





List of Tables

Table 1:	World travel trends (change in %) over respective previous year	11
Table 2:	Evolution of the main economic indicators in Maramures 2010-2012	17
Table 3:	Distances/time by car and train within the area under investigation	21
Table 4:	Number of employees – overall trend in the three regions 2008 – 2012	25
Table 5:	Companies/organizations in the area under investigation expecting an increase in staff during 2014-2016	25
Table 6:	Number of self-employed people – overall trend in the three regions 2008-2012	26
Table 7:	Number of companies – overall trend in the three regions	27
Table 8:	Turnover by submarket – overall trend in the three regions 2008-2012	27
Table 9:	Number of libraries in Hungary 2008-2013	33
Table 10:	Public consultancy structures in the area under investigation	35

List of Figures

Figure 1:	Area under investigation	5
Figure 2:	The 11 market segments (core branches) of the Culture and Creative Industries	9
Figure 3:	Economic climate in Hungary 1999 – 2014	12
Figure 4:	Economic climate in Romania 1999 – 2014	13
Figure 5:	Economic climate in Ukraine 1999 – 2014	14
Figure 6:	Map of Borsod-Abaúj-Zemplén County	15
Figure 7:	Map of Maramures County	16
Figure 8:	Region of Transcarpathia Oblast	18
Figure 9:	Employment trend in CCI-companies in the area under investigation 2011-2013	26
Figure 10:	Number of hotel stays in Maramures per 10,000 inhabitants 2008-2012	28
Figure 11:	Annual ranking of hotel stays in Borsod-Abaúj-Zemplén by nationality per 10,000 inhabitants 2008-2012	29
Figure 12:	Number of tourism fees charged in Transcarpathia 2011-2014 in thousands	29
Figure 13:	Number of visitors in museums and public collections in Maramures 2008-2012	30
Figure 14:	Number of museums and theater visitors in Transcarpathia 2008-2012	31
Figure 15:	Number of visitors in landmarks in Borsod-Abaúj-Zemplén 2008-2012	31





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Figure 16:	Number of libraries in Maramures 2008-2012	32
Figure 17:	Number of libraries in Transcarpathia 2000-2013	32
Figure 18:	CCI-companies/organizations in the area under investigation receiving awards during 2011-2013	33
Figure 19:	CCI-companies/organizations in the area under investigation having experiences with participating in cross-border co-operation	34
Figure 20:	Number of students at universities within the target area 2008-2012	34
Figure 21:	Relationships in a single project	40
Figure 22:	Relationships in a complex project “creating a touristic product”	41
Figure 23:	Relationships in a regional development concept	42
Figure 24:	Different action levels of regional development: top-down and bottom-up	43
Figure 25:	Decision process in regional development	48
Figure 26:	Tourism as a cross-sectorial topic for the Cultural and Creative Industries	64
Figure 27:	Regional development PR instruments according to intensity steps	90



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Foreword

The task of this project was to analyze the structures and (economic) potentials of the Cultural and Creative Industries (CCI) in the border region between Romania, Hungary and Ukraine, more precisely in the three regions Maramures County (Romania), Borsod-Abaúj-Zemplén County (Hungary) and Transcarpathia Oblast (Ukraine).

The main cities in these regions are Miskolc in Hungary, Baia Mare in Romania and Uzhgorod in Ukraine. The entire area under investigation (shown in Figure 1) covers an area of 26,326 km² with a population of 2.450 Million inhabitants in 2013.¹



Figure 1: Area under investigation

On an European level, the area under investigation is a “peripheral region,” far away from metropolitan regions and rarely known among western European people. “Maramures,” “Borsod-Abaúj-Zemplén” and “Transcarpathia” are not internationally known names. In international tourism none of these names is a “brand,” a well-known touristic region (touristic “brands” for instance are Southern Tyrol, Andalusia etc.). “Siebenbürgen” probably is the best known region of the area in German speaking countries.

The closest metropolises (cities with more than 1 million inhabitants) are

- Budapest (183 km from Miskolc)
- Bucarest (595 km from Baia Mare)
- Kiev (805 km from Uzhgorod)

¹ Calculation by MKW GmbH, using
http://www.ksh.hu/interactive_humaps,
http://database.ukrcensus.gov.ua/PXWEB2007/eng/news/op_1_1_e.pdf
http://www.inse.ro/cms/files/Anuar%20statistic/02/02%20Populatie_en.pdf





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Maramures County and Transcarpathia Oblast share a common border. However, there is no common border between Maramures County and Borsod-Abaúj-Zemplén County, as well as between Borsod-Abaúj-Zemplén County and Transcarpathia Oblast. The two regions which could connect all three regions – Satu Mare County in Romania and Szabolcs-Szatmár-Bereg in Hungary - are not part of the project. For future cross-border cooperation it would be helpful to include these two regions.

Although the three regions in the area under investigation have few common borders and cover a large area of several hundred square kilometers, they share a common history. This history started during the time of the Roman Empire and stretched to the end of the Austrian-Hungarian-Monarchy after the First World War in 1918. In recent time, the common history found its continuation when Hungary and Romania joined the European Union. Ukraine already has close relations with the European Union.

The long common history results in many close relationships in culture, tradition, architecture, arts etc. Examples for common history and culture are the wooden churches and similar building styles in old towns and castles. These are a big asset for developing joint CCI-projects, especially in cultural tourism.



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1 Definitions and methodology

1.1 Cultural and Creative Industries

The “cultural sector”

- Non-industrial sectors producing non-reproducible goods and services aimed at being "consumed" on the spot (concerts, art fairs, exhibitions). These comprise the field of arts (visual arts including paintings, sculpture, craft, photography; art and antique markets; performing arts including opera, orchestra, theater, dance, circus; and heritage including museums, heritage sites, archaeological sites, libraries and archives).
- Industrial sectors producing cultural products aimed at mass reproduction, mass-dissemination and exports (books, films, sound recordings). These are “cultural industries” including films and videos, video-games, broadcasts, music, books and press publications.

The “creative sector”

- Design (fashion design, interior design, and product design), architecture, and advertising. Creativity is understood in the study as the use of cultural resources as an intermediate consumption in the production process of non-cultural sectors, and thereby as a source of innovation.

In 2009, MKW developed a classification of market segments (core branches) of the Culture and Creative Industries which was used for this project (see Figure 2).²

1.2 Methodology

In order to obtain a comprehensive overview of the current economic situation in the Cultural and Creative Industries in the area under investigation it was necessary to use a wide range of methods, tools, data collection processes and sources:

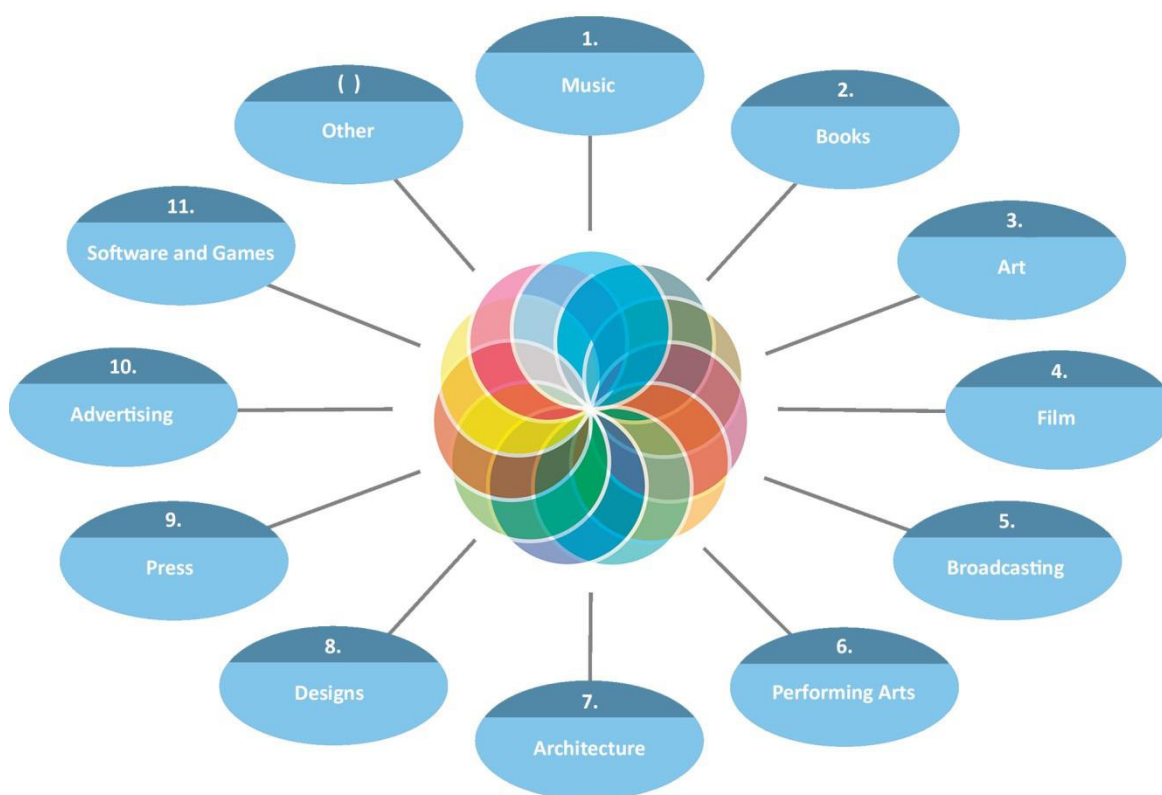
- The provider drew on the literature already devoted to this subject at the EU and international levels.
- The researcher carried out an intensive regional statistical analysis and supplemented regional data with national as well as international data. The following indicators were analyzed in detail:
 - Number of employees
 - Number of self-employed people
 - Number of companies
 - Turnover by submarket

² MKW GmbH: Report “Culture and Creative Industries” to the German Federal Government, 2009.





- Hotel stays (respective number of visitors)
- Museums, theaters, festivals
- Historic, geographic landmarks
- Libraries
- Awards
- Initiative projects foundation/cross-border co-operation
- Education, number of students
- Consultancy
- Funding



Source: Research Report Culture and Creative Industries of the German Federal Government 2009

Figure 2: The 11 market segments (core branches) of the Culture and Creative Industries

- Three economic workshops were organized with regional statistical experts.
- In co-operation with partner organizations (Maramures Chamber of Commerce and Industry, Bordon-Abauj-Zemplén Chamber of Commerce and Industry, Transcarpathian Enterprise Support Fund “TES Fund”) 15 branch hearings with regional stakeholders from the branch groups “arts,” “media,” “cultural heritage/architecture,” “advertising/IT” and “tourism” Were





organized. There were 208 participants in the branch hearings who were invited with support of the partner organizations. From a questionnaire distributed among the participants, the provider created an additional regional CCI-statistics concerning the indicators:

- Company size (turnover and number of employees)
 - Development of sales in the last 3 years
 - Creation of new jobs in last 3 years
 - Companies which acquired relevant awards, honors, certificates in the last 3 years
 - Companies/networks which joined cross-border projects, events or public competitions in the field of culture, creativity and/or tourism
 - Promotion of equal opportunities
 - International orientation of companies
- 23 CCI-organizations/enterprises in the area under investigation were analyzed in detail as “case studies.” The following indicators were checked:
 - Organizational sector in which the enterprise/organization is located (private, public, public-private partnership)
 - The Cultural and Creative Industries activity sector in which the main activity of the enterprise/organization is located
 - Cross-border connections within the organization, and added value they forecast from cross-border connections
 - Number of staff, increase/decrease of staff during the last 5 years in %
 - Measures supporting employability of the staff members
 - Measures supporting equal opportunities for the staff members
 - Measures supporting integration of marginalized groups into staff
 - Forecast of staff increase/decrease for the next 3 years in %
 - Increase /decrease of sales/turnover during the last 5 years in %
 - Experience with national/EU funding programs
 - Experience with consulting/advisory services
 - Notable awards/certifications during the last 5 years
 - In every one of the three regions, two training modules and one workshop were organized for regional CCI-stakeholders. The topics of the training sessions were “Regional Identity, Quality, Customer Orientation” and “Cultural Tourism” the topic of the workshops was “Development of One or Several Tourism Oriented Product and/or Service Packages.” In these nine events, participating were 171 persons who were invited with the support of the partner organizations.





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- In the course of the project, provider's representatives carried out a number of qualitative interviews with regional stakeholders.
- The provider's project team visually inspected the area under investigation.



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2 Economic situation of the Cultural and Creative Industries

2.1 CCI in Europe

In 2006, European creative and cultural industries firms employed a total of 6.5 million persons.³ In their “Priority Sector Report” Dominic Power and Tobias Nielsén concluded that large urban areas and capital city regions (like Amsterdam, London, Milan and Paris) dominate the Cultural and Creative Industries. Budapest is the only city/region in the three countries Hungary, Romania and Ukraine that ranks among the top 25 cities/regions with a disproportionately large creative and cultural sector. Creative and Cultural Industries’ manufacturing and production activities are the most regionally concentrated, and consumer oriented activities such as retail the least regionally concentrated.

The Turku School of Economics and MKW GmbH worked out in 2006 how Cultural and Creative Industries can contribute to local respectively regional development:⁴

- The characteristics of cultural and creative goods are that they cater essentially to a local audience, its languages and cultures. This makes it difficult for the production of cultural goods and services to shift (or be shifted) to other continents.
- Culture and innovation play a crucial role in helping regions attract investment, creative talents and tourism.
- Paradoxically, while we are living at a time where information technologies have abolished distance and time constraints, “physical location” and the “socialization” factor remain decisive for economic success.
- Culture has become an important soft location factor and a key factor for boosting local and regional attractiveness.
- Culture is a main driving force for tourism, one of Europe’s most successful industries representing 5.5% of the EU GDP and where Europe holds 55% of the global market share.

Table 1: World travel trends (change in %) over respective previous year

Year	2010	2011	2012	2013	2010 – 2013 cumulative
Outbound trips	+ 7 %	+ 5 %	+ 4 %	+ 4 %	+ 22 %
Outbound nights	+ 5 %	+ 4 %	+ 2 %	+ 4 %	+ 16 %
Outbound spending in US\$	+ 7 %	+ 8 %	+ 4 %	+ 5 %	+ 28 %

Source: World Travel Monitor 2013, IPK International

Experience from regional development also shows that regional differences in culture are “unique selling points” for regions, especially in their competition with other regions. Tourism is one of the most

³ Power Dominic/Nielsén Tobias: Priority Sector Report, Creative and Cultural Industries. In: European Cluster Observatory, 2010

⁴ Turku School of Economics, MKW Wirtschaftsforschung GmbH: The Economy of Culture in Europe. Study prepared for the European Commission (DG Education and Culture), 2006





dynamic economic sectors worldwide (see Table 1). The number of outbound trips, the number of outbound spent nights and the turnover of outbound spending is still growing.

2.2 CCI on country level

2.2.1 Hungary

General economic situation

General economic development since 1999 has been rather neglected in Hungary, especially since the subprime crisis in 2007 (see Figure 3). However, in the last two years the development has been significantly better, similar to the development in Western Europe and worldwide.

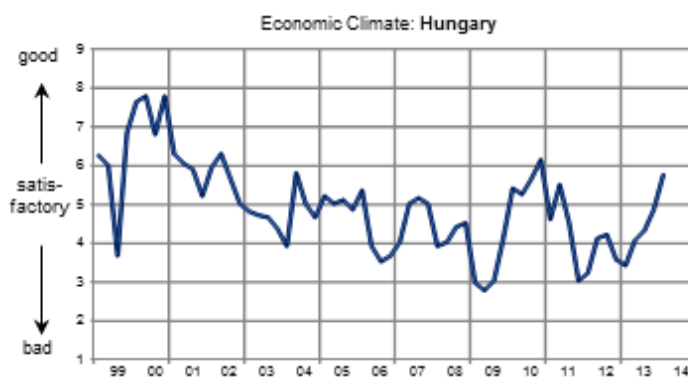


Figure 3: Economic climate in Hungary 1999 - 2014⁵

Situation of CCI in Hungary⁶

Funding (2009)

Culture as share of total central government spending: 1.69 % (Trend: Increase)

Government expenditure on culture: 559 Million Euro (Trend: Decrease)

Government expenditure on culture per capita: 56 Euro (Trend: Decrease)

Share of spending on culture by central government: 30.9 % (Trend: Increase)

Employment (2009)

Share of cultural workers in total employment: 1.8 % (Trend: Increase)

Share of self-employed people in cultural employment: 15.52 %

Share of self-employed people in total employment: 12.48 %

Markets (2012)

⁵ ifo World Economic Survey (WES) I/2014

⁶ Inkei Péter/Hentz Júlia: Compendium Cultural Policies and Trends in Europe. Country Profile Hungary, 2013





CUPIX⁷: Cultural goods: 95 % (European average: 100 %)

CUPIX: Public cultural services: 76 % (European average: 100 %)

Annual expense per capita for recreation and culture: 886 USD

Participation

Cinema admissions per capita/year: 1.1 times (2010) (Trend: Increase)

Internet penetration rate: 65.4 % (2012) (Trend: Increase)

2.2.2 Romania

General economic situation

General economic development since 1999 has rather neglected in Romania, especially since the subprime crisis in 2007 (see Figure 4). Even during the last two years – when the trend in Western Europe and worldwide was already positive – the development remained negative in the Romanian economy.



Figure 4: Economic climate in Romania 1999 - 2014⁸

Situation of CCI in Romania⁹

Funding (2010)

Culture as share of total central government spending: 2.1 % (Trend: decrease)

Government expenditure on culture: 885,131,974 Euro (Trend: decrease)

Government expenditure on culture per capita: 41 Euro (Trend: decrease)

Share of spending on culture by central government: 18.87 % (Trend: decrease)

Employment (2009)

⁷ CUPIX = Cultural Price Index on Selected Goods and Services

⁸ ifo World Economic Survey (WES) I/2014

⁹ Chelcea Liviu/Becut Anda/Balsan Bianca: Compendium Cultural Policies and Trends in Europe. Country profile Romania, 2012





Share of cultural workers in total employment: 0.75 % (Trend: decrease)

Share of self-employed people in cultural employment: 7.8 %

Share of self-employed people in total employment: 32.78 %

Markets (2012)

CUPIX¹⁰: Cultural goods: 83 % (European average: 100 %)

CUPIX: Public cultural services: 21 % (European average: 100 %)

Annual expense per capita for recreation and culture: 300 USD

Participation

Cinema admissions per capita/year: 0.3 times (2010) (Trend: Increase)

Internet penetration rate: 45.2 % (2012) (Trend: Increase)

Romania ranks first among the EU-countries in terms of the growth of its creative class, being in a very good position to mobilize and harness creative assets.¹¹ The creative class represents on average about 30% of employment in the EU, in Romania 17%.

2.2.3 Ukraine

General economic situation

General economic development since 1999 has been rather neglected in Ukraine, especially since the subprime crisis in 2007 (see Figure 5). Even during the last two years – when the trend in Western Europe and worldwide was already positive – the development remained very negative in the Ukrainian economy. The current crisis in eastern regions of Ukraine won't improve the overall economic situation for the country.



Figure 5: Economic climate in Ukraine 1999 - 2014¹²

¹⁰ CUPIX = Cultural Price Index on Selected Goods and Services

¹¹ Bobirca Ana/Draghici Alina: Measuring Romania's Creative Economy. 2nd International Conference on Business, Economics and Tourism Management, Singapore, 2011

¹² ifo World Economic Survey (WES) I/2014



Situation of CCI in Ukraine¹³

Funding (2011)

Culture as share of total central government spending: 1.56 % (Trend: Decrease)

Government expenditure on culture: 760,140,000 Euro (Trend: Increase)

Government expenditure on culture per capita: 12.2 Euro (Trend: Increase)

Share of spending on culture by central government: 37.33 % (Trend: Increase)

Employment (2011)

Share of cultural workers in total employment: 0.48 % (Trend: Increase)

Share of self-employed people in cultural employment: N/A

Share of self-employed people in total employment: N/A

Markets (2012)

CUPIX¹⁴: Cultural goods: 87 % (European average: 100 %)

CUPIX: Public cultural services: 39 % (European average: 100 %)

Annual expense per capita for recreation and culture: 178 USD

Participation

Cinema admissions per capita/year: 0.4 times (2010) (Trend: Increase)

Internet penetration rate: 33.7 % (2011) (Trend: Increase)

2.3 CCI on regional level

2.3.1 Borsod-Abaúj-Zemplén

Borsod-Abaúj-Zemplén County is situated in the north-east of Hungary and is one of the geographically most diverse areas of the country. It is situated where the northern mountains meet the great Hungarian plains. For an overview see Figure 6. Dated 01.01.2013 Borsod-Abaúj-Zemplén County had a population of 682,350 inhabitants.¹⁵ 40 % of the area is arable land, mainly on the great Hungarian plains. In the northern areas of Borsod-Abaúj-Zemplén there are large vineyards. Here there is also one of the world's renowned wine regions located: Tokaj. This can be a big asset in CCI-related cultural tourism.

The importance of tourism for Borsod-Abaúj-Zemplén and current trends was highlighted by the participants of the branch hearing dated 30.4.2014 in Miskolc:

- 80% domestic guests, about 20% foreign tourists. The average length of a tourist stay is 2 nights.

¹³ Butsenko Oleksandr: Compendium Cultural Policies and Trends in Europe. Country Profile Ukraine, 2012

¹⁴ CUPIX = Cultural Price Index on Selected Goods and Services

¹⁵ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_r_pjanaggr3&lang=en (Eurostat)





- The country's national marketing is too much concentrated on Budapest and the Balaton. Other regions are neglected.
- The number of rooms in hotels and pensions has increased in past years more than the number of tourists.
- In smaller hotels with up to 12 beds the owner typically has no training in hotel management.
- Linked to the small size of many hotels/pensions and the poor profit margin necessary, improvements of the hotel infrastructure and the service are often not possible to implement.
- New specialized schools for training of managers and staff about the tourist business have been established. However, only about 20% of the students in the fields of basic tourist education remain later in the field of tourism.

Figure 6: Map of Borsod-Abaúj-Zemplén County¹⁶



2.3.2 Maramures

Maramureş County is situated in the north of Romania. It is coterminous to the north with Ukraine; to the east with Suceava County; to the south with Bistriţa Năşăud County, Cluj County, Sălaj County; and to the west with Satu Mare County (see Figure 7).

¹⁶ http://www.baz.hu/content.php?cid=cont_46f36c6c28a175.45525744



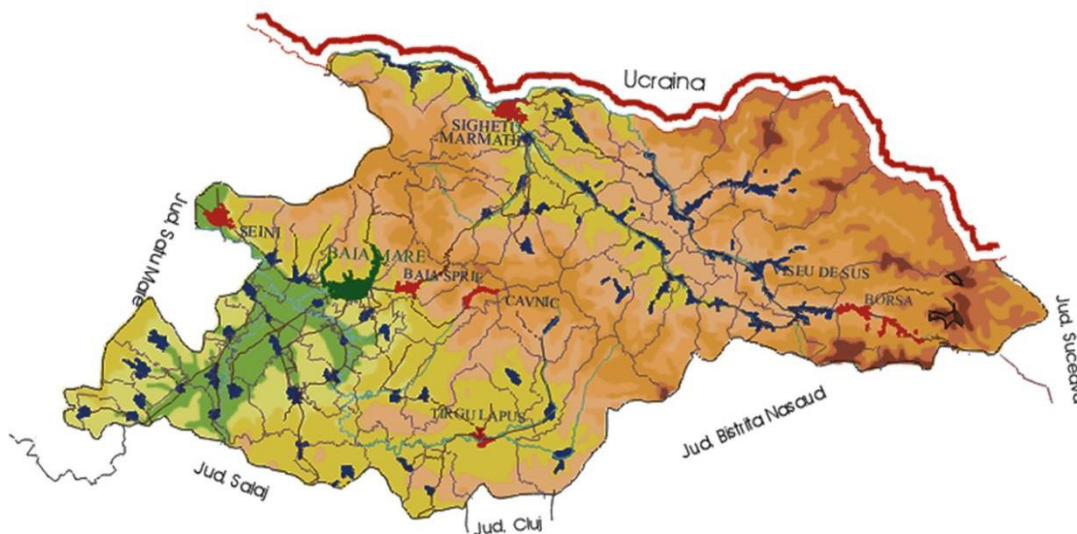


Figure 7: Map of Maramures County¹⁷

The **population** according to the last census (October 2011) is 478,660 inhabitants, respectively rank 15 in the country's county hierarchy. The population is distributed almost equally between urban and rural areas. The ethnic structure of the population: Romanians 82.9 %, Hungarians 7.2 %, Ukrainian 6.8 %, Roma 2.7 %, Germans 0.24 %, other nationalities 0.16 %.

The evolution of the **main economic indicators** in the period 2010-2012 is shown in Table 2.

Table 2: Evolution of the main economic indicators in Maramures 2010-2012¹⁸

Indicators	Previous year=100		
	Year 2010	Year 2011	Year 2012
Industrial production	110.4	101.6	103.9
Total turnover in Industry	123.7	113.5	100.9
Investments volume	80.6	103.0	107.4
Building works	85,1	90,8	96,0
Goods export	133.1	118.5*	108.2*
Goods import	130.2	115.0*	99.0*

* Data estimated

Tourist accommodation capacity in operation in 2012 was of 1,930,249 place-days, increasing by 6.7% as compared to 2011. Hotels had the highest share (41.5 %) in the total accommodation capacity in

¹⁷ Maramures Chamber of Commerce and Industry: Top Companies of the Maramures County 2012, presentation of Maramures County

¹⁸ Maramures Chamber of Commerce and Industry: Top Companies of the Maramures County 2012, presentation of Maramures County





operation, being followed by agro-tourist pensions 21.2 %, tourist pensions 18.4 %, pupils and pre-schooler camps 7.5 %, motels 4.5 % and the other types of tourist reception structures with functions of tourist accommodation 6.9 %.

The net use index of tourist accommodation capacity in operation in 2012 averaged 10.3%. A well-established tourism region usually has more than 30 %. The quantity of accommodation facilities is sufficient. It is the quality of existing facilities which should be improved instead according to the result of the branch hearings in Maramures.

Most recent touristic trends in Maramures were highlighted by the participants of the branch hearing “tourism” in Baia Mare March 24 2014:

- There are more rooms than visitors in Maramures County (11.5% room occupation).
- Tourism concentrates on seasons (winter, Easter, summer with monastery-events) and special places (e.g. monasteries).
- $\frac{3}{4}$ of tourists are inland tourists, $\frac{1}{4}$ foreign tourists (mostly from EU countries).
- The number of visitors in museums (mostly foreigners) increased, but is still low.
- There are low levels of occupation in tourism as well as use of integrated booking/reservation systems.
- Regional food is almost not available.
- Information for tourists (in foreign languages) is missing.
- Tourists who come are often very pleased.
- Kind of tourism: culture, seeking rest, family, city-partnerships (groups by bus). Romanian mostly individuals (or school classes), foreigners mostly organized by big travel agencies (not from the region).

The region of Baia Mare has a specific handicap for CCI-related tourism. In the area around Baia Mare there are ponds filled with mining wastewater full of cyanide. In 2000, the dam of one of these ponds broke and released a wave of 100,000 cubic meters of cyanide-contaminated water, containing approximately 100 tons of cyanide. It went down the natural water waterways, through Baia Mare via the Danube to the Black Sea. This catastrophe still is linked to Baia Mare, creating a bad image. Naturally, tourism is all about “images” in the heads of tourists.

2.3.3 Transcarpathia

Transcarpathia Oblast is situated in the western part of Ukraine and is separated from the other Ukrainian regions by the Carpathian mountain range; see Figure 8. In 2012 Transcarpathia Oblast had a population of 1,236,085 inhabitants.¹⁹

¹⁹ http://database.ukrcensus.gov.ua/PXWEB2007/eng/news/op_1_1_e.pdf.





Figure 8: Region of Transcarpathia Oblast²⁰

According to the Transcarpathian Enterprise Support Fund (TES Fund) the main indicators of regional economic activity in January to December 2013 show a partial improvement of economic and social development in Transcarpathia Oblast region, especially in the mining industry and the development of quarries (growth of 8.9 %), manufacturing of chemicals and chemical products (growth rate 1.5 times), metallurgy and manufacture of fabricated metal products.²¹

The importance of tourism for Transcarpathia was highlighted by the participants of the branch hearing dating 29.4.2014 in Uzhgorod:

- The contribution of tourism to GDP is more than 25%. Among foreign visitors from Hungary and Romania private tourists prevail, whereas from other countries, e.g. Czech Republic, organized group travel (mainly by bus) predominates.
- One of the most important driving forces for tourism is the cultural heritage and the common historic background.

²⁰ http://en.wikipedia.org/wiki/Zakarpattia_Oblast#mediaviewer/File:Subcarpathia_Ukraine_districts_en.svg

²¹ Transcarpathian Enterprise Support Fund (TES Fund): Description of the current general economic situation/development in Transcarpathian region, 2014





- Important touristic assets are the wooden churches. Special cultural routes to visit selected wooden churches have been established and belong to the tours most demanded.
- Apart from the wooden church tours also other touristic routes exist, e.g. wine and castle routes.”

Transcarpathia’s tourism is characterized by a basic level of development which is the main barrier for improving tourism in the region.²² Other characteristics of tourism in Transcarpathia:

- Changes in the tourism system are under way; however, the remaining Soviet mentality and planning are hard to eliminate. Changes are unsystematic and do not follow the demand of the tourist market.
- The drawbacks of the tourism system and statistics in Ukraine hinder the activity of tourist business and regional innovations.
- Transcarpathia’s tourist significance within Ukraine’s tourism is often overestimated. Out of the 27 territorial units in Ukraine Transcarpathia occupies the 10th-11th place.
- Possibilities for tourism development in Transcarpathia are rather extensive.
- Transcarpathia’s only complete tourist product is health tourism, which serves mainly to satisfy the demand of the national consumers.
- Two kinds of rural tourism can be singled out in the region: highland rural tourism (mainly in the villages with Ukrainian population) and lowland rural tourism (mainly in the villages with Hungarian population).
- Skiing tourism in Transcarpathia can count on the increase in mainly national demand.
- There are extensive unspoilt or nearly unspoilt areas that are attractive to tourists.
- The two most developed tourist districts in Transcarpathia are Munkács and Ungvár.

The last problem that Sándor Berghauer identifies in her thesis is a general one in all three counties of the area under investigation: spontaneous innovation in tourism, without comprehensive planning and without inclusion of different regional/local stakeholders.

²² Berghauer Sándor: Tourism as a Breakout Point in Transcarpathia (Values, Hopes and Possibilities in Ukraine’s Westernmost Region). PhD Thesis University of Pécs, 2012





3 Transport and communication infrastructure

Transportation and communication infrastructure is of high importance for all kind of economic activity. The importance is even higher when it comes to cross-border co-operation and (inter-) national tourism. The exchange of goods, services, persons and ideas across borders require an adequate transport infrastructure. When tourists shall be attracted – domestic or international – they must be able to reach the region of destination and move inside the region.

A good transport network is an integrated network of different transport networks:

- Plane
- Car (own and rental car, bus)
- Train

For tourists there are even more networks of importance:

- Hiking trails
- Bicycle routes (mountainbike as well as touring and racing routes)
- Motor bike routes
- Other specific sports infrastructure, e.g. rock climbing, hunting, fishing

The IT/broadband infrastructure is essential for up-to-date communication via Internet, mobile phones etc. Today this is a prerequisite for economic activity, especially in the tourism sector.

In a cross-border area the state of the border controls has a big influence on cross-border exchange and the movements of tourists.

Taking the aspects described into consideration, a detailed analysis was done for

- Road and train network
- Airports
- Border controls
- Most important touristic routes/trails
- IT/broadband infrastructure

3.1 Road and train network

In Table 3, the distances and transport time within the area under investigation is compared for car transport (road) and train (railway).

The road network is acceptable in the entire area under investigation, with on average 70 – 90 km per hour speed, within the three regions Maramures, Borsod-Abaúj-Zemplén and Transcarpathia, as well as connections between these three regions. On the Hungarian side there is also an existing and emerging interstate/motorway network. On the Romanian side the first motorways/freeways are being planned.

However, the analysis of the road network includes only the main roads. When it comes to secondary and tertiary roads it can happen that roads which are clearly printed on the map disappear “in the





middle of nowhere.” Locals might be used to something like that. International tourists, however, won’t forgive and forget such an experience.

Table 3: Distances/time by car and train within the area under investigation

From	Distance/time	To							
		Romania			Hungary			Ukraine	
		Cluj Napoca	Baia Mare	Satu Mare	Miskolc	Nyiregyhaza	Debrecen	Uzhgorod	Khust
Cluj Napoca	by car		150 km/2h 12 min	184 km/2h 49 min	343 km/4h 34min	242 km/3h 40min	218 km/3h 22min	317 km/4h 39min	255 km/3h 43min
	by train		ca. 5h	ca. 5h	ca. 8h	ca. 6h	ca. 6h	ca. 11h	ca. 16h
Baia Mare	by car	150 km/2h 12 min		69 km/1h 5min	275 km/3h 30min	168 km/2h 33min	176 km/2h 41min	177 km/2h 44min	115 km/1h 49min
	by train	ca. 5h		ca. 2h	ca. 9h	ca. 7h	ca. 6h	ca. 11h	ca. 18h
Satu Mare	by car	184 km/2h 49min	69 km/1h 5min		210 km/2h 34min	103 km/1h 37min	108 km/1h 38min	134 km/2h 33min	83 km/1h 18min
	by train	ca. 5h	ca. 2h		ca. 5h	ca. 4h	ca. 4h	ca. 8h	ca. 14h
Miskolc	by car	343 km/4h 34min	275 km/3h 30min	210 km/2h 34min		118 km/1h 16min	113 km/1h 16min	212 km/2h 27min	249 km/3h 11min
	by train	ca. 8h	ca. 9h	ca. 5h		ca. 1.5h	ca. 1.5h	ca. 6h	ca. 11h
Nyiregyhaza	by car	242 km/3h 40min	168 km/2h 33min	103 km/1h 37min	118 km/1h 16min		50 km/ 47min	93 km/ 1h 24min	142 km/2h 15min
	by train	ca. 6h	ca. 7h	ca. 4h	ca. 1.5h		ca. 0.5h	ca. 4h	ca. 8h
Debrecen	by car	218 km/3h 22min	176 km/2h 41min	108 km/1h 38min	113 km/1h 16min	49 km/47min		145 km/1h 59min	182 km/2h 43min
	by train	ca. 6h	ca. 6h	ca. 4h	ca. 1.5h	ca. 0.5h		ca. 5h	ca. 9h
Uzhgorod	by car	317 km/4h 39min	177 km/2h 44min	134 km/2h 33min	212 km/2h 27min	93 km/1h 24min	145 km/ 1h 59min		107 km/1h 36min
	by train	ca. 11h	ca. 11h	ca. 8h	ca. 6h	ca. 4h	ca. 5h		ca. 4h
Khust	by car	255 km/3h 43min	115 km/1h 49min	83 km/1h 18min	249 km/3h 11min	142 km/2h 15min	182 km/2h 43min	107 km/1h 36min	
	by train	ca. 16h	ca. 18h	ca. 14h	ca. 11h	ca. 8h	ca. 9h	ca. 4h	

Source: MKW GmbH, own calculation (Google Maps and www.bahn.de)





On the Hungarian side the train network is good; the distances covered by train per hour are similar to the road network. On the Romanian and Ukrainian side however, the travel times by train are simply unacceptable. The train network there is not suited for economic or touristic activities. The cross-border connections are even worse. Only two examples: travelling by train from Miskolc to Baia Mare takes about 9 hours, from Baia Mare to Uzhgorod even 11 hours! One reason for the long time from Baia Mare to Uzhgorod is the different gauge of the track in the Ukrainian railway system; it takes a long time to adjust trains to the different gauge of the track at the border.

Fortunately, there is a relatively good train network in Hungary and close distance to the European high-speed railway network. Moreover, the European high-speed railway network – which currently ends in Vienna - is being extended towards the area under investigation. Budapest will be an important network point in the European high-speed railway network in the future. What are necessary now are the connections from the Romanian and Ukrainian side to the Hungarian network. Then the entire area under investigation could be reached via high-speed trains.

3.2 Airports

There are no international airports in the area under investigation. The domestic airports are of very limited value for business and tourism. The closest international airports are

- In Romania
Cluj Napoca International Airport (150 km from Baia Mare)
- In Hungary
Budapest (185 km from Miskolc)
Debrecen (114 km from Miskolc)
- In Ukraine
Chernivtsi International Airport (398 km from Uzhgorod)
Ivano-Frankivsk (257 km from Uzhgorod)
Lviv/Lemberg (268 km from Uzhgorod)
- In Slovakia²³
Kosice International Airport-Uzhgorod (97 km)
Poprad Airport/Prešov (121 km)

The area under investigation can be reached fairly quickly via the various international airports in Romania, Hungary and Slovakia. However, getting from the airports to the different areas Maramures, Borsos-Abaúj-Zemplén and Transcarpathia is complicated. Only in Hungary the airports are connected to Miskolc by an acceptable rail network. On the Romanian and Ukrainian side the train connections are so bad that transport by train is not possible at all. By (rental) car it is a long distance from all international airports.

²³ Closer to Transcarpathia than the airports in Ukraine





3.3 Border controls

Border controls have a big influence on cross-border economic activity and tourism. Inasmuch as the area under investigation is a three-country cross-border area the extent of the border controls in this region has to be analyzed.

Three borders in the area are under investigation:

- Romania-Hungary
- Hungary-Ukraine
- Ukraine-Romania

The border controls between the two EU member states Romania and Hungary are no hindrance to economic and touristic activities. Waiting time at the border is minimal.

The situation at the two other borders – Hungary-Ukraine and Romania-Ukraine – is totally different. The borders of Hungary and Romania towards Ukraine are outer-EU-borders. Therefore the border controls by Hungarian and Romanian officials are much more intense than at inner-EU-borders. Furthermore, on the Ukrainian side the border controls are even more intense. Waiting times of several hours are not uncommon at the Ukrainian border; this obviously hasn't got to do anything with the current crisis in Eastern Ukraine. Travelling across the border by rental car is not possible at all. The extent of border controls was frequently named as serious obstacle to cross-border mobility by participants at the branch hearing.

3.4 Touristic routes/trails

3.4.1 Hiking trails

The northern mountainous region of Hungary is already a well known hiking region for domestic as well international hikers.²⁴ The northern areas of Borsod-Abaúj-Zemplén are part of this hiking region. The many caves here are especially interesting to hikers; rock climbing is also possible. There are many national and international trails with good guidance systems, partly in national parks.

North-Western Romania is not yet such a classic hiking region as the Alps of the middle European low mountain ranges. Among western European hikers this region is an “insiders’ tip.”²⁵ It is well known for its diverse landscape and culture. Its remote and undeveloped areas offer a kind of nature experience that does not exist anymore in Western and Middle Europe. Some hiking trails with elaborated guidance systems already exist in this region. Currently it is more or less a hiking region for “adventure backpackers” – or hunters.

Hiking in Transcarpathia is possible, but adventurous.²⁶ It is very difficult for hikers to find all information relevant to them: accommodation registers, bus departure/arrival plans, maps, trail guides, guidance systems etc. Most accommodations don't meet Middle European quality standards. Currently Transcarpathia is an “Eldorado” for nature adventure loving backpackers.

²⁴ <http://www.urlaub-ungarn.at/unterhaltung-und-freizeit/aktivurlaub-in-ungarn/wandern-in-ungarn.html>

²⁵ <http://www.wandern.de/individualwanderungen/region/178/>

²⁶ <http://www.lustwandeln.net/ukrhilfen.htm>





3.4.2 Bicycle routes

Cycling is more and more common in Hungary.²⁷ Most secondary and tertiary roads are suited for cycling. The project team members saw also a number of brand-new first-class bicycle lanes along roads in Borsod-Abaúj-Zemplén, especially in Miskolc. The cycling infrastructure in this region is not a complete network yet, but it's emerging and getting better.

Romania is largely unknown as a destination for bicycle tourism.²⁸ Maramures is no exception. Bicycle specific infrastructure – bicycle routes with guidance systems, bicycle lanes, bicycle shops - are hardly extant. Cyclists have the choice between frequented main roads and secondary/tertiary ones with very bad surface; both choices are dangerous for cyclists.

An infrastructure for bicycle tourism hardly exists in Transcarpathia. This region currently is visited only by very few adventurous cyclists. Given a decent infrastructure, this region could become very attractive to cyclists, with its diverse mountainous landscape and rich culture.

3.4.3 Motorbike routes

Hungary is not yet an “Eldorado” for bikers. But it has a good reputation among insiders, especially the northern mountainous regions where Borsod-Abaúj-Zemplén is located.²⁹ Hungary is well known among bikers for its hospitable biker hotels and bike camping sites.

In Maramures the situation for bikers is similar to the one for cyclists. The landscape is stunning, but the condition of the roads is terrible.³⁰ Romania is an “insiders’ tip” for adventurous bikers who love biking off-road with bad road conditions. An infrastructure that would attract “normal” quality-oriented bikers hardly exists. However, Romania is already a hot-spot for sportive cross-bikers. Red Bull organizes one of the biggest cross-bike-races in Romania.³¹

In Transcarpathia the situation for bikers is very similar to the one for cyclists. An infrastructure for motorbike tourism doesn't exist at all. This region currently is visited only by very few adventurous bikers. Given a decent infrastructure, this region could be very attractive to bikers, with its mountainous landscape (bikers love mountain roads) and rich culture.

3.5 IT, broadband

The communication infrastructure is essential for every economic activity, also in the tourism sector. Phones, mobile phones, Internet, WLAN etc. are today the backbones of communication.

The proportion of households in the EU with access to the internet was 76 % in 2012; in Hungary the respective number was 69 %, in Romania 54 %.³² For the Ukraine the number was 36.8 % in 2012, with

²⁷ ADFC: Ungarn – Kurzinformation für die Radtour, 2014

²⁸ ADFC: Rumänien – Kurzinformation für die Radtour, 2014

²⁹ E.g. <http://www.bikermotorradhotels.de/ungarn.html>

³⁰ E.g. <http://www.bikerdream.de/touren/rumaenien/intro.html>

³¹ See <http://www.redbullromaniacs.com>

³² Seybert Heidi: Internet Use in Households and by Individuals in 2012. In: Eurostat, Statistics on Focus 50/2012





Hungary-Slovakia-Romania-Ukraine
ENPI Cross-border Cooperation Programme

Partnership without borders

DECC

extremely fast growth.³³ Broadband access enables higher speed when browsing and performing activities. In the EU in 2012, 72 % of households had access to broadband at home (Hungary 68 %, Romania 50 %). Overall, the communication infrastructure in the area under investigation is very good in most regions and close to EU-average.

³³ http://www.en.wikipedia.org/wiki/internet_in_Ukraine



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Partner
Borsod-Abaúj-Zemplén Chamber
of Commerce and Industry



Partner
Transcarpathian Enterprise
Support Fund „TES Fund”

4 Statistical analysis of CCI in the area under investigation

4.1 Number of employees

In Maramures employment in CCI decreased from 2008 to 2012 (see Table 4). This corresponds to the national trend in Romania, which showed a decrease in the share of cultural workers in total employment of Romania in 2009.³⁴

Table 4: Number of employees – overall trend in the three regions 2008 - 2012

Region	Frequency of increase/decrease in the three regions among the analyzed NACE-sectors					Overall trend
	↓↓	↓	-	↑	↑↑	
Maramures	4	5	3	2	2	Decrease
Borsod-Abaúj-Zemplén	2	6	5	1	2	Decrease
Transcarpathia	0	0	8	7	1	Increase

↑↑ = strong increase (> 50 %)

- = stable (-10 to 10 %)

↓ = decrease (-11 to -50 %)

↑ = increase (11 to 50 %)

↓↓ = strong decrease (-50 % >)

In Borsod-Abaúj-Zemplén employment in CCI also decreased from 2008 to 2012. The “country profile” for Hungary showed an increase in the share of cultural workers in total employment in 2009.³⁵

In Transcarpathia, however, the overall trend during that period was “increase.” This is different from the overall economic development trend in Ukraine. The “country profile” showed an increase in the total number of cultural workers employed in Ukraine in 2009.³⁶

These trends will become more positive in the future, as the case studies show (see Table 5).

Table 5: Companies/organizations in the area under investigation expecting an increase in staff during 2014-2016

Total area under investigation	45 %
Maramures	57 %
Borsod-Abaúj-Zemplén	83 %
Transcarpathia	10 %

³⁴ Chelcea Liviu/Becut Anda/Balsan Bianca: Compendium Cultural Policies and Trends in Europe. Country Profile Romania, 2012

³⁵ Inkei Péter/Hentz Júlia: Compendium Cultural Policies and Trends in Europe. Country Profile Hungary, 2013

³⁶ Butsenko Oleksandr: Compendium Cultural Policies and Trends in Europe. Country Profile Ukraine, 2012

45 % of the 23 companies/organizations participating in the case studies estimated an increase in staff during the next three years, with big regional differences: 57 % in Maramures, 10 % in Transcarpathia and 83 % in Borsod-Abaúj-Zemplén. This means that the two regions with negative development in the past – Maramures and Borsod-Abaúj-Zemplén - will experience the biggest increase in the future.

According to Figure 9 decrease and increase of employment in the 99 CCI-companies/organizations which participated in the branch hearings in recent years is about equal. This is an even better trend than illustrated in Table 4.

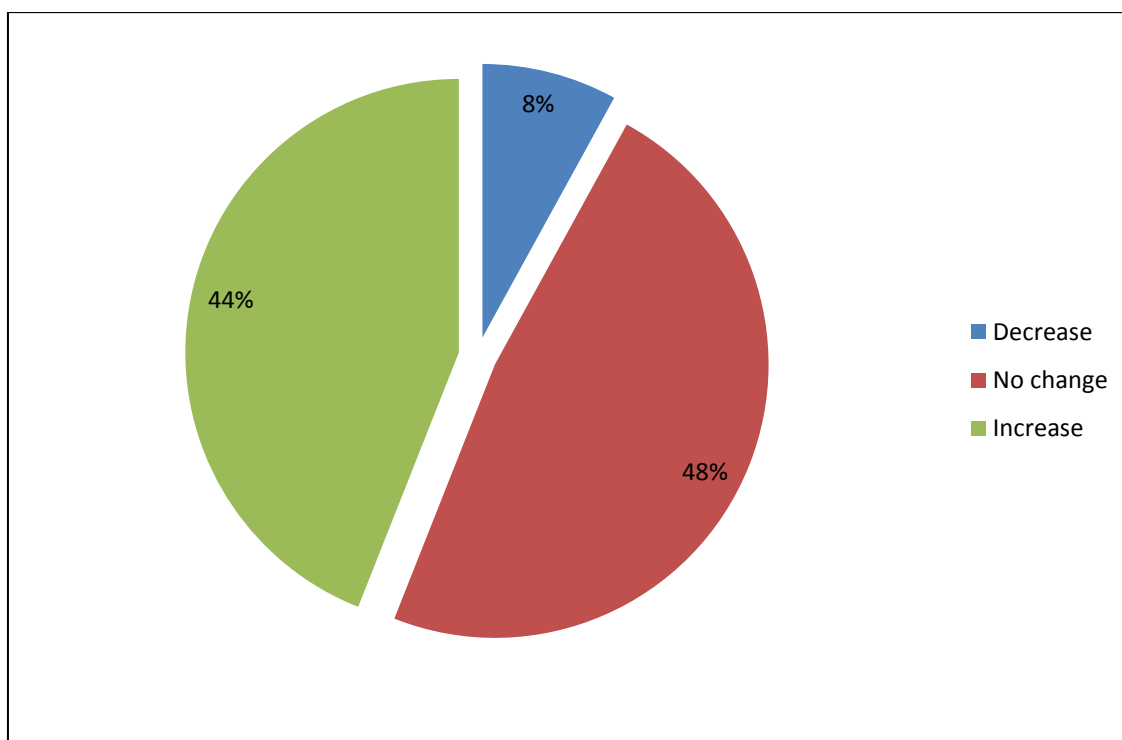


Figure 9: Employment trend in CCI-companies in the area under investigation 2011-2013³⁷

4.2 Number of self-employed people

In Borsod-Abaúj-Zemplén the number of self-employed people in CCI decreased from 2008 to 2012 (see Table 6). Self-employment in Hungary in 2009 was more represented in cultural employment (15.52%) than in total employment (12.48%).³⁸

³⁷ Figures from 99 companies/organizations participating in the branch hearings in the course of this project

³⁸ Inkei Péter/Hentz Júlia: Compendium Cultural Policies and Trends in Europe. Country Profile Hungary, 2013



Table 6: Number of self-employed people – overall trend in the three regions 2008-2012

Region	Frequency of increase/decrease in the three regions among the analyzed NACE-sectors					Overall trend
	↓↓	↓	-	↑	↑↑	
Borsod-Abaúj-Zemplén	1	7	4	2	1	Decrease
Transcarpathia	0	0	7	4	1	Increase

↑↑ = strong increase (> 50 %)

- = stable (-10 to 10 %)

↓ = decrease (-11 to -50 %)

↑ = increase (11 to 50 %)

↓↓ = strong decrease (-50 % >)

In Transcarpathia the number of self-employed people in CCI increased from 2008 to 2012.

In Maramures the data about self-employed people in CCI were from one year (2014). Therefore, it was not possible to analyze a trend. Self-employment in Romania in 2009 was less represented in cultural employment (7.8%) than in total employment (32.78%).³⁹

4.3 Number of companies

In Maramures and Borsod-Abaúj-Zemplén the number of CCI-companies decreased from 2008-2012; in Transcarpathia the respective number increased (see Table 7).

Table 7: Number of companies – overall trend in the three regions

Region	Frequency of increase/decrease in the three regions among the analyzed NACE-sectors					Overall trend
	↓↓	↓	-	↑	↑↑	
Maramures	1	11	4	3	1	Decrease
Borsod-Abaúj-Zemplén	0	9	6	2	3	Decrease
Transcarpathia	0	0	6	12	1	Increase

↑↑ = strong increase (> 50 %)

- = stable (-10 to 10 %)

↓ = decrease (-11 to -50 %)

↑ = increase (11 to 50 %)

↓↓ = strong decrease (-50 % >)

This development corresponds with the trend in the employment market (number of employed and self-employed people). Again the development of CCI in Transcarpathia is positive, contrary to the overall development in Ukraine. In Maramures and Borsod-Abaúj-Zemplén the development is as negative for both the indicators “number of employed” and “number of self-employed people.”

³⁹ Chelcea Liviu/Becut Anda/Balsan Bianca: Compendium Cultural Policies and Trends in Europe. Country Profile Romania, 2012





4.4 Turnover by submarket

In Maramures and Borsod-Abaúj-Zemplén the turnover of CCI-companies decreased from 2008-2012, in Transcarpathia it increased (see Table 8).

Table 8: Turnover by submarket – overall trend in the three regions 2008-2012

Region	Frequency of increase/decrease in the three regions among the analyzed NACE-sectors					Overall trend
	↓↓	↓	-	↑	↑↑	
Maramures	5	5	3	2		Decrease
Borsod-Abaúj-Zemplén	0	8	3	0	2	Decrease
Transcarpathia	0	0	-	5	0	Increase

↑↑ = strong increase (> 50 %)

- = stable (-10 to 10 %)

↓ = decrease (-11 to -50 %)

↑ = increase (11 to 50 %)

↓↓ = strong decrease (-50 % >)

4.5 Hotel stays

In Maramures and Borsod-Abaúj-Zemplén the number of hotel stays can be analyzed. For Transcarpathia the data are not about number of hotel stays but number of visitors (regardless of the length of their stay). Figure 10 shows the development in the number of hotel stays in Maramures from 2008 – 2012, differentiated between domestic and foreign guests.

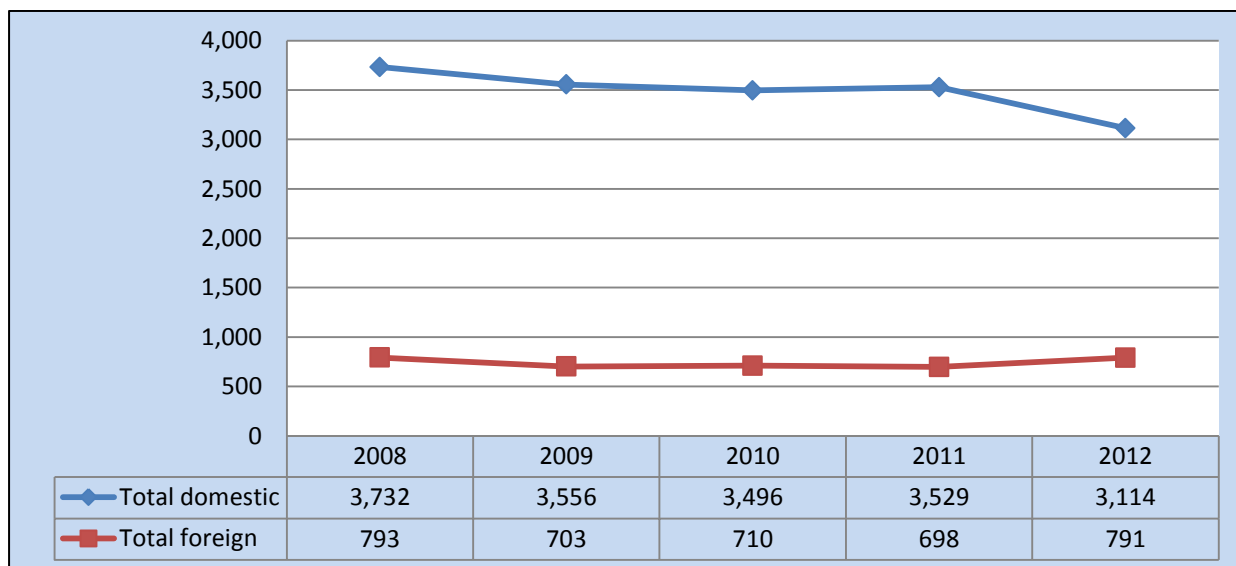


Figure 10: Number of hotel stays in Maramures per 10,000 inhabitants 2008-2012⁴⁰

⁴⁰ INSTITUTUL NATIONAL DE STATISTICA, <https://statistici.inse.ro>





From 2008 to 2012 there was a slight decrease in the number of hotel stays, from 4,525 to 3,905 hotel stays per 10,000 inhabitants. 80% of hotel stays in 2012 were by domestic, 20% by foreign guests. While the number of domestic guests decreased from 2008 to 2012, the number of foreign guests remained stable.

In Borsod-Abaúj-Zemplén the number of hotel-stays per 10,000 inhabitants increased from 3,888 in 2008 to 5,017 in 2012. 70% of hotel stays in Borsod-Abaúj-Zemplén in 2012 were by domestic, 30% by foreign guests (see Figure 11).

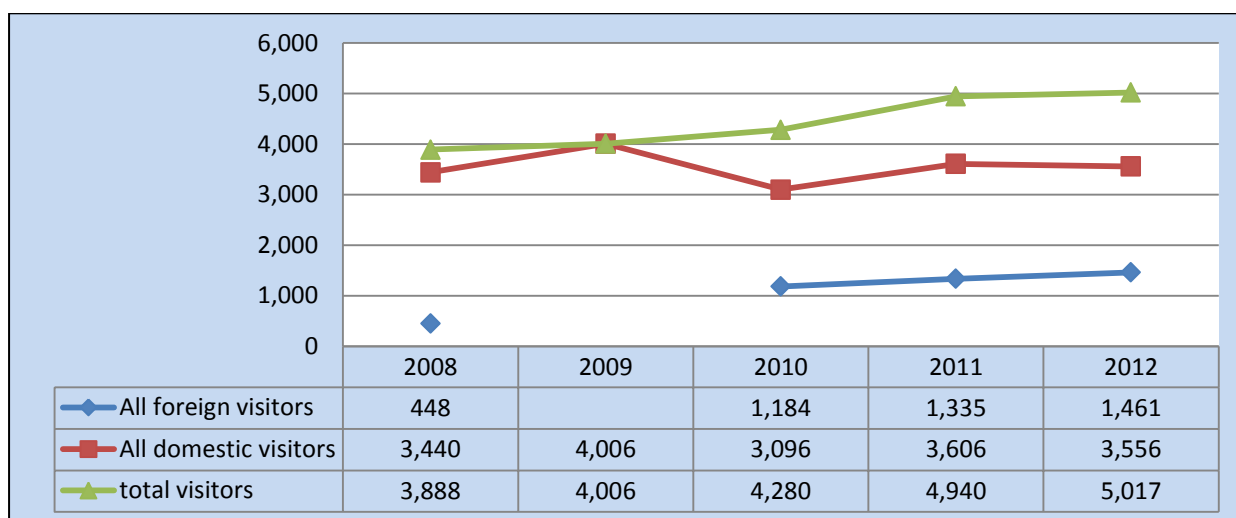


Figure 11: Annual ranking of hotel stays in Borsod-Abaúj-Zemplén by nationality per 10,000 inhabitants 2008-2012⁴¹

In Transcarpathia the data are “number of tourism fees charged.” This fee is charged to every guest who spends one night or more in accommodation, with the exemption of green tourism farms.⁴² The development in the number of guests who paid this tourism fee is shown in Figure 12.

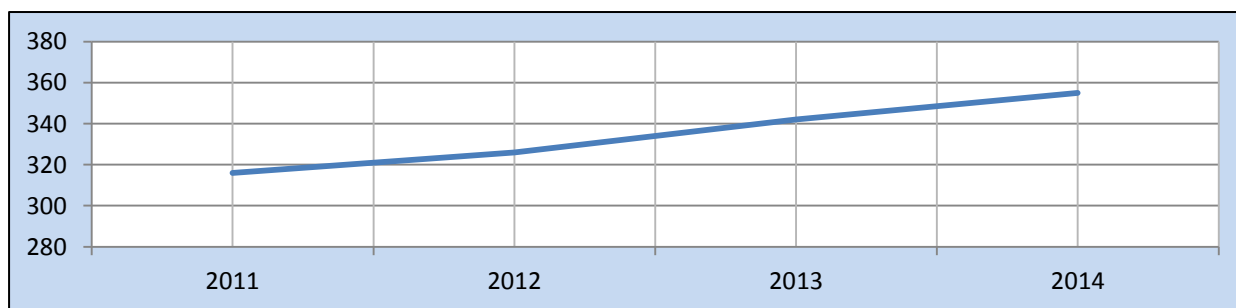


Figure 12: Number of tourism fees charged in Transcarpathia 2011-2014 in thousands⁴³

⁴¹ Statistical office Hungary: Annual reports of integrated economic statistics, and annual tax returns

⁴² Information by Eduard Malar at tourism training module 1 in Uzhgorod, 22.09.2014

⁴³ Presentation of Eduard Malar at training module 1 in Uzhgorod, 22.04.2014





We see a positive trend in the number of tourism fees charged. Although we don't know the actual number of hotel stay days per guest we can make an estimation. If every guest stays on average 3 days there would be approximately 1 million hotel stay days in 2014. This would make around 8,300 hotel stays per 10,000 inhabitants, a fairly high number compared to Maramures and Borsod-Abaúj-Zemplén.

In order to assess these data it was necessary to have a benchmark, a region with comparable size, population and landscape that already has a well-developed tourism sector. We chose the Black Forest region in South-West Germany as a benchmark. The Black Forest region covers an area of 11,000 km² (area under investigation 26,326 km²), with a population of 3.2 million inhabitants (the area under investigation 2.4 million). The area is divided by a low mountain range with dense forest and flatlands.

The Black Forest region had 20.42 million over-night stays in 2013.⁴⁴ These were only the over-night stays in accommodations with at least 10 beds. With 3.2 million inhabitants in the Black Forest region this means 63,750 over-night-stays per 10,000 inhabitants.

There are many touristic towns in Europe – especially in the Alps and at sea coasts with much higher numbers of over-night stays per inhabitant. As an example we can take the town of Oberstdorf (9,580 inhabitants 31.12.2012) in Bavaria/Germany on the northern side of the Alps.

For comparison:

- Szabolcs-Szatmar-Bereg 1,603 hotel stays/10,000 inhabitants
- Maramures 3,905 hotel stays/10,000 inhabitants
- Borsod-Abaúj-Zemplén 5,017 hotel stays/10,000 inhabitants
- Transcarpathia 8,300 hotel stays/10,000 inhabitants (estimation)
- Black Forest 63,750 over-night-stays/10,000 inhabitants (only accommodations with > 9 beds)
- Oberstdorf 2.5 million over-night-stays/10,000 inhabitants (only Accommodations with > 9 beds)

The bad news from this benchmark analysis: tourism in the area under investigation is not very significant by international comparison. The good news: there is a big growth potential to be developed. What can or should also be included in this development are the tradition and folklore of the three regions.

4.6 Museums, theaters, festivals

In Maramures the number of visitors in museums and public collections increased between 2008 and 2012 from 192,896 to 275,772 (see Figure 13). At the same time the museums in all of Romania faced a slight decrease in numbers of visitors. For Borsod-Abaúj-Zemplén no respective data were available.

⁴⁴ <http://www.schwarzwald-tourismus.info>



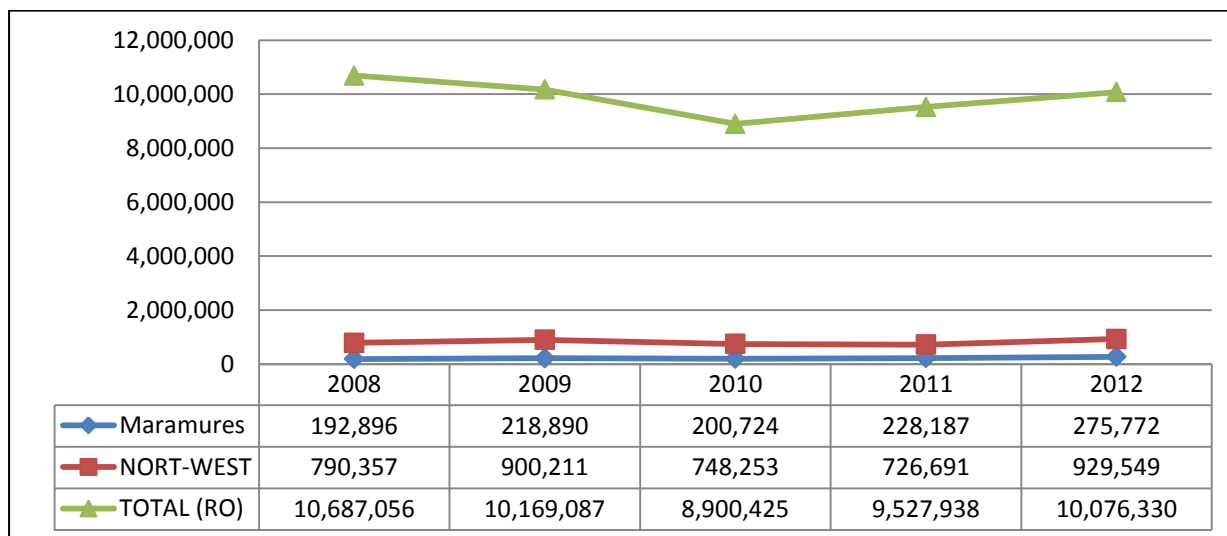


Figure 13: Number of visitors in museums and public collections in Maramures 2008-2012⁴⁵

In Transcarpathia there was also an increase in numbers of tourists in museums as well as in professional theaters from 2008 to 2012 (see Figure 14)

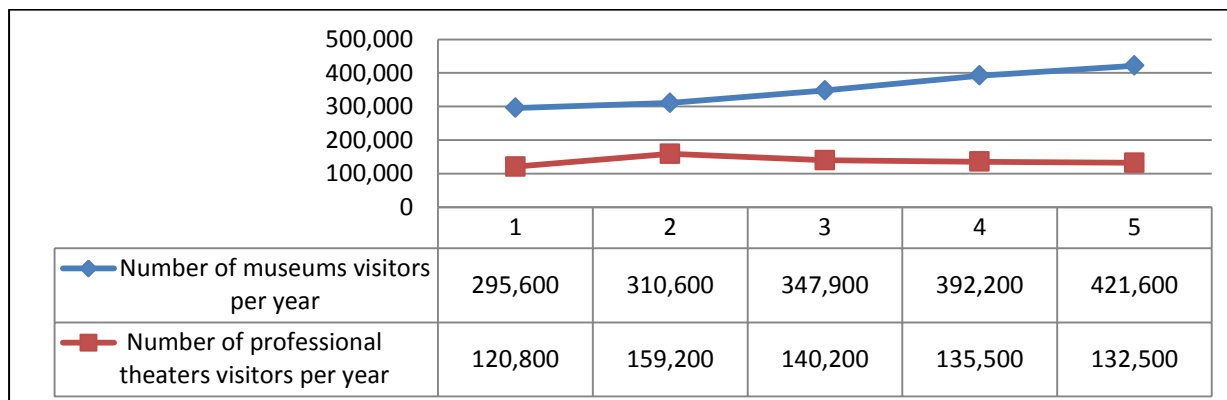


Figure 14: Number of museums and theater visitors in Transcarpathia 2008-2012⁴⁶

4.7 Historic, geographic landmarks

All three regions have a large number of historic, geographic and natural landmarks that are interesting to tourists. Naturally, statistical data about visitors are available only for a few of these landmarks. Visitors can only be counted when there is an entrance fee. But the visit to most landmarks is free of charge.

⁴⁵ INSTITUTUL NATIONAL DE STATISTICA, <https://statistici.insse.ro>

⁴⁶ State Statistics Service in Transcarpathia Oblast region (www.uz.ukrstat.gov.ua); Company "Business Transcarpathia Oblast Golden Pages" (www.goldpages.info)





Figure 15 shows the respective data for four landmarks/touristic highlights in Borsod-Abaúj-Zemplén.

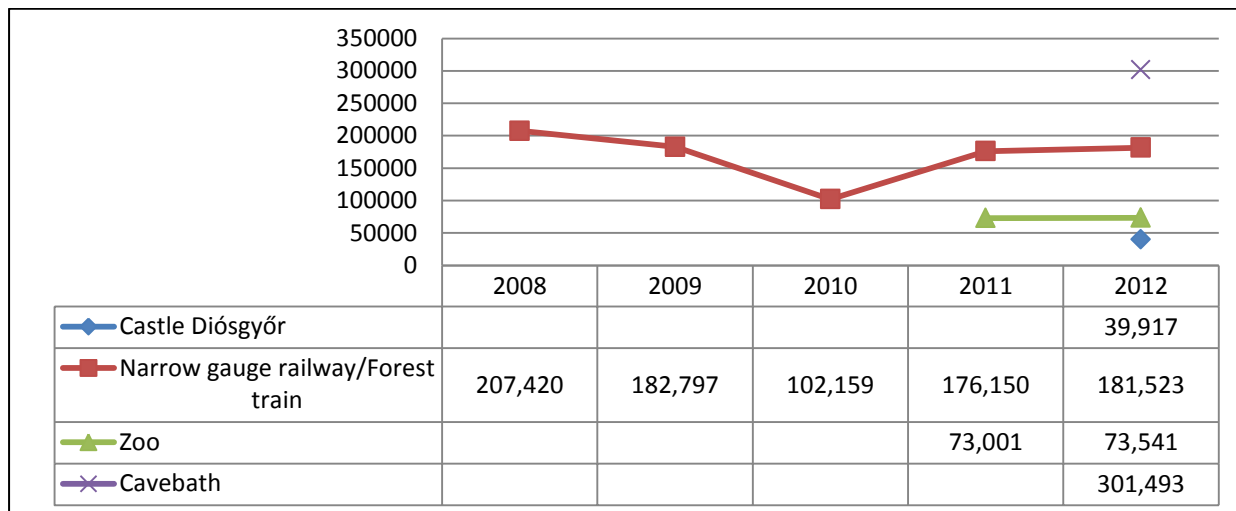


Figure 15: Number of visitors in landmarks in Borsod-Abaúj-Zemplén 2008-2012

4.8 Libraries

In Maramures the number of libraries decreased in 2008-2012 from 351 to 319 (see Figure 16). The same trend took place in North-West Romania and all of the country.

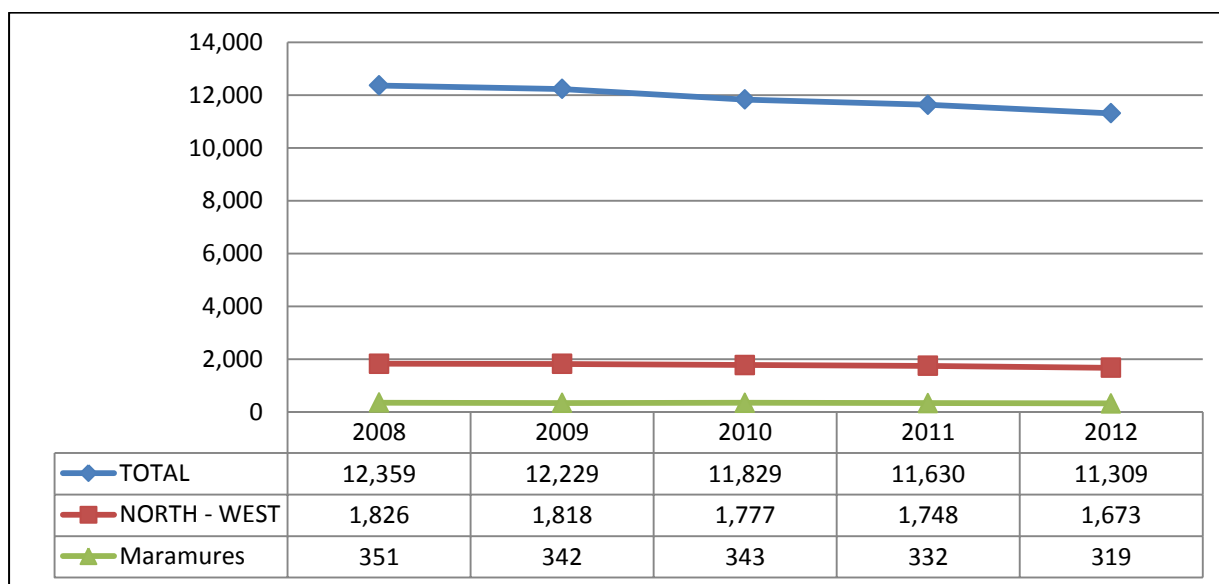


Figure 16: Number of libraries in Maramures 2008-2012⁴⁷

⁴⁷ INSTITUTUL NATIONAL DE STATISTICA, <https://statistici.inse.ro>





In Transcarpathia the number of libraries decreased from 591 to 479 from 2000 to 2013 (see Figure 17).

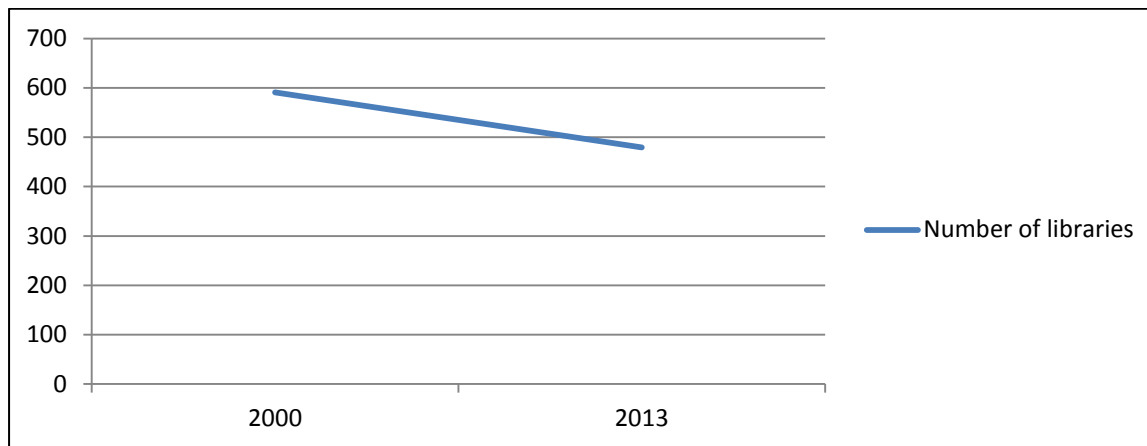


Figure 17: Number of libraries in Transcarpathia 2000-2013⁴⁸

For Borsod-Abaúj-Zemplén no respective data were available. However, in Hungary the number of national libraries remained stable from 2008 to 2013, the number of public libraries even increased (see Table 9).

Table 9: Number of libraries in Hungary 2008-2013⁴⁹

	2008	2013
National libraries	12	12
Public libraries	3.327	3.522

4.9 Awards

Case studies provided data on awards received by CCI-organizations/companies for their work in recent years. 57 % of all participating organizations/companies received awards in recent years. Among the companies/organizations participating in the branch hearings 32 % received awards during recent years (see Figure 18). The high percentages received from the branch hearings and case studies reflect a strong commitment to quality among CCI-organizations/companies within the area under investigation.

⁴⁸ State Statistics Service of Ukraine: Statistical Yearbook of Ukraine for 2013, 2014

⁴⁹ Hungarian Central Statistical Office, https://www.ksh.hu/stadat_annual_2_7



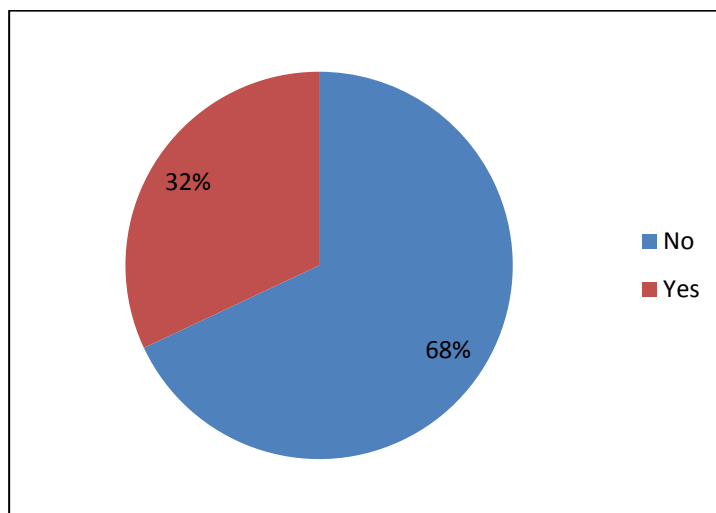


Figure 18: CCI-companies/organizations in the area under investigation receiving awards during 2011-2013

4.10 Initiative projects foundation/cross-border co-operation

24% of the companies/organizations participating in the branch hearings already have experience participating in cross-border projects (see Figure 19). For regions as far away from the border as Maramures and Borsod-Abaúj-Zemplén this is a high percentage. The percentage was even 72 % among participants in the case studies, These participants had a high appreciation for the value of cross-border co-operation.

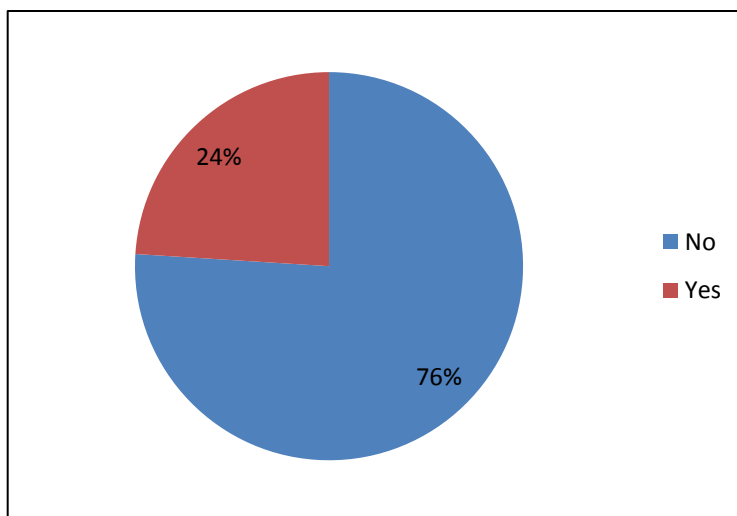


Figure 19: CCI-companies/organizations in the area under investigation having experiences with participating in cross-border co-operation⁵⁰

⁵⁰ Figures from 99 companies/organizations participating in the branch hearings in the course of this project



4.11 Education, number of students

The number of students in the two Romanian counties Maramures and Cluj decreased between 2008 and 2012 (see Figure 20). At the same time it remained stable at the University of Miskolc and increased slightly in Transcarpathia.

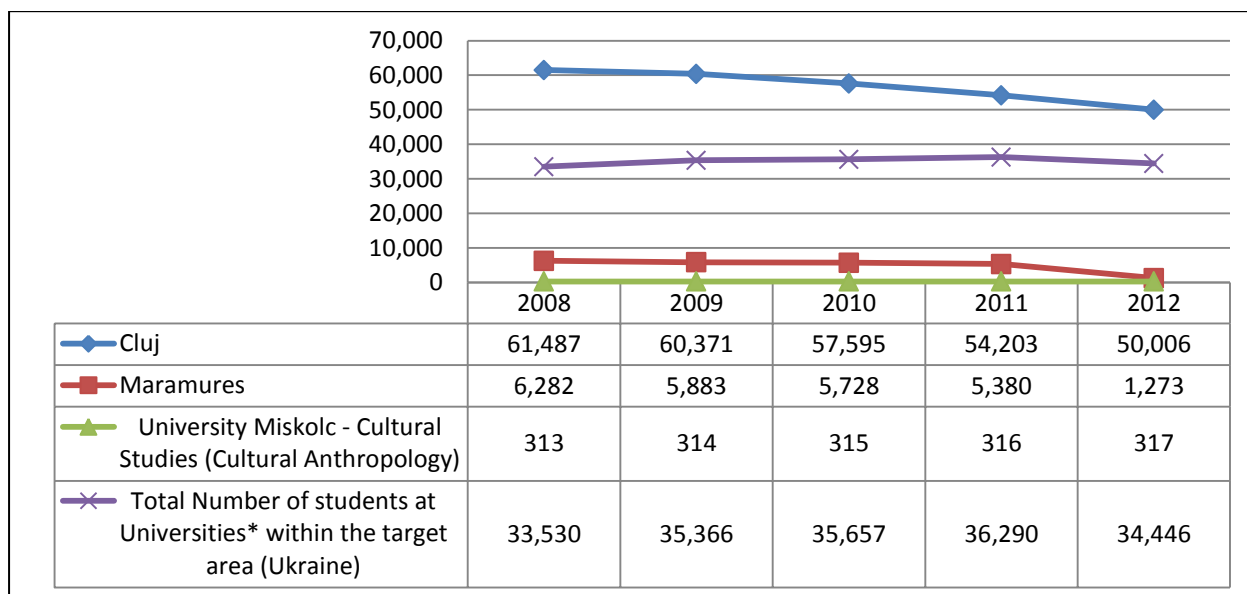


Figure 20: Number of students at universities within the target area 2008-2012⁵¹

4.12 Consultancy

Consultancy services are provided by public organizations as well as private consultants.

Public consultancy structures

Public organizations provide information to other public organizations and/or private enterprises/organizations (including investors) free of charge. Usually the information is about legal questions, funding programs etc. This information is provided by organizations on every level: EU, national, regional, local. Organizations such as ministries, counties or municipalities often have complete consulting units with specialists for this purpose.

The provider analyzed the existing consulting structures in the area under investigation (see Table 10). For every region the structures were analyzed on three levels (local, regional, national), plus EU level. On the national level, the ministries for economy were chosen as the most important in terms of consulting business stakeholders. As an example on the local level, the three cities Baia Mare, Miskolc and Uzhgorod were chosen. The analysis consisted of one crucial question: Is the homepage of the

⁵¹ Sources: Statistical office Hungary: Annual reports of integrated economic statistics, and annual tax returns. INSTITUTUL NATIONAL DE STATISTICA. State Statistics Service in Transcarpathia Oblast region (www.uz.ukrstat.gov.ua); Company "Business Transcarpathia Oblast Golden Pages" (www.goldpages.info)



respective administrative unit available in English? For developing the CCI in a three-country-region, providing consultancy services to clients from the other side of the border is as important as for domestic clients. Because there is no common language in the area under investigation, English as the number-one-language in international and economic relations is essential for consultancy services. Therefore, all consultancy information – especially contact data, guide books etc. – should be available in English.

Table 10: Public consultancy structures in the area under investigation

Regional level		Home page English
EU		Yes
Romania	National (ministry for economy)	No
	County Maramures	No
	Local (e.g. Baia Mare)	No
Hungary	National (ministry for economy)	Yes
	County Borsod-Abaúj-Zemplén	Yes (partly)
	Local (e.g. Miskolc)	Yes
Ukraine	National (ministry for economy)	Yes
	County Transcarpathia	Yes (partly)
	Local (e.g. Uzhgorod)	No

On the Romanian side there is no English information available. This should be improved in the future. On the Hungarian and Ukrainian side most information is already available in English; however, the homepages on the county level are only partly in English.

Private consultancy structures

Private consultants are not organized on regional levels, but thematically. In order to have an overview on the thematic organization of private consultants, the provider used the “consultants data base” of the Bundesverband Deutscher Unternehmensberater BDU e.V. (Germany, www.bdu.de). There consulting services are differentiated the following way:

- Management/organization consulting
- Human resources consulting
- Marketing consulting
- Technical consulting
- Quality management consulting
- Logistics consulting
- Information management consulting
- Controlling and finances consulting





- Project management consulting
- Ecologic management consulting

A first internet search analysis revealed that all these consulting services are available in all three regions of the area under investigation. The homepages of big consulting companies usually also are in English.

In Romania there are no big players on the consultancy market, but only some medium sized and hundreds of small companies.⁵² There is a concentration process in progress, due to increased competition and the fact that clients require more expertise.

In Hungary there is a remarkable dominance of business consulting within management consulting (47 % in 2010).⁵³ IT Consulting is also quite strong in Hungary (36 %).

The Ukrainian consultancy market is characterized by the presence of a number of big international consulting companies as well as local consulting companies.⁵⁴ The majority of local consulting companies are small, employing fewer than 10 persons. The majority of the consultancy market in Ukraine is concentrated in the northern region (Kiev).

Use of consultancy services

Only a very small number of Romanian companies ask for management consultancy services and, even fewer admit they need external advice to overcome different problems.⁵⁵ Generally Romanian small and medium size companies have limited resources to allocate for external assistance. The Romanian situation described is confirmed for Maramures by the case studies. Only 2 out of 7 participating cases already had experience with consulting/advisory services.

In the private consulting sector of Hungary, demand for most consulting services has decreased, due to the deep recession in 2009, and is now slowly recovering.⁵⁶ Since 2009, clients are focused on carrying out projects of vital importance, in almost each case related to cost cutting and increasing efficiency. In the public sector, spending on consulting became more cautious due to scandals and corruption cases. The only driver has been the availability of EU funding. According to Tokár-Szadai the number of bunglers increased in the Hungarian consulting market. Only 2 out of 6 organizations/enterprises from Borsod-Abaúj-Zemplén that participated in the case studies have experience with consulting/advisory services. However, 3 of these 6 provide consulting/advisory services themselves (translation/interpretation, business consultation assistance/market research/technical consultation, academic consultation from university). The quality of advice received from state organizations was assessed as very good. One of the organizations/enterprises using consulting/advisory services from private providers had very bad experience with the quality of these services.

⁵² Mihai Daniela Roxana: Management Consultancy – A Dynamic and Growing Industry. In: International Conference on Business Excellence, Brasov 2007

⁵³ Tokár-Szadai Ágnes: Tendencies in the European and Hungarian Management Consulting Market. In: Club of Economics in Miskolc TMP Vol. 8., Nr. 2, pp 88-94, 2012

⁵⁴ European Bank for Reconstruction and Development: Business Advisory Services (BAS) Ukraine: Kiev 2011

⁵⁵ Mihai Daniela Roxana: Management Consultancy – A Dynamic and Growing Industry. In: International Conference on Business Excellence, Brasov 2007

⁵⁶ Tokár-Szadai Ágnes: Tendencies in the European and Hungarian Management Consulting Market. In: Club of Economics in Miskolc TMP Vol. 8., Nr. 2, pp 88-94, 2012





In Ukraine the most services in-demand are market analyses followed by human resources management and business planning/development of investment projects.⁵⁷ Only 2 out of 10 organizations/enterprises from Transcarpathia that participated in the case studies already had experience with consulting/advisory services.

Additional consultancy services required

For analyzing the need for additional consultancy services it will be necessary to organize a comprehensive survey among CCI stakeholders in the area under investigation. Such a survey could analyze:

- The entire existing public as well private counseling system for CCI-stakeholders (including regional distribution of these services),
- Expectations
- Experiences of counseling customers (especially those from the other side of the border)

In such a comprehensive analysis, needs for adjusting/improving existing consultancy services as well as needs for new ones (thematically as well as regionally could be identified).

However, some findings already can be formulated now:

- All public organizations providing consultancy services on national, regional, County and local levels should provide this information also in English, especially on their websites. Staff members in the consulting teams of these organizations should be able to communicate in English.
- All consultancy services – public as well as private – should work with a high level of quality and customer orientation. Existing certification systems should be promoted; in cases/regions where such systems do not yet exist they should be introduced.

4.13 Funding

Funding is provided in various forms for different purposes by some stakeholders. The main forms are:

- Loans
- Grants
- Venture Capital (including new forms such as „crowd funding“)
- Loan guarantees

Main stakeholders providing funding are:

- The European Union (almost 500 various funding programs, see <http://www.welcomeurope.com/list-european-funds.html>)
- National public organizations (e.g. ministries)
- Public organizations (state/community) on regional, county and local levels

⁵⁷ European Bank for Reconstruction and Development: Business Advisory Services (BAS) Ukraine: Kiev 2011





Hungary-Slovakia-Romania-Ukraine
ENPI Cross-border Cooperation Programme

Partnership without borders

DECC

- Foundations
- Venture capital providers
- Crowd funding platforms

The multitude of stakeholders, forms and purposes related to “funding” makes it extremely complex and difficult for a regional CCI stakeholder to find the “correct” funding for his/her project idea. The best way to do this is by using complex search machines like <http://www.welcomeurope.com/list-european-funds.html> or <http://www.foerderdatenbank.de/>. Such comprehensive data bases/search machines currently don't exist in the area under investigation.

Creating them would be an important project for stimulating CCI. In a first step it would be necessary to analyze the complete system available for “funding.” What also should be done is survey among CCI-stakeholders about their expectations towards and experiences with funding systems. Especially interesting would be the question “which project ideas could not be supported by funding, and why?.” If the result of the analysis would be there is a specific kind of funding missing in the area under investigation, information collected could be used for creating a tailor-made regional funding system that would complement existing systems.

From TES the provider received a shortlist of the most CCI-relevant funds in Transcarpathia:

- 7th Framework EU Program (FP7)
- ENPI CBC program Hungary-Slovakia-Romania-Ukraine 2007-2013
- Cross-border Cooperation program Poland-Belarus-Ukraine 2007-2013
- EEA and Norway Grants, a program on cross-border cooperation SK08 cross-border cooperation and SK04 local and regional initiatives to reduce national inequalities and to promote social inclusion
- Project “Local Economic Development of Ukrainian Cities” (LEDC)
- GIZ. Practical guidelines for preparing project proposals to attract funding in the Ukraine housing and utilities sector
- UNDP. Local governments are implementing a quality management system ISO 9001:2008 for providing municipal services to citizens
- USAID. Implementation of energy saving and energy efficiency projects
- Council of Europe. Call for proposals of Council of Europe's "Best Practices of Local Government"

Feed-back from the case studies and interviews revealed that many of the participating organizations/companies already had experience with funds like the ones listed above, and that in Maramures and Borsod-Abaúj-Zemplén the funds used are pretty much the same as in Transcarpathia.

In Maramures 4 out of 7 organizations/enterprises participating in the case studies already have experience with national and/or EU funding programs. This is a high level of experience with national/EU funding programs. In one additional case EU projects couldn't be implemented because proposed projects were not accepted.

In Transcarpathia the share was 3 out of 10 organizations/enterprises.



This project/programme is funded by the European Union



Beneficiary
Maramures Chamber of
Commerce and Industry



Partner
Borsod-Abaúj-Zemplén Chamber
of Commerce and Industry



Partner
Transcarpathian Enterprise
Support Fund „TES Fund”



Hungary-Slovakia-Romania-Ukraine
ENPI Cross-border Cooperation Programme

Partnership without borders

DECC

In Borsod-Abaúj-Zemplén almost every one (5 out of 6) of the organizations/enterprises participating in the case studies already have experience with national and/or EU funding programs.

It seems that companies/organizations that are willing to carry out projects are able to find funds for these projects, either alone or with assistance from consultants, chambers etc.



This project/programme is funded by the European Union



Beneficiary
Maramures Chamber of Commerce and Industry



Partner
Borsod-Abaúj-Zemplén Chamber of Commerce and Industry



Partner
Transcarpathian Enterprise Support Fund „TES Fund“

5 Identification of challenges and potentials

The identification of challenges and potentials is structured around one question:

WHAT shall be done by WHOM WHEN and HOW?

5.1 Principles of regional development

Sustainable regional development requires a combined top-down as well as bottom-up approach including all relevant local/regional stakeholders, multipliers and promoters into a network, and some kind of joint regional organization. This joint organization formulates a comprehensive regional development concept, based on a regional analysis of the status quo, far exceeding official statistics. This is the essence drawn from regional development programs currently run by the European Union.

5.1.1 Complexity of project management

Project management is something very complex. Almost every project requires a kind of a network between several partners and/or partner organizations. We will differentiate the necessary project management for single projects, complex projects and regional development concepts.

Single projects

The simplest kind of project management is required by single projects with one partner (organization) acting as lead partner and one or more secondary partners (see Figure 21).

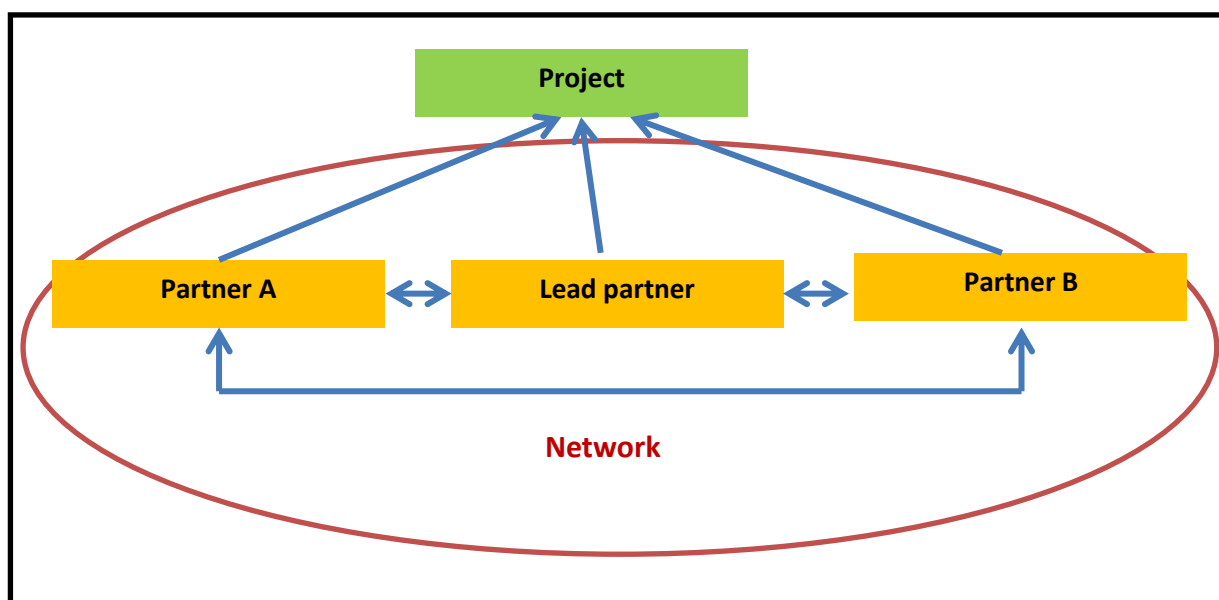


Figure 21: Relationships in a single project

As an example for a single project, we can take the creation of a new flyer for a museum. The organization running the museum acts as lead partner. Possible other partners in this project: A graphic design office, a photographer (pictures for the flyer), a historian (providing content), a print company, a consultant (for receiving funding), the municipality (for co-financing), and an Internet provider (publishing the flyer on a website and in social networks).

Even in such a simple single project as the creation of a flyer many partners from different sectors of the Cultural and Creative Industries are involved, contributing their specific abilities and forming a project network. The cooperation of these partners requires coordination and information exchange.

Moreover, every partner organization has:

- Specific abilities/know-how
- A unique internal organization
- A certain willingness to cooperate
- Specific funds in terms of time and money available

and acts in a unique legal, political, financial etc. framework.

Distribution of tasks is normally organized by the lead partner (organization).

Complex projects

No single project can change the development in a region – as long as it is not coordinated with other relevant regional activities of the same and other stakeholders. The European Union is littered with good projects that were carried out in an excellent way – but failed to stimulate regional development because they were not coordinated with other single projects.

As an example we take a mountain bike trail near Baia Mare, in a pass on road 18 towards Mara. Here members of the provider's project team discovered a new and very good mountain bike trail with an excellent guidance system as the result of an EU-funded project. However, in all of Baia Mare the team members found no flyer or other information about this mountain bike trail, neither in their hotel nor elsewhere. When one enters "Baia Mare mountain bike" into www.google.com there is no information about this mountain bike trail. The same is true for official touristic internet sites about Baia Mare. This bike trail obviously is not connected to the touristic information systems in Baia Mare. It would have the potential to stimulate mountain bike tourism in Baia Mare, but without connection to other relevant actions (like information on touristic sites in Baia Mare) this potential cannot be exploited.

Developing a touristic product like mountain biking is something very complex. It is not sufficient just to build a trail. It also requires actions like public relations, special services to cyclists, improvements in restaurants and hotels and much more. One single project is not enough. There are many projects necessary along the entire service chain of the touristic product, and these projects have to be coordinated by a kind of steering committee. This is an example for a complex project: A project that itself consists of many coordinated single projects (see Figure 22).



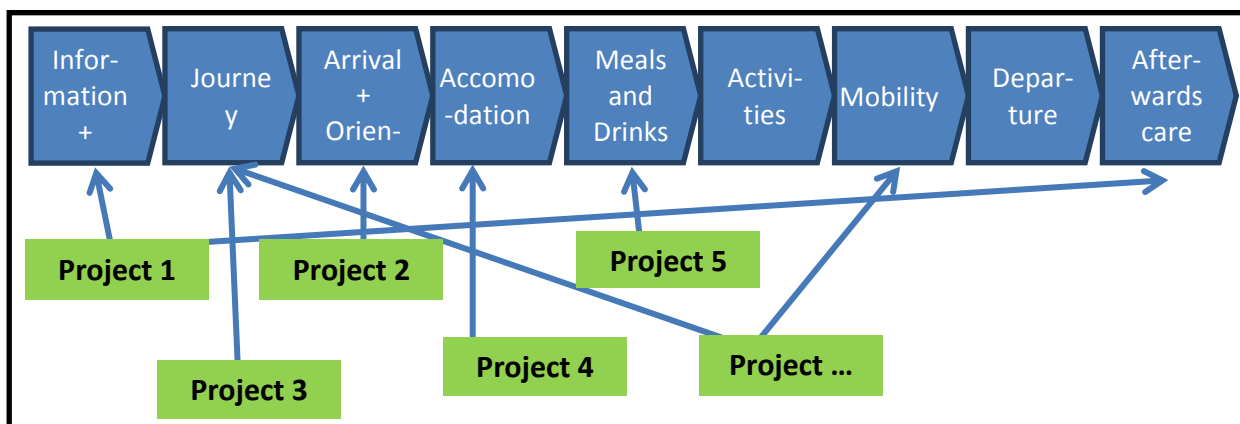


Figure 22: Relationships in a complex project “creating a touristic product”

Some single projects/actions even influence several links of the service chain. Every project itself has a complex relationship between lead partner and additional partners. Touristic products are just one example for complex projects. Others could be the improvement of training possibilities for students, development of language abilities among the local population and many more.

It goes without saying that the level of complexity for large-scale projects is exponentially higher than with single projects. The project management of such projects requires already an extensive amount of working time (provided by the staff of one or several lead partners, or a consultant) and a kind of regular steering committee. In a complex project it's practically impossible for someone outside the network to decide “who shall what do how.”

Regional development concept

Regional development cannot be achieved by one project, not even by the best complex project. This requires the combination and interaction of many single and complex projects instead into a regional development concept. Figure 23 illustrates the relationships in a regional development concept (RDC).

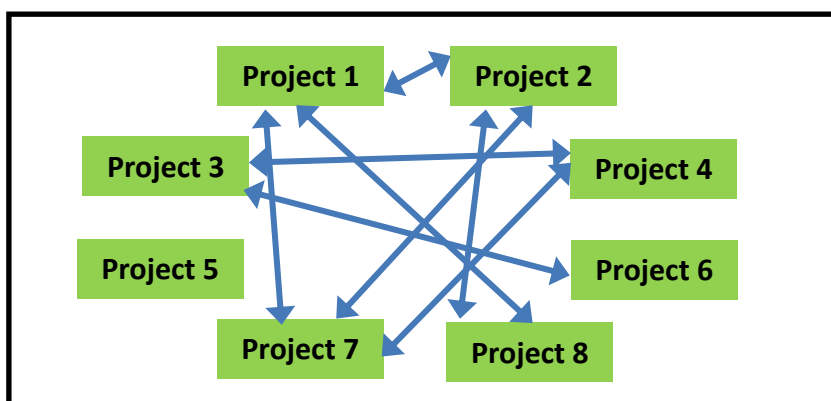


Figure 23: Relationships in a regional development concept



The distribution of tasks and coordination of activities in a regional development concept can only be performed by a professional project management organization including staff and budget, as well as a regular steering committee.

Meanwhile, the funding policies of the EU increasingly require the elaboration of RDC as a prerequisite for funding.

5.1.2 Top-down and bottom-up

Actions that aim at developing regions can be top-down or bottom-up (see Figure 24). Both approaches have their advantages and disadvantages.

Top-down decision making processes are structured in a hierarchical way from above to below. The actions to be carried out are developed and commanded by the upper hierarchical levels.⁵⁸

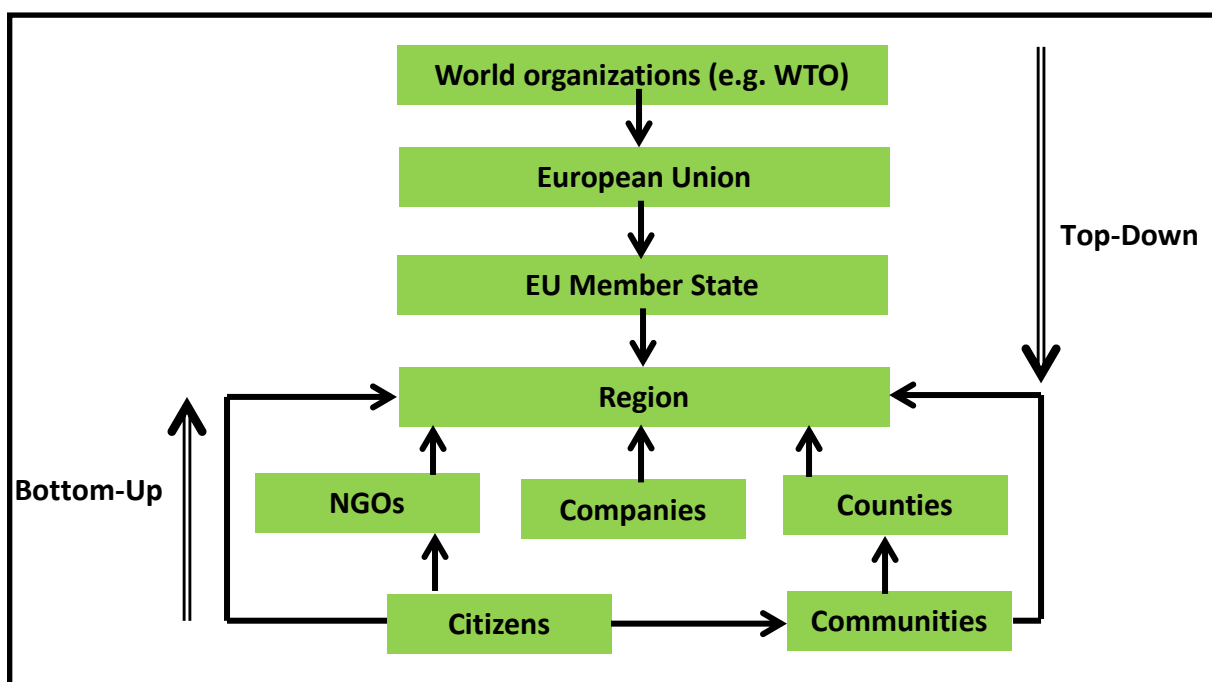


Figure 24: The different action levels of regional development: top-down and bottom-up⁵⁹

Top-down processes have several advantages: There are clear structures for “command and obedience,” clear responsibilities, and they require just a short time for decision making. On the other hand they have a limited information processing capacity. This makes them ideal for organizing single projects, but they are usually overstrained when it comes to coordinating complex processes with many interactions between different stakeholders.

⁵⁸ E.g. Danielzyk Rainer: Informelle Planung. – In: Akademie für Raumordnung und Landesplanung (ARL) (publisher): Handwörterbuch der Raumordnung. – pages 465-469, Hannover 2005

⁵⁹ Created by the provider using Kanatschnig et al. (1999, page 78)



Since the 1990s, top-down processes have been combined with bottom-up approaches. According to most recent findings, this combination produces the best results.⁶⁰

Bottom-up approaches are much more responsive to diverse territorial needs, but devoid of a clear conceptual framework.⁶¹

The bottom-up-approach is very demanding. It requires that:

- Relevant regional stakeholders
- Are working together
- In order to stimulate a specific development in their region
- By opening up endogenous potentials and developing new ideas
- In the entire planning and implementation process.⁶²

The EU-Program LEADER (Liaison entre actions de développement de l'économie rurale--English: Connection Between Actions for Developing the Rural Economy) is an example for using the bottom-up approach for regional development in rural regions. LEADER provides funding only for projects in regions where a network of relevant regional stakeholders have worked out a joint regional development concept through a bottom-up process.⁶³

The bottom-up-approach offers chances as well as problems for regional development, such as Kiessling Nadine has worked out:⁶⁴

- The area for a bottom-up approach needs to be of the right size. Not too small (critical mass of population is missing) and not too big (inhabitants don't know each other)
- Regional citizens usually don't work on all necessary tasks. They prefer "soft" topics like local recreation and culture
- Financing, organization and lead projects often depend on political/state stakeholders or on the willingness of these organizations

A successful bottom-up-approach requires certain preconditions:⁶⁵

- Existence of problem awareness, overall concept, regional identity

⁶⁰ E.g. Augustin Theo: Bundespolitische Handlungsmöglichkeiten – Politik für ländliche Räume, 2006.

⁶¹ Crescenzi Riccardo, Rodríguez-Pose Andrés: Reconciling Top-Down and Bottom-Up Development Policies. 2011

⁶² Albrecht Joachim: Teilräumliche Entwicklungsansätze. - In: Weick, T., Germer, S., Albrecht, J. & R. Wernig (publisher): Koordinierte Regionalentwicklung: Zielorientierung von Entwicklungsprozessen. – 42-51, Hannover. 2012

⁶³ Beobachtungsstelle LEADER (publisher): Der Mehrwert des LEADER-Ansatzes – ein Leitfaden für die Bewertung der besonderen Merkmale von LEADER, 1999

⁶⁴ Kiessling Nadine: Erfolg der Umwetzung des Bottom-Up-Ansatzes in der endogenen ländlichen Regionalentwicklung. Bachelor work, Marburg, 2013

⁶⁵ Böcher Michael: Faktoren für den Erfolg einer nachhaltigen und integrierten ländlichen Regionalentwicklung. – In: FRIEDEL, R. & E. A. SPINDLER (publisher): Nachhaltige Entwicklung ländlicher Räume. Chancenverbesserung durch Innovation und Traditionspflege. Wiesbaden, 2009





- Creation of a broad participation and networking of regional stakeholders
- Constant public relations work
- Existence of promoters and strong partners
- Organization by a regional management

The major part of the area under investigation consists of rural areas. These are very well suited for the bottom-up approach. The population and organizations in rural areas usually have a strong regional identity, a high level of commitment for their regions as well as a high level of volunteer work.⁶⁶ Social networks are also stronger in rural than in urban areas and can be used for regional development.

5.1.3 Networking

Networks can be seen as:

- Specific cooperation
- Of a multitude of stakeholders
- Which are following a joint strategy
- Over a long period of time
- In order to achieve joint objectives⁶⁷

Cooperation in a network aims at an additional benefit for all participating stakeholders. Networks are clustering competences and resources in order to achieve common objectives which no partner could achieve alone. Decisive for the success of a network is its composition according to specific abilities and competences that are necessary for solving regional problems. Several questions have to be clarified in the network:

- Who is an expert for which problems?
- What knowledge shall be exchanged between which partners?
- What communication problems can emerge?
- How can knowledge be generated within the network?
- How should this „network knowledge“ be prepared and presented in order to reach the addressees?

Cooperation can take place in different degrees of organizational level, from networks without formal organization set up in a casual way up to elaborated organizations with cooperation agreement, regulations, staff and budget.

Networks are open structures: members can leave them, new members can join them. The success of networks depend largely on the motivation of their members to cooperate: They are not characterized by hierarchical structures but by processes aiming at consensus.

The willingness and motivation of stakeholders are more important for networking than their abilities and competences. Sceptic stakeholders are important for networks; destructive stakeholders can kill

⁶⁶ Henkel Gerhard: Der Ländliche Raum. – 4. Auflage, Stuttgart/Leipzig, 2004

⁶⁷ Nuissl von Rein Ekkehard: Netzworkebildung und Regionalentwicklung. Oldenburg, 2010



networks, projects and regional development. A stakeholder with excellent abilities and competence is no help for a network when he or she is not willing to cooperate and “make things happen.” When he/she has other intentions than the other partners and is doing everything to hinder the project his/her participation in the network is of no help.

In the course of this project the first stages of networks emerged already. In the branch hearings, touristic trainings and touristic workshops several hundred persons participated. They contributed their working time, their ideas and commitment with the motivation of improving conditions in their regions. Their contributions were the most important output of the entire project, because it comes not from an outside consultant but from motivated regional stakeholders with a real interest to change things. These motivated participants could act as nucleuses for new regional development networks throughout the area under investigation.

5.1.4 Definition of objectives and target groups

Networking processes, especially bottom-up processes can produce a large number of project ideas. Before a stakeholder or a network starts collecting project ideas he/it should have clearly defined the objectives to be achieved and the target groups he/it wants to address. Without a clear objective, the best project can fail. Acting without an objective is like driving a car without knowing where to go to.

In Transcarpathia, members of the provider’s project team discovered two bike lanes along a road near the Ukrainian-Romanian border. They were brand-new but rather short, just about one kilometer each. The road beside them was in rather bad shape, full of holes. If these two bike lanes were on the moon they would be as helpful for stimulating bicycle tourism in Transcarpathia. Two short bike lanes can’t form a network that would be attractive to the target group “bicycle tourists.” Apparently, there was no clear definition of objectives and target groups like “creating a bicycle lane network for locals and tourists with touring and racing bikes in Transcarpathia” before constructing those bike lanes. However, missing clear objectives is by far not a Ukrainian problem. There are countless similar projects—mostly funded—in the entire European Union.

5.1.5 Cross-border development

The area under investigation is a cross-border region, with borders between Romania, Hungary and Ukraine. Regional development in cross-border areas is more complex than regional development within a single country.

Provider MKW GmbH acted for a long time as “cross-border coordinator” of the EURES cross-border partnerships INTERALP (Bavaria-Austria) and TRANSTIROLIA (Austria-Italy-Switzerland). From this experience it was possible to identify the most important specific problems that have to be taken into consideration with cross-border projects:

- There are three different languages and two alphabets. This requires an increased effort in terms of information exchange (translation, time, and money).
- There are three different currencies. Every money exchange across the border increases project costs.





- Transport across borders requires more time (border control) than within a country. The borders Hungary-Ukraine and Romania-Ukraine are even Schengen borders which require much more time for crossing than borders within the Schengen area.
- Each country has specific legal, administrative, social and other structures. Checking and adjusting to these different structures requires time and money. Sometimes these different structures even prevent cross-border projects that would be no problem within a single country.
- Across borders social networks and relations are developed to a much lesser extent than within a country. There are specific kinds of behavior that are not understood at the other side of the border. Sometimes “historic barriers” in the minds of people are preventing them from cross-border cooperation.

All these specifics can act as “obstacles” to cross-border regional development and have to be taken into consideration during the development of cross-border projects and/or a regional development concept.

5.1.6 Regional development concept and regional management

„In a regional development concept (RDC) different stakeholders formulate for a specific region a mission statement, objectives and fields of action, as well as ideas for projects for a short-term or intermediate-term.”⁶⁸ Objectives and fields of action are based on a SWOT analysis (Strengths – Weaknesses – Opportunities – Threats). Participation of regional stakeholders is crucial for the formulation and implementation of regional development concepts.

The European Union has played an important role in enhancing the significance of regional development concepts. In many EU regional funds like LEADER, the development of regional development concepts through a bottom-up network process is an indispensable precondition.

Developing and implementing a regional development concept requires several organizations: a kind of “board” and/or a kind of a steering committee as well as professional regional management. “Regional management aims at the initiation and implementation of section oriented regional development processes. It is carried out by qualified staff based on the development ideas of regional stakeholders under acceptance of external framework requirements.”⁶⁹ According to this definition the Bottom-Up approach is an essential part of regional management.

Regional management can be organized by public organizations, public-private-partnerships (PPPs) as well as by private organizations/consultants.

⁶⁸ Langenhagen-Rohrbach Christian: Raumordnung und Landesplanung. – 2. Auflage, Darmstadt, 2010

⁶⁹ Seibert Otmar: Kosten und Mehrwert von Regionalmanagement. Weidenbach, 2006



5.1.7 Decision process “who shall do what?”

A crucial question in every project management – no matter if it’s a single project, a complex project or a regional development concept – is “who shall do what?” How shall the responsibilities and tasks be distributed?

The decision process for a regional development concept (RDC) is illustrated in Figure 25; for a single or complex project the process is in principle the same. It is not only one decision but an entire process or decision cycle.

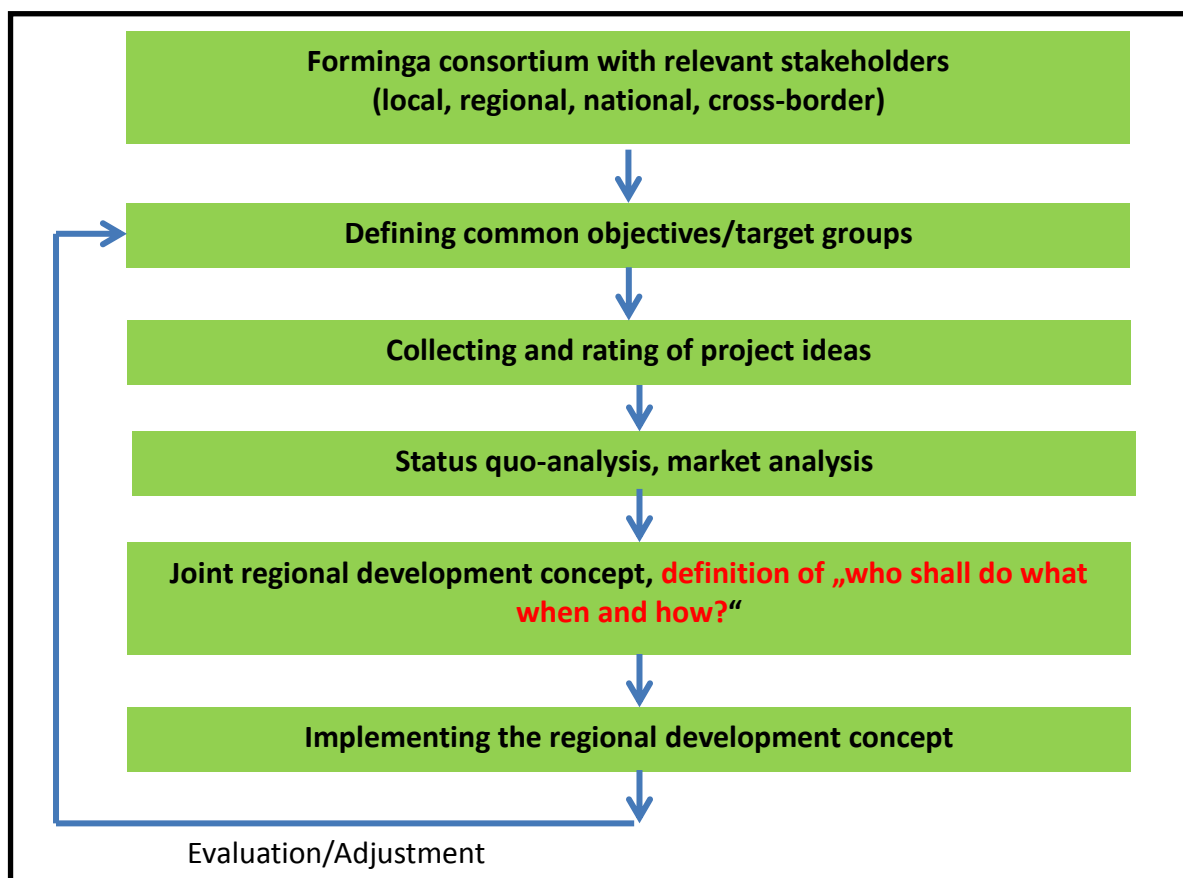


Figure 25: Decision process in regional development



5.2 What shall be done

5.2.1 Identification of challenges and potentials

In the project modules “economic analysis,” “branch hearings” and “case studies” we assembled the findings regarding challenges and potentials in three SWOT analyses:

S trengths	W eaknesses
O pportunities	T hreats

We will now combine the results from these three SWOT analyses into a single SWOT-Analysis for the area under investigation, differentiating it into three topics:

- Overall CCI-development
- Infrastructure
- Tourism

The purpose of these SWOT analyses is to help regional stakeholders eliminate the regions’ weaknesses and meet their threats by making use of the regions’ strengths and exploiting their opportunities.

SWOT analysis “Overall CCI-Development”

Strengths	Weaknesses
<p>Area under investigation</p> <ul style="list-style-type: none"> • Overall economic situation in Romania, Hungary and Ukraine is recovering after the subprime crisis in 2007. • Positive employment trend during the last five years. • Good awareness of funding possibilities among stakeholders in the area under investigation. • Good quality of workers/employees in IT/advertising. • Cross-border co-operation already exists (e.g. festivals). • High level of experience with national/EU funding programs among participating organizations/enterprises. • Many participating organizations/enterprises use consulting/advisory services. Overall good experience with these services, particularly those offered by state organizations. • High awareness for quality among participating organizations/enterprises. 	<p>Area under investigation</p> <ul style="list-style-type: none"> • Satu Mare and Szabolcs-Szatmár-Bereg Counties are not included in the area under investigation. • All three regions are located remotely: little known, no touristic “brand,” difficult to reach. • Minimum public and private funds. • Funded projects often without sustainability. Programs end when (EU) funding runs out. • A lot of heritage/architecture is in bad state and/or breaks down. • Foreign language competence missing, especially in tourism. Difficult for cross-border advertisement. • More arts students than job opportunities for young graduates. • Practical courses for students are missing in all CCI sectors. • Low percentage of participating organizations/enterprises uses measures supporting integration of marginalized groups into staff.





<ul style="list-style-type: none"> • High level of cross-border cooperation among participating CCI organizations/enterprises. • Equal opportunities for staff members seem to be already established in most participating organizations/enterprises. <p>Maramures</p> <ul style="list-style-type: none"> • Very good economic climate among CCI. • Tradition is still conserved, e.g. in the field of traditional handicraft. • More and more foreign people come to see the cultural heritage. • People in Ukrainian regions are interested in receiving media programs from Romania. <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Very good economic climate among CCI. <p>Transcarpathia</p> <ul style="list-style-type: none"> • A lot of touristic routes regarding different topics (e.g. old castles, wooden churches) are under development. • Artists are highly educated in most cases. 	<p>Maramures</p> <ul style="list-style-type: none"> • The name of Baia Mare is still linked to “cyanide mining.” • Legal decrees for protecting architecture/heritage exist, but nobody cares about them. • Universities don’t educate practical experience in Advertising/IT. • Decline in numbers of employed staff in media. Advertisement revenues to be gained by TV stations are not sufficient to keep them running. <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Too many regulations for restoration. Heritage is not allowed to be reconstructed without a heritage-plan. • Skills like plasterwork, decorative plasterwork, tin work, and restoration are missing. • The advertising sales sector just “learns by doing.” • Decline in the number of cultural events offered by the municipality. • No legal possibility to organize officially a private contribution to an exhibition abroad. • In media, little knowledge among staff about situation on the other side of the border. <p>Transcarpathia</p> <ul style="list-style-type: none"> • Crisis in eastern Ukraine hinders the entire economic development in Transcarpathia. • Knowledge of Jewish culture has been lost. • No possibility to study cultural heritage. • Advertising mostly unprofessional (self-made). • Large-scale Wi-Fi and optic Internet is not yet available. • Legal restrictions for transporting art over the border and VAT problems. • Folk art is hard to find, e.g. wood arts. • Very low staff salaries, especially in media.
<p>Opportunities</p>	<p>Threats</p>
<p>Area under investigation</p> <ul style="list-style-type: none"> • Common (cultural) history. Historical routes across the border, common history. • Rich culture, many world heritage sites. • Local/regional cultural and creative goods are localized “soft” factors that can contribute to the “brand” of a region. 	<p>Area under investigation</p> <ul style="list-style-type: none"> • Loss of traditional abilities in agriculture and handicrafts. • Lack of knowledge about old handicraft techniques. • Continuation of spontaneous innovations without a comprehensive regional development





- Motivated local/regional population and stakeholders, good chances for bottom-up development concepts.
- Social media a very promising vehicle to get people interested in arts events.
- The stronger stance of electronic/social media can provide a broader set of local information and increase the competitive pressure on the public and private newspaper market.
- International orientation and quality awareness are good preconditions for future development.
- Very good employment expectations among participating CCI organizations/enterprises.

Maramures

- Romania ranks the first among the EU-countries in terms of the growth of its creative class.
- Young people are more and more interested in tradition.
- Increase of well educated “teachers.”
- Few cultural heritage enterprises (start-ups) yet, however, interest is growing (e.g. textiles).
- Crafts can be combined with tourism.
- More cross-border festivals possible.
- Many NGO’s interested in becoming involved in arts activities.
- Media focus on more cross-regional topics.

Borsod-Abaúj-Zemplén

- Tourists are more and more interested in old castles.
- Mobile and Internet development enable inexpensive advertising worldwide.
- Already exchange of TV programs across the border.

Transcarpathia

- Overall positive CCI development in Transcarpathia 2008-2012.
- Big capacity of Jewish history.
- Young people become more interested in their history.
- Rapidly growing awareness among SMEs about the potential of advertising.
- Comparatively low salaries in Ukraine give advertising/IT companies an advantage.
- New opportunities for artists after the end of the Soviet Union.
- Big architectural potential (e.g. wooden churches).

concept, bottom-up with inclusion of local/regional stakeholders.

- Competition from social media like Facebook and Twitter.
- Social media increases market share at the expense of newspapers.
- Apparent problems with the quality of consulting/advisory services offered by some private consultants.

Maramures

- Loss of traditional architecture.
- Politics/government not interested in cultural heritage.
- Existing legal structure hinders people in teaching their knowledge about cultural heritage.
- Many educated IT-specialists leave the County.
- Younger persons not very interested in arts.

Borsod-Abaúj-Zemplén

- Loss of heritage due to lack of money and public funding.
- Young people don’t read anymore.
- Focus on short local news because print media are compared with Internet information.
- Specialists trained in Hungary go to big companies abroad.
- Public side arbitrarily increases or decreases budgetary funds and does not stick to earlier agreements.
- Advertisement more important than content.

Transcarpathia

- Ukraine is hindering cross-border connections and cooperation (e.g. for castles).
- Some frustration among young people in Transcarpathia about future prospects.
- Currently a lot of legal restrictions for the IT industry in Ukraine.





SWOT analysis “Infrastructure”

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good train connections to and within Hungary. • The main road network in the area under investigation is in good condition. • Good flight connections. • Good hiking trails in Hungary and Romania. • Very good communication infrastructure in Borsod-Abaúj-Zemplén and Maramures. 	<ul style="list-style-type: none"> • Very bad train connections between the regions, and within Maramures and Transcarpathia. • International Airport Cluj Napoca is not linked to Maramures via a modern rail network. • Secondary/tertiary road network in bad shape. • Ukraine border controls hinder cross-border economic and touristic activities. • Infrastructure for cyclists and bikers in Maramures and Transcarpathia hardly exists. • Infrastructural problems hinder cross-border co-operation and tourism.
Opportunities	Threats
<ul style="list-style-type: none"> • EU high-speed railway network is extending toward the area under investigation. • Investment in infrastructure is funded intensely by the EU. • Available cycling infrastructure in Borsod-Abaúj-Zemplén can be transformed into a network. • Very fast growing communication infrastructure in Transcarpathia. 	<ul style="list-style-type: none"> • Investment in infrastructure requires a lot of financial resources.

SWOT analysis “Tourism”

Strengths	Weaknesses
<p>Area under investigation</p> <ul style="list-style-type: none"> • Quantity of accommodation facilities is sufficient, especially in Maramures. • Cultural heritage and history as touristic driving force. <p>Maramures</p> <ul style="list-style-type: none"> • High level of ethnic diversity. • Tourists who come are often very pleased. • Hungarians travel to regions with Hungarian minorities (like Maramures). <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Hot springs and caves are a special and already developed attraction in Borsod-Abaúj-Zemplén. • “Round trips” through all three regions already organized by Hungarian travel agencies. <p>Transcarpathia</p>	<p>Area under investigation</p> <ul style="list-style-type: none"> • Few brands and quality certificates in tourism. • No analysis of existing quality/services in tourism. • No comprehensive regional touristic bottom-up development concept. • No (cross-border) regional tourism organizations. • Areas dominated by large scale agriculture are not attractive to tourists. • Quality of accommodation facilities is insufficient, as well as service and quality in all tourism facilities (“Soviet mentality”). • No existing interregional tourist board, little inter-regional and inter-sectorial co-operation. • Hotels and other touristic companies often owned by persons not trained for this job. • Too many small entities. <p>Maramures</p> <ul style="list-style-type: none"> • Problems with transport infrastructure.





<ul style="list-style-type: none"> • “Health tourism” is already a complete tourism product in Transcarpathia (for national consumers). 	<ul style="list-style-type: none"> • Low use of integrated booking/reservation systems. • Regional food almost not available. • Information for tourists is missing. • Staff is missing: receptionists, waiters, cooks, travel agents and guides. • Professional training for staff is necessary. • High money transfer costs. <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Recently the number of German and Czech guests has decreased, as well as occupancy rate of rooms. <p>Transcarpathia</p> <ul style="list-style-type: none"> • Tourism fee in Transcarpathia is transferred to national financial authorities of Ukraine. • Infrastructure in bad condition. • Visa-problems for Ukrainians. • Low use of English language. • Quality and service generally not competitive.
<p>Opportunities</p>	<p>Threats</p>
<p>Area under investigation</p> <ul style="list-style-type: none"> • Tourism is growing worldwide. • It offers income alternatives for rural/former industrial/mining regions. • There is potential for all CCI-sectors. • Advantages for regional population through (touristic) development measures, higher attractiveness for the three regions. • Lacks persistent structures. • The area under investigation has extensive (nearly) unspoiled small-structured areas that are attractive to tourists: Northern mountains in Borsod-Abaúj-Zemplén (especially Tokaj), Transcarpathia, most parts of Maramures. • Hospitality of local people. • Motor bike tourism has potential in northern Borsod-Abaúj-Zemplén, Maramures and Transcarpathia. • Maramures and Transcarpathia have good potential for hiking (remote, undeveloped, diverse landscape). • Chance for avoiding “collateral damage.” • Chance to learn from other regions. • <p>Maramures</p>	<p>Area under investigation</p> <ul style="list-style-type: none"> • Decreasing public spending for cultural activities. • Concentration of financial resources on existing tourism structures. • “Landgrabbing” is changing the landscape in some regions, making them less attractive for tourism. • Neglect of important factors: demography, climate change, changes in agriculture etc. • Loss of (bio-) diversity due to mis-management (e.g. wildlife management). <p>Maramures</p> <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Too much bureaucracy and prohibitive taxes are distort business. • No extension of cross-border cooperation in sight. <p>Transcarpathia</p> <ul style="list-style-type: none"> • Political unrest in Ukraine hinders (cross-) regional development.





<ul style="list-style-type: none"> • Many NGOs and volunteers (e.g. reenactment) <p>Borsod-Abaúj-Zemplén</p> <ul style="list-style-type: none"> • Many NGOs and volunteers (e.g. reenactment) • Opportunities for interregional festivals and joint touristic routes. • The region appears suitable for having tourists all year long. <p>Transcarpathia</p> <ul style="list-style-type: none"> • Winter tourism in Transcarpathia has potential to increase. Skiing and alternative winter sports. 	
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5.2.2 Project ideas

We will now – without assessment, rating and prioritization – assemble all project ideas that emerged during this project:

- Ideas that can be derived from the SWOT analyses
- Ideas that were developed by participants at the branch hearings and touristic workshops
- Additional project ideas generated by the provider

The most valuable of these project ideas are those from the participants at the branch hearings and touristic workshops. A project idea is only as good as the willingness of relevant regional stakeholders to make that idea happen. Therefore, project ideas from regional stakeholders are full of motivation and commitment. These are the best preconditions for regional development, much more valuable than any proposal developed top-down or by the provider.

We differentiated between single and complex projects. We will use this same categorization for sorting the project ideas.

5.2.2.1 From the SWOT analyses

Overall CCI-Development

Region	Project ideas	
	Single projects	Complex projects
Entire area under investigation	<ul style="list-style-type: none"> • Include Satu Mare and Szabolcs-Szatmár-Bereg in the cross-border cooperation. 	<ul style="list-style-type: none"> • Develop regional concepts instead of spontaneous innovations. • Improve sustainability of (funded) projects. • Organize practical courses for students of all CCI-sectors. • Organize actions preserving old agricultural, handcraft and arts know-how. • Make more use of long common history, e.g. historical routes across the border. • Make use of social media to get people





		<p>interested in arts events, distribute local information etc.</p> <ul style="list-style-type: none"> • Combine crafts with tourism. • Offer more cross-border festivals.
Maramures	<ul style="list-style-type: none"> • Simplify conditions for teaching cultural heritage. 	<ul style="list-style-type: none"> • Put an end to mining using cyanide in Baia Mare, complete clean-up. • Establish a working system for enforcing legal decrees on heritage.
Borsod-Abaúj-Zemplén	<ul style="list-style-type: none"> • Simplify regulations for restoration. • Simplify private contributions to exhibitions abroad. • Train media staff about the situation on the other side of the border. 	
Transcarpathia	<ul style="list-style-type: none"> • Establish “cultural heritage” studies. • Provide professional advertising training. • Simplify legal restrictions for transporting art over the border. • Reduce legal restrictions for the IT industry. • Ease visa conditions for Ukrainians. 	<ul style="list-style-type: none"> • Assess all kind of obstacles to cross-border mobility, develop a concept to reduce these obstacles. • Collect and preserve knowledge of Jewish culture. • Establish region-wide wi-fi and optic Internet. • Make use of the architectural potential (e.g. wooden churches).

Infrastructure

Region	Project ideas	
	Single projects	Complex projects
Entire area under investigation	<ul style="list-style-type: none"> • Improve the (cross-border) train infrastructure, especially regional airports. Connection to the EU high-speed train network. • Improve the secondary and tertiary road network. • Simplify/accelerate border controls Romania-Ukraine and Hungary-Ukraine. 	
Maramures		<ul style="list-style-type: none"> • Develop infrastructure for cyclists and bikers.
Borsod-Abaúj-Zemplén		<ul style="list-style-type: none"> • Transform infrastructure for cyclists and bikers into a network.
Transcarpathia		<ul style="list-style-type: none"> • Develop infrastructure for cyclists and bikers.





Tourism

Region	Project ideas	
	Single projects	Complex projects
Entire area under investigation		<ul style="list-style-type: none"> • Develop brands and quality certificates in tourism. Brands must be so attractive that stakeholders are willing to pay for being awarded a brand/label. With constant controls and incentives to improve quality. • Analyze existing quality and service in tourism. • Work out a comprehensive regional touristic bottom-up development concept by an interregional tourist board. • Provide interregional festivals and joint touristic routes. • Include NGOs and volunteers in touristic development.
Maramures	<ul style="list-style-type: none"> • Provide training for touristic staff (basic as well as further training). 	<ul style="list-style-type: none"> • Develop brands and quality certificates in tourism. • Form a concept for touristic use as well as preservation of unspoiled small-structured areas. • Work out a comprehensive regional touristic bottom-up development concept, including wildlife management. • Create/better use integrated booking/reservation systems. • Offer more regional food for touristic entities. • Improve information for tourists.
Borsod-Abaúj-Zemplén	<ul style="list-style-type: none"> • Provide training for touristic staff. • Reduce bureaucracy and prohibitive taxes. 	<ul style="list-style-type: none"> • Develop brands and quality certificates in tourism. • Form a concept for touristic use as well as preservation of unspoiled small-structured areas, including wildlife management. • Work out a comprehensive regional touristic bottom-up development concept. • Develop “castle tourism.”
Transcarpathia	<ul style="list-style-type: none"> • Provide training for touristic staff. • Ensure that part of Ukrainian tourism fee remains in Transcarpathia. 	<ul style="list-style-type: none"> • Develop brands and quality certificates in tourism. • Form a concept for touristic use as well as preservation of unspoiled small-structured areas, including wildlife management. • Work out a comprehensive regional touristic bottom-up development concept. • Develop of a concept for (alternative) winter tourism.

In “Overall development of CCI” and “Tourism” most project ideas are complex projects that require intense project coordination. In “Infrastructure” most projects could be organized as single projects. All projects – single as well as complex ones – should be integrated and coordinated through regional development concepts in order to improve their effectiveness and sustainability.



5.2.2.2 From the branch hearings

Participants in most of the 15 branch hearings formulated spontaneous project ideas without further discussion; in some branch hearings no project ideas were forthcoming. These unstructured ideas should be tested and further developed in regional development workshops. We describe them in this chapter according to the branch sectors of the hearings, without assessment, rating and prioritization.

Maramures County

Branch sector	Project ideas	
	Single projects	Complex projects
Cultural heritage/architecture	<ul style="list-style-type: none"> Create an example for one village: community gets 10 good practice buildings for free (plan and design) to become an “exemplar historic-modern village.” 	<ul style="list-style-type: none"> Protect cultural heritage via world heritage classification.
Media	<ul style="list-style-type: none"> Exchange TV programs across the border. 	<ul style="list-style-type: none"> Provide more joint TV-/Radio productions in interregional cooperation projects.
Tourism	<ul style="list-style-type: none"> Initiate European volunteer exchange in guest houses. 	<ul style="list-style-type: none"> Public-Private-Partnership-projects with EU-funding encourages tourism.

Borsod-Abaúj-Zemplén County

Branch sector	Project ideas	
	Single projects	Complex projects
Cultural heritage/architecture	<ul style="list-style-type: none"> Support practical training possibilities. Create guide lines for how to transform traditional architecture into modern ways. 	<ul style="list-style-type: none"> Develop theme/topic routes for cooperation projects (same historical roots).
Advertising/IT	<ul style="list-style-type: none"> Improve knowledge of foreign languages, especially those across the border. 	<ul style="list-style-type: none"> Advertise to raise awareness (e.g. in the field of historic and traditional building, living, architecture, handcraft etc.). Create an information campaign, funded by public or by PPP in the fields of historic architecture, tourism and handcraft. Bring people together across the border by arranging festivals, historical/folk dances, historic information of cities etc.
Arts		<ul style="list-style-type: none"> Arrange cross-border activities also with Uzhgorod in the future. Develop more bottom-up approach of cross-regional cooperation.
Media	<ul style="list-style-type: none"> Create documentary films about the other side of the border, with help 	



	<p>from German TV companies.</p> <ul style="list-style-type: none"> • Provide joint advertisements by private TV companies across the border. • Offer movies on the situation in industrial parks across the border in order to help improve the situation/habits at home (corruption). 	
Tourism		<ul style="list-style-type: none"> • Establish an interregional tourist board.

Transcarpathia Oblast

Branch sector	Project ideas	
	Single projects	Complex projects
Cultural heritage/architecture		<ul style="list-style-type: none"> • Provide trainings in tourism for city guides/rangers/ mountain guides etc. Offer training possibilities especially for SMEs, showing them best-practices from Austria and Germany. • Develop archeological tourism between Hungary, Rumania and Ukraine. • Develop tourism with the topic of holocaust – Jewish history. • Create projects with the aim of preserving “old” knowledge (about culture, handcraft etc.). E.g. Joint production of historic arts/handcrafts. Create a crafts park, where different old handcrafts are shown to tourists. • Develop a dual teaching system: theory and practical education combined.
Advertising/IT	<ul style="list-style-type: none"> • Create user-friendly search engines to find points of interest. 	
Arts		<ul style="list-style-type: none"> • Extend the already existing tourism-route “wooden churches” (from Poland through Slovakia to Ukraine) towards Romania. • Information is necessary (flyer, Website in various languages) about the common history and culture in the different cross-border regions.
Tourism	<ul style="list-style-type: none"> • Establish training centers for the tourism sector (managers as well as service staff). 	





Project ideas from the branch hearings suggest mostly complex projects requiring a combination of the bottom-up as well as top-down approaches: the same is true for project ideas derived from the SWOT analyses.

5.2.2.3 From the touristic workshops

During this project the provider organized three touristic workshops for participants from all CCI-sectors in Miskolc (Borsod-Abaúj-Zemplén), Baia Mare (Maramures) and Uzhgorod (Transcarpathia).

Participants of the workshops could choose between two topics:

- Alternative A: Develop an organization which can create and put on the market product and service “packages” in the future.
- Alternative B: Develop one or several tourism oriented product and/or service “packages.”

In all three workshops participants chose Alternative B. The next steps were the same in all three workshops for the participants:

- Collect project ideas (brainstorming)
- Sort and rate the project ideas
- Select one or several project ideas (depending on the number of participants)
- Create one working group per project idea
- Develop project concepts using a common project sheet

Workshop in Baia Mare

The collected project ideas from the participants were clustered into seven topics:

- Events
- IT + C promotion
- Education through tourism
- Special offers
- Management and organization
- Outdoor activities
- Heritage tourism
- Life experience

Afterwards the participants rated the clusters by assigning points to their favored clusters. The three highest rated clusters were

- Events
- Management and organization
- Heritage tourism

For the three highest rated clusters, participants in working groups developed:

- Overall objectives





Hungary-Slovakia-Romania-Ukraine
ENPI Cross-border Cooperation Programme

Partnership without borders

DECC

- Detailed objectives
- Target groups
- Ideas guaranteeing quality and sustainability of the projects

This resulted in three project designs:

- Events: Diversifying events and promoting existing ones
- Management and organization: Long-term tourism development and support in the NW-region of Romania, involving the significant stakeholders
- Heritage tourism: Promoting historical, cultural and mining objectives, and diversifying programs

These project designs all describe complex projects which require a bottom-up approach.

Workshop in Miskolc

The collected project ideas from the participants were clustered into six topics:

- Branding
- Countryside tourism
- Health tourism
- Outdoor tourism
- History tourism
- Events/conferences/incentives/meetings.

In working groups, participants developed overall and detailed objectives for all six clustered topics. In their presentations to colleagues the members of the working groups gave some additional information:

- Outdoor tourism: An additional activity is “water tourism” (kayaking etc.)
- Meetings/events/conferences/incentives: There should be visits of good practices from neighboring communities
- Health tourism: There should be a better communication among enterprises. Currently it is impossible to develop tourism packages because of lack of communication
- Countryside tourism: There should be products like „vacation on farms“ in Austria or Germany

From the results of the brainstorming, clustering and working groups, the moderation team put together a proposal for an initial project and presented it to the participants.

Project designs presented by the working groups were all be complex projects. The initial project however could be organized as a single project.

Workshop in Uzhgorod

Collected project ideas from the participants were clustered into six topics:

- Infrastructure



This project/programme is funded by the European Union



Beneficiary
Maramures Chamber of
Commerce and Industry



Partner
Borsod-Abaúj-Zemplén Chamber
of Commerce and Industry



Partner
Transcarpathian Enterprise
Support Fund „TES Fund“



- Thematic routes
- Thematic tours
- Sports activities
- Accommodation
- Events

Afterwards the participants rated the clusters by assigning points to their favored clusters. The three highest rated clusters were

- Thematic tours
- Thematic routes
- Accommodation

For these three clusters the participants in working groups developed:

- Overall objectives
- Detailed objectives
- Target groups
- Ideas guaranteeing quality and sustainability of the projects

The three resulting project designs:

- “Cook your vacation,” eco-tourism in the mountains
- “Feel the taste of Transcarpathia,” “Spirit/ethnic singularity of the region”
- “Night in the castle,” “Camping town”

5.2.2.4 Additional project ideas

In the course of this project, members of the provider’s project team had many discussions about regional development in the area under investigation, in brainstorming sessions. These project ideas will now be put together (as far as they haven’t been mentioned yet), without further assessment, rating and prioritization. Similar to project ideas derived from the SWOT analyses, we sort the ideas in three groups:

- Overall CCI-development
- Infrastructure and
- Tourism

Region	Project ideas	
	Single projects	Complex projects
Entire area under investigation	<ul style="list-style-type: none"> • Cross-border offers for qualification, training, exchange of best practices. • Development of qualification for 	<ul style="list-style-type: none"> • Stimulating start-ups from Universities, strengthening “soft” factors in cities, creating a good climate for start-ups. • Promoting regional products/food/handcraft: Increasing awareness within the regions;





	<p>traditional crafts.</p>	<p>combination of small-scale farmers into associations, high criteria and brands, inclusion of regional products in museums, hotels, restaurants etc.</p> <ul style="list-style-type: none"> • “Tourism” should be used as cross-sectorial and cross-border topic in order to stimulate (cross-border) regional development as well as development in all CCI-sectors. • Focus on cultural, outdoor and adventure tourism. • Adventure tourism: Bow hunting, hard-core adventure tourism, expeditions. Possible cooperation with university of Treuchtlingen (Bavaria, near the Hesselberg region) which specializes in adventure tourism. • Incorporating new parameters of environmental assessment and updating existing ones, contributing to the preservation and development of inherent environmental values of the territory, new conceptualization of touristic landscapes. • Establishing a panel from all CCI branch sectors from all three regions, for monitoring status-quo, development and trends in CCI. Ten organizations/enterprises per branch sector and region would be enough. Regular surveys using Internet-based questionnaires (one per year). • Local contact points can provide up-to-date information for entrepreneurs. • Development of (cross-border) regional touristic organizations. • Organization of a best-practice excursion for tourism stakeholders to established destinations in Austria, Germany, Italy etc. • Qualification and training for tourist services providers: e.g. product development, combining handcraft and regional food with tourism etc. • Joint education programs about common history, including Socialism. • Cooperation between universities and high schools.
<p>Maramures</p>		<ul style="list-style-type: none"> • Make more use/profit for tourism and regional products from the many old fruit trees, and from products currently sold along the roads. • Focus on mining tourism. Knowledge transfer from other (former) mining regions like North America, Australia or the Ruhr region (Germany). Clean-up, transformation of old architecture/installations into touristic highlights. Mediation center for solving conflicts. Cooperation with European mining towns.



The two most important project recommendations by the provider are:

- **Branding** through **networking**
- Using **tourism** as a lead topic for stimulating cross-sectorial and cross-border regional development in all CCI-sectors

“Branding through networking” combines the essence of “What should be done?” and “How should it be done?”

“**Branding**” requires improvement in infrastructure, training of staff, development of complex touristic products and so on. In short, almost all project ideas can be subsumed under “Branding.”

“**Networking**” is essential for regional development. This cannot be achieved by focusing on a single CCI-sector. It requires an approach that includes as many CCI-sectors as possible, instead.

Tourism is a cross-sectorial topic which offers possibilities for all different CCI-sectors (see the definition of CCI in the project report “economic analysis), in one region as well in a cross-border area like the area under investigation (see Figure 26).

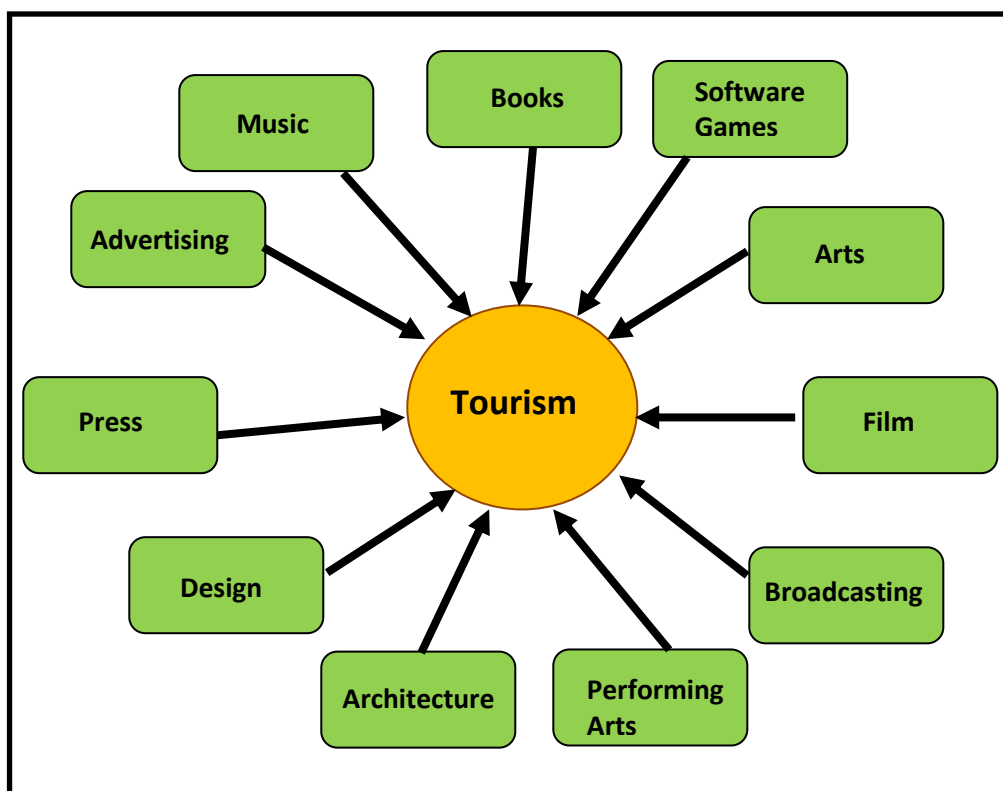


Figure 26: Tourism as cross-sectorial topic for the Cultural and Creative Industries



5.3 Who shall do what

5.3.1 Using existing networks and creating new ones, civic participation

During the touristic workshop in Baia Mare in the course of this project (June 13 2014) the participants of a working group developed an idea for a touristic regional network: a “consortium for tourism development.”

Objectives of this consortium:

- Long-term tourism development and support in the NW region of Romania, involving the significant stakeholders
- Establishing a “Consortium for tourism development” having as members significant stakeholders (local authorities, public institutions, professional associations, private companies etc.)
- Preparing strategies and policies for tourism development
- Identifying and attracting financial resources for tourism project financing
- Raising awareness and involving public authorities, for declaring tourism as a high priority
- Partnerships development with other regions having similar needs

This idea from that working group expresses the essence of “networking.” It can be used as a “blueprint” for creating different networks in the area under investigation, within single countries as well as for cross-border regions.

Regional development requires networks. These networks not only have the purpose of bringing relevant stakeholders together, they also provide an organized form for civic participation, which is an essential part of regional development. For this purpose existing networks should be used as much as possible. In some cases it will be necessary to create new networks.

There are already many established networks between public agencies, communities, enterprises, NGOs etc., within a region as well as on the cross-border level. It cannot be assessed from the outside how many networks exist and what the single networks could do; only the networks themselves can decide what they want/can do. However, the existing networks will surely be able to carry out single projects, in some cases maybe even complex projects.

What is necessary in all three regions and on a cross-border level (covering the area under investigation) is providing networks for complex projects and regional development concepts. Most project ideas collected in the course of this project would be complex projects that require a high degree of project management and networking that is currently rarely available.

The most effective way would be to

- Initiate a bottom-up process aimed at developing an RDS in every region, including all interested stakeholders (state and communal agencies, enterprises, NGOs, private persons etc.)
- Establishing a board, steering committee and professional regional management
- Define common objectives, project ideas and “who shall do what,” establish a steering committee as well as a professional project management





- Include in this process already existing regional development organizations like Local Action Groups (LAGs)

LAGs are networks on the Romanian and Hungarian side that already have regional development concepts developed by regional stakeholders, bottom-up approach, civic participation structures and management for coordinating their activities in rural areas. The LAGs are connected to the EU program LEADER. An overview of existing LAGs in Romania and Hungary can be found at http://enrd.ec.europa.eu/enrd-static/app_templates/enrd_assets/pdf/leader-gateway/lag_map_2014_web.pdf. Here are two examples for LAGs:

- Example Maramures: <http://www.maranatur.ro/pages/teritoriul.php>
- Example Borsod-Abaúj-Zemplén: <http://btge.hu/>

The already existing networks of these LAGs should be integrated in future CCI-related regional development concepts so that it is not necessary “to invent the wheel twice.” LAG areas are smaller than the area of a county, but they have the possibility to organize projects on a bigger regional scale (within a country, cross-border or trans-national region) via LEADER cooperation projects between LAGs. It would be worthwhile for the partner organizations to find out if there are LAGs in their area with similar objectives for developing CCI and if there are cooperation possibilities. LAG managers should be invited to meetings with the purpose of developing regional development structures and concepts.

A regional development process could focus on one specific topic, for instance “Tourism.” Or it can have a comprehensive approach, covering all CCI-relevant topics. The comprehensive approach would be the most time and cost effective approach, whereby working groups for topics like “Media,” “Infrastructure,” “Tourism” etc. could be established.

In the course of such a regional development process there could also emerge networks for complex processes because the stakeholders necessary for such projects would come together. Within the project single and complex projects could be connected to each other. This would be much more time-effective than focusing on the creation of networks for single and complex projects without having a platform for connecting these projects.

Most regional development work will have to be done within the three regions. However, there will be projects that would have the highest impact on the cross-border level, for instance developing touristic routes across the entire area under investigation. For this purpose it would be helpful having - as a supplement to the single regional development concepts - a cross-border regional development structure and concept. This could function in principle in the same way as within one region. The larger size would have the effect that civic participation would be lower, and that the process would be dominated by bigger organizations. This is quite normal on the cross-border level. This process could be organized in a low-budget way, not requiring intensive professional project management.

Of course regional development structures and concepts as described could also be established on local level. Many communities already have had good experiences with the Agenda 21 processes, which are similar to the processes described in this report.





5.3.2 Clustering of project ideas

The collected project ideas now have to be sorted, clustered and differentiated into

- Three idea groups “Overall CCI-development,” “Infrastructure,” “Tourism”
- Ideas for the entire area under investigation (cross-border) or for a single region
- Ideas for one level or multi-level projects

Every project idea will be named only once, even when it has been named several times in the course of the project. The project ideas developed in the touristic workshops are marked with a “(W).” These ideas have the highest value of all ideas, because they are results of a brainstorming, clustering, rating and working group process. Other ideas are still in the state of “brainstorming”; they still have to be assessed and rated by the relevant regional stakeholders.

For every project idea we will recommend one or several possible lead partner organizations. In many cases more than one lead partner is possible. In that case, the partner (organization) with the highest motivation should do the job.

We will differentiate the possible lead partners into

- Public administration (regardless whether at community or state level)
 - Technology
 - Infrastructure
 - Economy
 - Culture
 - Internal (internal affairs, financial affairs): only relevant with the single projects
 - Agriculture: Only relevant with the complex projects
 - Tourism
- Enterprises
- Non-Governmental Organizations (NGOs)

The system of responsibilities within communal and state administration is very complex and different in every one of the three countries. In many cases it has to be negotiated between local and/or state agencies who is responsible for what. Therefore, the provider will only name the general kind of administration (tourism, cultural etc.) which could act as lead partner (organization) for a project idea. The specific distribution of tasks between the stakeholders in the end has to be negotiated between the stakeholders themselves.

For every project idea, we will differentiate the regional level into:

- Cross-border (possible cross-border project)
- Single region (relevant for one or several single regions)

and the action level (EU/national/regional/County/community) into:

- One level (stakeholder of the same level needed)
- Multi-level (stakeholders of several level needed)



In many cases, projects would be possible in several ways: as cross-border project as well as single region project; as one-level as well as multi-level project. The best way to design and implement project ideas will have to be discussed and decided by the relevant stakeholders during the project management process.

5.3.3 Single projects by core stakeholders

Single projects require the simplest form of project management. There is one lead partner (organization) and perhaps one or several other partners. They can be organized alone or as part of a regional development concept (RDC). Including the project in an RDC is not absolutely necessary but would be the most cost and time effective way to coordinate the projects with other similar regional activities.

There are 28 ideas for single projects, many of them consisting of several single projects themselves, e.g. “Cross-border offers for more qualification, training, exchange of best practices.” There can be dozens of single projects with the aim of improving qualification, training and exchange of best practices.

5.3.3.1 Overall CCI-Development

Region	Project ideas	Possible lead partners								Regional level		Action level	
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Internal	Tourism						
Entire area under investigation	Include Satu Mare and Szabolcs-Szatmár-Bereg in the cross-border cooperation.	X	X	X	X		X	X	X	X			X
	Exchange TV programs across the border.							X		X		X	
	Support practical training possibilities in all CCI branch groups in all regions, including knowledge of old crafts.	X	X	X	X		X	X			X		X
	Cross-border offers for more qualification, training, exchange of best practices.	X	X	X	X		X	X	X	X		X	X
	Improve knowledge of foreign languages, especially the languages across the border.				X		X	X	X	X	X	X	X
	Establish cooperation between universities and high schools.				X				X	X		X	



Region	Project ideas	Possible lead partners							Regional level		Action level		
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Internal	Tourism						
Maramures	Simplify conditions for teaching cultural heritage.				X						X	X	
	Create an "example village" with 10 good practice buildings "historic-modern style" that are sponsored by state or enterprises.		X		X		X		X		X	X	X
	Initiate European volunteer exchange in guest houses.				X	X	X		X		X	X	
Borsod-Abaúj-Zemplén	Simplify regulations for restoration.		X		X						X	X	
	Simplify private contributions to exhibitions abroad.				X						X	X	
	Train media staff about the other side of the border.	X		X				X	X		X	X	
	Create documentary films about the other side of the border, with help from German TV companies.				X			X	X		X	X	
	Generate joint advertisements by private TV companies across the border.							X		X		X	
	Make movies on the situation in industrial parks across the border.				X			X	X	X		X	
Transcarpathia	Establish "Cultural heritage" Studies.				X						X	X	
	Provide professional advertising training.	X		X				X			X	X	
	Simplify legal restrictions for transporting art over the border.				X						X	X	
	Reduce legal restrictions for IT.	X									X	X	
	Ease visa conditions for Ukrainians.					X					X	X	





5.3.3.2 Infrastructure

Region	Project ideas	Possible lead partners								Regional level		Action level	
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Internal	Tourism						
Entire area under investigation	Improve the (cross-border) train infrastructure, especially including the regional airports. Connection to the EU high-speed train network.		X	X						X	X	X	X
	Improve the secondary and tertiary road network.		X	X						X	X	X	X
	Simplify/accelerate border controls Romania-Ukraine and Hungary-Ukraine.					X				X		X	

5.3.3.3 Tourism

Region	Project ideas	Possible lead partners								Regional level		Action level	
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Internal	Tourism						
Entire area under investigation	Create user-friendly search engines to find points of interest.	X					X	X		X	X		
	Provide training for touristic staff (basic as well as further training).				X		X	X		X	X	X	
Borsod-Abaúj-Zemplén	Reduce bureaucracy and prohibitive taxes.					X					X	X	
Transcarpathia	Ensure that part of Ukrainian tourism fee remain in Transcarpathia.					X					X	X	
	Establish training centers for the tourism sector (managers as well as service staff).			X			X	X			X	X	X

5.3.4 Complex projects by multiple stakeholders

Most project ideas derived from this project would be complex projects.

Complex projects require a complex form of project management. There are several simple projects that have to be coordinated by a kind of steering committee. They can be organized alone or as part of a regional development concept (RDC). Including the project in an RDC is not absolutely necessary but would be the most cost and time effective way to coordinate the projects with other similar regional activities.

There are 65 ideas for complex projects, many of them consisting of several single or complex projects, e.g. “regional development concepts instead of spontaneous innovations.” There can be such concepts in Maramures, Borsod-Abaúj-Zemplén and/or Transcarpathia – as well as in Baia, Miskolc, Uzhgorod and other communities or on cross-border level.





5.3.4.1 Overall CCI-Development

Region	Project ideas	Possible lead partners							Regional level		Action level		
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
Entire area under investigation	Plan regional development concepts instead of spontaneous innovations.		X				X	X	X	X	X	X	
	Improve sustainability of (funded) projects.	X	X	X	X	X	X				X	X	
	Improve foreign language competences among the population, especially stakeholders.	X			X		X				X	X	
	Organize practical courses and/or dual teaching system (theoretical and practical education combined) for students of all CCI-sectors.				X		X				X	X	
	Organize actions preserving old agricultural, handcraft and arts know-how.				X	X			X	X	X	X	
	Make use of social media to get people interested in arts events, distribute local information etc.	X			X			X	X		X	X	
	Combine crafts with regional products and tourism.				X	X	X	X	X		X	X	
	Create more joint TV-/Radio productions in interregional cooperation projects.	X			X			X		X		X	
	Bring people together across the border by arranging festivals, historical/folk dances, historic information of cities etc.				X		X		X	X		X	
	Stimulate start-ups from universities, strengthen "soft" factors in cities, create a good climate for start-ups.	X	X	X				X			X	X	
Promote regional products/food/handcraft: Increase awareness; combine small-scale farms into associations, with high criteria and brands; regional products in museums, hotels, restaurants etc.				X	X	X	X	X		X	X		





Region	Project ideas	Possible lead partners							Regional level		Action level		
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
	Establish a panel from all CCI branch sectors from all three regions, for monitoring status-quo, development and trends in CCI. Ten organizations/enterprises per branch sector and region. Regular surveys using Internet-based questionnaires (one per year).			X					X	X		X	
	Establish local contact points that can provide up-to-date information for entrepreneurs.			X				X	X		X	X	
Maramures	Stop mining using cyanide in Baia Mare, complete clean-up.	X	X	X							X		X
	Establish a functioning system for enforcing legal decrees on heritage.			X	X						X		X
	Protect cultural heritage via world heritage classification.				X				X		X	X	
	Diversify events and promoting the existing ones (W).												
Borsod-Abaúj-Zemplén	Advertise to raising awareness (e.g. in the field of historic/traditional building, living, architecture, handcraft, arts etc.).			X	X				X		X	X	
	Start an information campaign, funded by public or by PPP in the fields of historic architecture, tourism and handcraft.			X	X		X	X	X		X	X	
	Provide cross-border arts activities in the future also with Uzhgorod.				X				X	X			X





Region	Project ideas	Possible lead partners							Regional level		Action level		
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single Region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
Trans-carpattia	Assess all kind of obstacles to cross-border mobility, development of a concept to reduce these obstacles.			X					X	X		X	
	Collect and preserve knowledge about Jewish culture.				X				X		X	X	
	Establish regionwide Wi-Fi and optic Internet.	X	X	X							X		X
	Make use of the architectural potential (e.g. wooden churches).				X		X				X	X	

5.3.4.2 Infrastructure

Region	Project ideas	Possible lead partners							Regional level		Action level		
		Public administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
Maramures	Develop infrastructure for cyclists, hikers and bikers.		X				X		X	X	X	X	X
Borsod-Abaúj-Zemplén	Transform infrastructure for cyclists, hikers and bikers into a network.		X				X		X	X	X	X	X
Trans-carpattia	Develop infrastructure for cyclists, hikers and bikers.		X				X		X	X	X	X	X





5.3.4.3 Tourism

Region	Project ideas	Possible lead partners								Regional level		Action level	
		Administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
Entire area under investigation	Develop brands and quality certificates in tourism. Brands must be so attractive that stakeholders are willing to pay for being awarded a brand/label. Provide constant controls and incentives to improve quality.						X	X	X		X		X
	Work out a comprehensive regional touristic bottom-up development concept by an (inter)regional tourist board.						X	X	X	X	X		X
	Develop a concept for touristic use as well as preservation of unspoiled small-structured areas, including wildlife management.					X	X		X		X		X
	Incorporate new parameters of environmental assessment and update existing ones, contribute to the preservation and development of inherent environmental values of the territory, new concept of touristic landscapes.					X	X		X		X		X
	Analysis of existing quality and service in tourism.						X				X	X	
	Develop (cross-border) regional touristic organizations.						X	X	X	X	X	X	X
	Organize interregional festivals and joint touristic routes.				X				X	X		X	
	Include NGOs and volunteers in touristic development.						X		X	X	X	X	
	Provide Public-Private-Partnership-projects encouraging tourism (EU-funding).						X	X	X	X	X	X	
	Focus on cultural, outdoor and adventure tourism. Adventure tourism: bow hunting, hard-core adventure tourism, expeditions. Possible cooperation with University of Treuchtlingen (Bavaria, near the Hesselberg region), which specializes in adventure tourism.						X	X	X	X	X	X	X





Region	Project ideas	Possible lead partners								Regional level		Action level	
		Administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
	Establish theme/topic routes about common history: e.g. Jewish history, archeology.				X		X		X	X	X	X	X
	Provide trainings in tourism for city guides/rangers/mountain guides etc. Training possibilities especially for SMEs, showing them best-practice from Austria and Germany .						X	X	X		X	X	
	Qualify and train tourist services providers: e.g. product development, combining handcraft and regional food with tourism etc.			X	X	X	X		X		X	X	
	Plan projects with the aim of preserving "old" knowledge (about culture, handcraft etc.). E.g. Joint production of historic arts/handcrafts. Create a crafts park, where different old handcrafts are shown to tourists.				X		X		X		X	X	
	Create information (Flyer, Website in various languages) about the common history and culture in the different cross-border regions.				X		X		X	X		X	
	Organize a best-practice excursion for tourism stakeholders to established destinations in Austria, Germany, Italy etc.						X	X	X	X	X	X	
Maramures	Create/better use of integrated booking/reservation systems.						X	X	X		X	X	
	Provide more regional food for touristic entities.					X	X		X		X	X	
	Improve information to tourists.					X		X	X		X	X	
	Promote historical, cultural and mining objectives, and diversifying programs (W).						X	X	X		X	X	X
	Develop long-term tourism and support in the NW-region of Romania, involving the significant stakeholders (W).							X	X	X		X	





Region	Project ideas	Possible lead partners								Regional level		Action level	
		Administration (communal or state)						Enter-prises	NGOs	Cross-border	Single region	One level	Multi level
		Technology	Infrastructure	Economy	Culture	Agri-culture	Tourism						
	Make more use/profit for tourism and regional products from the many old fruit trees, and from products sold along the roads.					X	X	X	X		X	X	X
	Focus on mining tourism. Knowledge transfer from other (former) mining regions like North America, Australia or the Ruhr region (Germany). Clean-up, transformation of old architecture/installations into touristic highlights. Establish mediation center for solving conflicts. Cooperate with European mining towns.						X	X	X		X	X	X
Borsod-Abaúj-Zemplén	Develop "Castle tourism."						X	X	X	X	X	X	X
	Develop history tourism to preserve historic buildings and traditions (W).						X	X	X	X	X	X	X
	Increase fame of health tourism destinations (W).						X	X	X	X	X	X	X
	Increase business tourism (W).			X			X	X	X		X	X	X
	Develop active outdoor tourism like hunting, cycling, kayaking, excursion to caves (W).						X	X	X		X	X	X
	Brand Borsod-Abaúj-Zemplén as destination (W).						X	X	X		X	X	X
	Develop countryside tourism for Western European tourists (W).						X	X	X		X	X	X
	Create a website with a tourist oriented structure (brands and target groups) (W).	X					X	X	X		X	X	
Trans-carpattia	Develop a concept for (alternative) winter tourism.						X	X	X		X	X	X
	Extend the already existing tourism-route "wooden churches" (from Poland through Slovakia to Ukraine) towards Romania.						X	X	X	X		X	X
	Provide "Cook your vacation," Eco-tourism in the mountains (W).						X	X	X		X	X	X
	Develop "Feel the taste of Transcarpathia," "Spirit/ethnic singularity of the region" (W).						X	X	X		X	X	X
	Establish "Night in the castle," "Camping town" (W).						X	X	X		X	X	X





5.4 When shall what be done

Collecting project ideas is a brainstorming process. Such a process usually produces a multitude of ideas. Even for the most motivated stakeholders it would be impossible to implement all project ideas collected in a brainstorming process.

There are two more steps necessary before a stakeholder can start working on projects – or before a regional development concept (RDC) can be put together:

- Rating ideas
- Creation an action plan

Rating

Every organization, company, consortium, board or working group that is collecting ideas has to rate the ideas in the end: “Which ideas are the most important, which are more important than others?” In a working group that collects ideas by writing these ideas on paper cards this can be done by assigning points to the paper cards. In a company this is often done by the owner without any written comments. In the end, some ideas will be implemented, others not.

Action plan

Normally the capacities (working time, funds) of a stakeholder/network will not be sufficient for carrying out all selected and highly rated projects at the same time. Besides, many projects require the completion of other projects before they can be started.

Therefore there has to be a prioritization of project ideas, and an action plan (time plan) has to be created. An action plan is „a sequence of steps that must be taken, or activities that must be performed well, for a strategy to succeed. An action plan has three major elements:

- (1) Specific tasks: what will be done and by whom
- (2) Time horizon: when it will be done
- (3) Resource allocation: what specific funds are available for specific activities”⁷⁰

These essential steps have to be taken by the responsible stakeholders or networks (for a complex project or regional development concept) BEFORE starting the implementation of project ideas.

Meanwhile action plans are a prerequisite for all EU funding programs 2014-2020.⁷¹

⁷⁰ <http://www.businessdictionary.com/definition/action-plan.html>

⁷¹ European Structural and Investment Funds Guidance for Member States, Programme Authorities and Beneficiaries. Guidance on Community-Led Local Development for Local Actors, Brussels, April 2014





5.5 How shall what be done

5.5.1 Status quo and market analysis

Between the two project development steps:

- Collecting and rating project ideas, and
- Organizing and implementing the project

there is one more important step: analyzing the status-quo as well as the relevant market. Essential questions are:

- What supply is already available (status quo)? In what quality?
- What are the expectations of the defined customers/target groups? How pleased are they with the current supply?
- Who are the competitors? What are they doing to win customers/target groups?
- Where are the strengths/weaknesses/opportunities/threats (SWOT analysis) in the status-quo?
- What shall be done?

In many cases, such an analysis can be done very quickly. When the project idea is “Cooperation between universities and high-schools” it is not much work to find out what kind of cooperation between this small group of stakeholders already exists.

In other cases, the situation would be much more complex. Many of the project ideas are focusing on creating new touristic products, e.g. development of historic tourism, adventure tourism, outdoor tourism, cycling tourism etc. For every one of these ideas a detailed market analysis would be necessary that is checking all links of the entire service chain of the respective touristic product, from the first contact with a tourist to the afterwards card. A status quo and market analysis would have to analyze and answer at least the following questions:

- Who and where is the target group? (This definition should already have been made during the first step “define objectives and target groups”)
- What are the expectations of the target group?
- Who are competitors? What are they doing in order to attract this target group?
- What are the information and booking systems for the target group (including problems)?
- How can the target group reach the region (including problems)?
- How does the target group arrive in the region (including problems)?
- How can tourists orient themselves in the region (including problems)?
- What is the quantity and quality of accommodation for the target group (including problems)?
- What meals and drinks are available for the target group? Do these correspond to the expectation of the target group?
- What kind of activities are available for the target group (including problems)?
- How can the target group be mobile in the region (including problems)?
- How does the target group depart from the region (including problems)?





- How is the afterwards care of the target group organized (including problems)?
- How are quality and services supported/encouraged currently? What could be done to improve quality and services?

Part of such an analysis can also be excursions for core stakeholders to regions in other countries with more practical experience in the relevant field.

There are similar project ideas that could be combined into a joint status quo and market analysis. The analysis of the quantity and quality of accommodation for instance would have to be done for every kind of tourism. In order to concentrate the available resources there should be just a few comprehensive status quo and market analysis instead of many small ones.

The following status quo and market analyses would cover all the project ideas collected:

- Existing and necessary practical training possibilities/dual teaching system in all CCI branch groups in all regions, including knowledge of old crafts
- Existing and necessary assistance for start-ups from universities in all three regions
- Existing supply of regional products (food, handicrafts); demand situation in retail, tourism restaurants/hotels; examples for brands/quality criteria
- Existing counseling system to CCI-stakeholders; expectations/experiences of stakeholders; possibilities for improving the counseling system
- Assessment of all kind of obstacles to cross-border mobility
- Existing infrastructure for cyclists, hikers and bikers. Comparison with expectations of target groups and situation in other countries. Possibilities for improving the infrastructure
- Comprehensive analysis (entire service chain) of the supply to different target groups: countryside, cultural (e.g. wooden churches), historical (e.g. castle, Jews), health, business, mining, outdoor, winter, eco-tourism and adventure tourists, including analysis of quality and service in tourism in all three regions

In the end, the responsible network of stakeholders for every region has to decide what status quo and market analyses are necessary or relevant for the region.

5.5.2 Regional management, public counseling

Regional management

“Regional management aims at the initiating and implementing section oriented regional development processes. It is carried out by qualified staff based on the development ideas of regional stakeholders under acceptance of external framework requirements.”⁷² This is the basic definition of regional development in a regional development process. Or – more generally spoken – it can be regarded as a form of public counseling to stakeholders in the context of regional development.

Regional management can be organized in many different forms:

⁷² Seibert Otmar: Kosten und Mehrwert von Regionalmanagement, Weidenbach, 2006





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- Area: Identical with administrative borders or different from them
- Organization: Public, public-private-partnership (PPP) or private

There are regional managements which are supported by EU funds, e.g. the management of Local Action Groups (LAGs) in the context of the LEADER program.

Regional management has no political function. It is situated at the “crossroads” between funding providers and regional stakeholders. The main tasks of regional management are⁷³

- Contact building and maintaining
- Comprehensive inclusion of all relevant stakeholders
- Networking or regional stakeholders
- Inclusion of promoters
- Forming, consulting and moderating working groups and project groups
- Public relations
- Organization and moderation of meetings and events

Essential are communication and public relations, because regional development through stakeholders depends on communication. Communication not only has to inform stakeholders but also to include them actively in regional development. Schulz Winfried differentiates three “intensity steps of participation”:⁷⁴

1. Information
2. Consultation
3. Cooperation

These intensity steps are visualized in Figure 27.

Public counseling

Communication organized by regional management would be part of public counseling to CCI-stakeholders. Before introducing new forms of counseling into the three regions it would be necessary to make a status quo as well market research study of the entire existing public as well private counseling system for CCI-stakeholders as well as the experiences and expectations of counseling customers. The basic structure of the regional counseling system is already described in the economic report.

Counseling is done in different forms by many public and private organizations. The system of public counseling is more structured than the private one. However, even in the public counseling system there are double structures, lacking cooperation between agencies in terms of counseling and so on. This makes it difficult for customers to find quickly a counseling organization that is responsible for his question as well competent. When the customer comes from a different country he/she has some extra

73 STMLU Bayerisches Staatsministerium für Landesentwicklung und Umweltfragen (publisher) (2003): Handbuch erfolgreiches Regionalmanagement, Bayreuth/Triesdorf

⁷⁴ Schulz Winfried (2009): Public Relations/Öffentlichkeitsarbeit. - In: Wilke, J., Schulz, W. & E. Noelle-Neumann (publisher) (2009): Fischer Lexikon Publizistik Massenkommunikation. Handbuch, 565-592, Frankfurt am Main



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problems, because every country has a different system of public counseling, different names for organizations – and a different language.

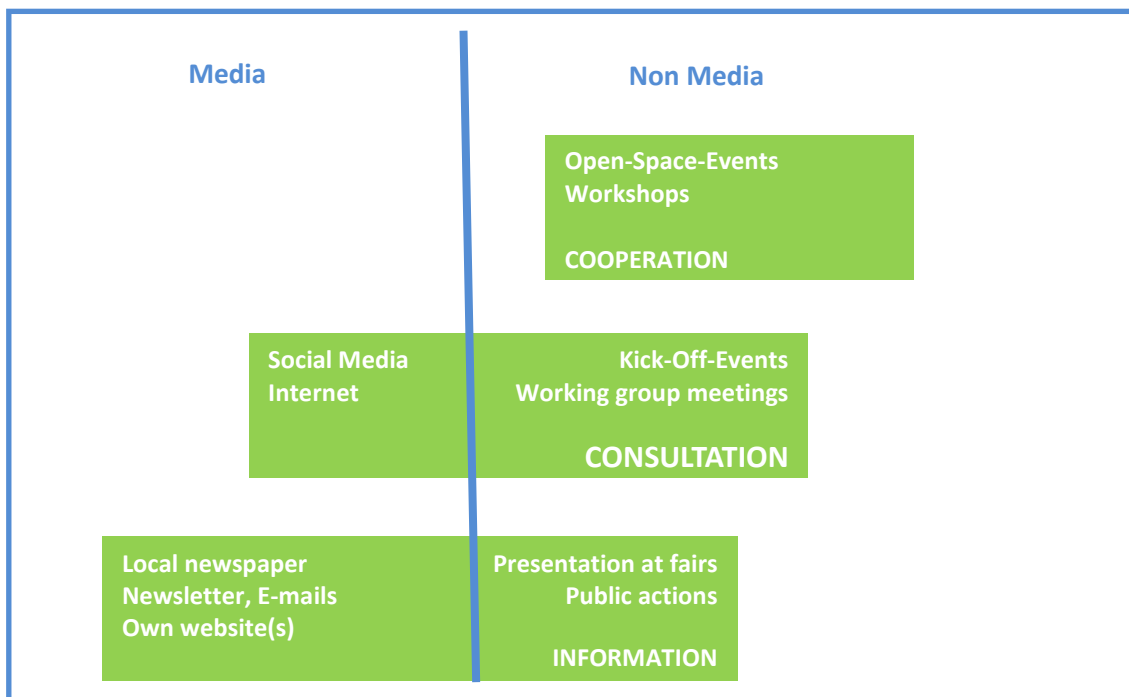


Figure 27: Regional development PR instruments according to intensity steps

A comprehensive status quo and market analysis of the public as well as private counseling system could be structured like this:

- Status-quo analysis of the current counseling system (supply side)

What counseling organizations currently exist (public and private)? What kind of counseling do they provide?

What are the experiences of these organizations with their services (survey)?

How do they check the quality of their services and the results of their counseling (survey)?

- Analysis of expectations and experiences of customers (demand side)

What expectations do the customers have, what kind of service do they require (survey)?

What are the customers' experiences with the counseling services (survey)? Especially experiences of customers from other countries?

- Should the counseling system be altered/improved? If yes, how?



5.5.3 Funding of regional development

5.5.3.1 Pros and cons of funding

Funding is essential for many regional development projects. But funding can make things even worse in regions. During recent decades the EU member countries with the highest share of EU regional subsidies were Greece, Ireland, Portugal and Spain. Today these countries are among the EU members with the biggest financial problems. Is this a coincidence or correlation?

The pros and cons of subsidies in general and funding of regional projects in particular are widely discussed in economic and regional science. Market oriented economists see more disadvantages than advantages caused by subsidies. As one example, we can use an extract of an article by Prof. Walter Kortmann (University of Dortmund):⁷⁵

- Subsidies reduce the motivation and innovative capacity of their recipients
- Recipients do not produce products for the market but for politicians
- Recipients take more risks than they were doing when using their own money
- Money from subsidies is used less profitable than own money
- Subsidies are often used for purposes that could also be done without subsidies (“windfall gain”)
- Subsidies improve the competitiveness of some stakeholders (big organizations, important branches) – while reducing the competitiveness of others
- Subsidies maintain unproductive structures

For regional development the situation is more complex. Recipients of subsidies often are not enterprises, but communities, NGOs etc. that use the money for purposes that are not profit oriented. Therefore, we cannot simply adopt the economic arguments listed above.

The regional development agency for the Hesselberg region – two employees of this organization are part of the providers project team – has 15 years’ experience with applying for, distributing and using regional funds from the EU, national and state level. From this practical experience we will now check critically the economic arguments against subsidies.

Subsidies reduce the motivation and innovative capacity of their recipients

This is not at all the case for regional development projects, in fact it is quite the opposite. When there are funds available for regional development, regional stakeholders get motivated to develop ideas for “their” region with a lot of creativity. Especially high is the motivation and innovative capacity through a bottom-up process that requires the active involvement of local/regional populations, enterprises, NGOs etc. Without funding many successful regional projects would not have been possible.

Recipients do not produce products for the market but for politicians (or for funding programs developed by administration in top-down processes)

⁷⁵ Kortmann Walter: Subventionen, die verkannten Nebenwirkungen. In: Wirtschaftsdienst 7/2004, Bonn.





This unfortunately often applies to regional development. When there is a funding program available stakeholders start thinking “how can we make use of this program?” This means they develop projects for the funding program – instead of the funding program supporting their own ideas. More extremely formulated: stakeholders develop projects for the programs – not what they need or want themselves.

Recipients take more risks than they were doing when using their own money

This is not a general rule. Usually recipients of funds use the money with care and invest a high amount of own money and working time.

However, there are often problems when it comes to new infrastructure projects. Every mayor who gladly accepts a subsidy for the museum of his town should ask himself or herself a question:

“Imagine there is someone who would donate to you as private person a brand-new Rolls Royce Phantom, worth half a million Euro. It is a donation and you can use the car as you want. There is only one precondition: you have to maintain the car in brand-new state with your own money. Would you take the donation?”

The European Union is littered with such “Rolls Royce Phantom projects,” usually infrastructure projects by communities of state organizations. These gladly accept funding support for building new roads, bike lanes, museums etc. However, they forget that funding supports only the acquirement, not the running costs. Part of the running costs include an allowance for depreciation. This allowance is calculated for the entire project cost, not only for the small amount of co-financing by the recipient.

Subsidies also can make projects more expensive than without funding. For the recipient subsidies can be an incentive to include some extras they would not afford when using own money. And sometimes funding regulations even require a minimum amount of investment. Applicants who want to save money and plan only a small investment do not receive funding.

There is a nasty habit connected with subsidies. Recipients have to spend the allocated money otherwise they must fear receiving less money next time. This causes extra and often unnecessary investments. Recipients who use less money should be rewarded rather than punished.

Many recipients find out quickly that they don't have the money to pay the running costs of their newly built infrastructure. Then the investment is not maintained properly. After some years it looks like a ruin, after some more years it is a ruin. This can even drive a community or state into ruin. Perhaps the high amount of EU regional funding for Greece, Ireland, Portugal and Spain contributed to the financial problems of these countries.

Money from subsidies is used less profitable than own money

It was already explained above that recipients of funding support have to cover the running costs – including allowance for depreciation – for the entire project costs. Therefore, the project should produce a profit that is at least as high as the entire running costs. Often this is not the case with regional development projects, especially new infrastructure projects, when projects are not calculated in such a cost-effective way. This would not be the case if the recipients had to use their own money instead of subsidies.

For many other regional development projects, however, it is quite the opposite. There are project ideas that require only a small amount of initial funding and produce in the end a huge investment. As an example, we can take allfra GmbH in the Hesselberg Region, a company that produces fruit drinks





(alcoholic and non-alcoholic) from regional fruit trees. At the beginning there was a small subsidy for carrying out a market study. At the end there was a profitable company with several employees.

Other projects are handled by groups of local people investing hundreds of working hours in creating and maintaining “their” projects. These projects are highly profitable for regional development.

Subsidies are often used for purposes that could also be done without subsidies (“windfall gain”)

This is absolutely not the case with regional development projects. Most of these projects would not be possible at all without funding support. Instead, there is an opposite problem: Subsidies can seduce regional stakeholders to carry out too many projects, more than they are able to maintain (see explanations above).

Subsidies improve the competitiveness of some stakeholders – while reducing the competitiveness of others

This often is the case with regional development projects. Funding generally requires co-financing by the applicant. There are applicants (communities, enterprises etc.) that are richer than others and are therefore more able to provide the necessary co-financing. Therefore the “rich” stakeholders of a region can make more use of funding programs than the “poor” ones. Due to this situation, funding programs can even increase the gap between “rich” and “poor” stakeholders.

Subsidies maintain unproductive structures

The problem with regional infrastructure problem is: subsidies help create, but not maintain them (see explanations above)!

Regional funding programs usually have the intention to provide just initial support. They expect that after a period of time the recipient is able to do without funding. This can be the case for projects that produce a profit. It cannot be the case with “unproductive” structure like the organization of a regional management. Expecting that it will be maintained after funding support ends are in most cases not realistic. This results in a “hopping” from one funding program to another, in a great wasting of working time for writing funding applications. It would be more cost effective to guarantee a long-term financial support for such “unproductive” (yet for regional development indispensable) structures.

Administrative costs of developing and implementing funding programs also can be considered “unproductive.” In some cases, these costs – including evaluation – require a high share of the entire funding budget and reduce the possibilities for supporting projects.

In conclusion, from this analysis we state that project funding is essential for regional development processes, but it has to be used very carefully in order to avoid the problems described above.

5.5.3.2 Designing and using funds

Usually regional stakeholders only can make use of funding programs that are presented to them – without having been asked before what kind of funding they need or want. Yet sometimes stakeholders are able to influence the creation of funds or the regulations for receiving funding support. Local Action Groups in the context of LEADER funding for instance can develop their own system to assess project proposals.





Recommendations for designing funds:

“Question existing standards and procedures critically.”

First of all, all existing standards and procedures related to regional funds should be questioned critically. There are many good and proven procedures, but organizers should not get into the habit of thinking “it has always been that way, so why change it?”

“Ask the regional stakeholders what kind of funding they need/want before designing a fund.”

Make a bottom-up approach when designing the fund. This will further increase the motivation and innovative capacity of the recipients. It also improves the quality, effectiveness and efficiency of implemented regional projects.

“Stimulate creativity by competitions.”

Funding partially can be organized in the sense of a competition. If there is for instance a project idea like “Create new regional products” there can be a competition for the best regional product organized which receives funding support in the end.

“Consider the limited ability of recipients to carry running costs.”

In designing funding programs, it has to be made certain that applicants calculate the running costs realistically (including allowance for depreciation) and that they are able to carry the burden of running costs in the long-term.

“Combine loans with grants.”

Loans are in the long-term almost as expensive to recipients as grants. Nevertheless, they enforce the recipients to calculate the long-term costs more realistically, especially when it comes to infrastructure projects. There are good examples for supporting CCI-projects through loans by regional funds such as for instance “Cultuurinvest” in Belgium (<http://www.pmv.eu/en/services/cultuurinvest>).

“No minimum project costs.”

Regional stakeholders can decide if it would be worth the effort to write an application for their project idea.

“Secure support for structures supporting regional development processes.”

Structures like regional management that support regional development processes need a secure and reliable financial support. This will improve the efficiency of these structures – and the entire regional development process – greatly.

“Create rewards for canny recipients.”

Every Euro in funds can only be used once. For being able to support as many good project ideas as possible there should be a kind of reward for recipients who don't use the complete amount of funding support that would have been possible. It would be worthwhile to work out such possibilities together with financial experts from funding administrations.

“Prefer quality to quantity”

When rating project designs their quality should be more important than quantitative indicators (e.g. a high number of participants). Develop rating procedures that stimulate high quality standards.





“Coordinate different funding programs.”

Often there are several funding programs available for the same regional projects. This program should/could be integrated and coordinated (multi-fund approach), making it easier for recipients to use them.

“Keep it simple.”

Despite everything that we have written before: keep it simple. Keep the application and reporting procedures as simple as possible. Overly complicated procedures and requirements will produce high (unproductive) administration costs and have a negative impact on the motivation of region stakeholders. Funding should not kill motivation, but encourage and support it. The motivation and creativity of regional stakeholders is what counts most in regional development.

Recommendations for using funds:

“Develop the project idea first, then look for funding support.”

At the beginning there should be the project idea not the fund. Finding an available fund first and then thinking, “What could I do in order to fulfill the requirements of this fund?” is counterproductive. Every recipient should regard his ideas and motivation as the most important part of the project.

“Calculate realistically.”

The real long-term costs of projects must be calculated realistically, including allowance for depreciation. The calculation should be as detailed as if the recipient would go to a bank asking for a loan and presenting his business plan.

“For new infrastructure projects only use funding when you wouldn’t need it”

The long-term costs for funded infrastructure projects are almost as high for a recipient as without funding support. Therefore it doesn’t make a big difference in the long-term if he/she received funding support or not.

Every applicant who applies for funding support for a new infrastructure should calculate realistically the financial burden that he/she already has to carry by means of the existing infrastructure, and if he/she would be able to finance the long-term costs by a bank loan. If he/she could do that, he/she can accept a subsidy without risk.

5.5.4 Evaluation, adjustment of objectives

Every project management – from single projects to regional development concepts – requires a kind of evaluation. There is always an internal evaluation, in some cases also an external evaluation. After the evaluation it can be assessed if a project had been successful or not, or if the objectives of a regional development concept require adjustment. Evaluation is mandatory when a regional project or a regional development process is supported by funding, e.g. by the European Union.

There are two general types of evaluation: ex-ante and ex-post evaluation. An ex-ante evaluation (“before the event”) analyzes the expectations linked to a (funding) program or a project. An ex-post evaluation compares – for a project or a program – what was achieved with what had been intended.





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There are numerous guidelines for evaluating existing projects. For ex-ante evaluations we recommend the document “Guidelines for the Ex-ante Evaluation of 2014-2020 Rural Development Programs” by the European Commission, Agriculture and Regional Development, Brussels 2012.”⁷⁶ For ex-post evaluation the document “A European Ex-post Evaluation Guidebook for DSM and EE Service Programs (SRC International A/S, Denmark 2001) gives a comprehensive overview.”⁷⁷

Evaluation can be done using quantitative and/or qualitative indicators. Currently, most funding programs favor or even require quantitative indicators. This however is difficult for many regional development projects. The impact of these projects – like creating cross-border network for wooden churches – often cannot be calculated. What can always be done is calculate the number of signatures from meeting participants. But the real value of this quantitative indicator is between limited and zero.

For regional development projects qualitative indicators should have the same value as quantitative ones. The real value of these projects is to create networks of regional stakeholders that work together for developing their region.

⁷⁶ http://ec.europa.eu/agriculture/evaluation/guidelines/2014-2020-ex-ante-draft-08-2012_en.pdf

⁷⁷ http://www.evaluate-energy-savings.eu/emeees/downloads/Ex-post_Eval_Guidebook_DSM.pdf



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