



EXPERT DOCUMENTACION WP 3

PROJECT REG-NET

SRC BISTRA PTUJ and partners in the project

Ptuj, 03.2013



EXPERT DOCUMENTACION

A common theme that would hold throughout this expert document is cross-border cooperation (compatible with EU strategies) on 4 areas:

Area 1: Knowledge, competitiveness and the labour market (entrepreneurship and competitiveness, tourism, R&D and innovations, employment, training and life-long learning)

Area 2: Infrastructure (transportation, energy, space, information society)

Area 3: Social security and health (social entrepreneurship, programmes of social activation)

Area 4: Management of resources (renewable energy, prevent the production of waste, adjust to climate change, more effective and sustainable agriculture)

Expert documentation would have the following content:

1) Introduction

- Key points from the background and content of this integration project at regional level.
- The objectives of the strategic document
- Research Methodology
- Compatibility with existing development documents

2) Presentation of the region

- Analysis of the current cross-border cooperation (Statistics, projects ... etc.)

3) Analysis of development potentials:

- Analysis of strengths, weaknesses, opportunities and threats for the proposed areas.
- Analysis of strengths, weaknesses, opportunities and threats in the regions (Podravje, Pomurje, Vas County)
- *Key findings*

- 4) **Development goals** – challenges and opportunities for the future (concrete goal for the future and opportunities which can be realized in the future).

1. Introduction

1.1 Key points from the background and content of this integration project at regional level

The aim of the Reg-Net Project is to unite all those participants in the Slovenian – Hungarian border area that can actively take part in the development of the area with their present and future activities. **The aim is to create network based development based on the cooperation.** To serve this goal a common informatics network and also a shield organisation are established.

The aim of the analysis is to introduce the Reg-Net project, as well as the local features of the Slovenia – Hungary Cross-border Cooperative Programme and its main statistical data. During an earlier phase of the programme a partner-map was already created that introduced those organisations (civil organisations, economic organisations, self-governments, area and economy development agencies) that have had great influence on the development of the area and are expected to have a fundamental role in it in the future, too. The organisations have been highlighted by the individual weighting method, thus they can become the central members of the shield organisation being organised in the future who will foster the creation of a successful project with their advices, suggestions. With this goal in mind we have made in-depth interviews with the representatives of these organisations, and we have got useful pieces of information about the most active actors with the aid of a questionnaire.

Our analysis deals with the tender activities of the SI-HU programmes, where both the rates of the endowment and the geographical distribution of the organisations having the right for the endowment have been studied. There are some differences between the different tenders and their prioritizations as well as the composition of the participant groups, but the really important deductions occurred during the analyses of the geographical distribution of the participating organisation, which would be useful to make further studies about during the later planning processes.

In the course of the SI-HU programmes during the two application period a undesirably big area has remained inactive that is located close to the border in the central position of the programme area due to some local energies. This problem should be dealt with and solved during the later phases of the programme, and especially in the next financing period.

The national activity level of the programme has also been studied, which may have a relevance to the further planning processes, since it examines the micro-regions from the point of view of the development aspect, thus it may have a great role in defining the Slovenian Hungarian shared developments in the future.

The aim of the project is to create a development based on networks that is why the goal of the strategic document is the strengthening of cooperation and building partnerships with concrete actions.

The Reg-Net project has received the endowment in the European Regional Development Programme (3rd phase - ETE) during the Slovenia-Hungary Operative Programme's 2007-2013 second tender calling. The operative programme encourages the cross-border cooperation between Slovenia and Hungary.

The entitled areas of the Slovenia-Hungary Operative Programme are the following:

- The regions Spodnje Podravje and Pomurje, that is Muravidék (Prlekija and Prekmurje) on the area of the Slovenian Republic;
- Counties Vas and Zala on the area of Hungary.

The lead partner of the project (Lead Partner - LP) is the Self-government of County Vas, the project partners are (PP) the Muraszombat / Murska Sobota Development Centre, Ptuj Bistra Scientific Research Centre as well as the Mura Regional Development Agency Ltd. Zala County Government is also deeply involved.

The cross-border, common need that the project is aimed to react to, id. est. the preparation and the development of common projects, face hardships due to the lack of commonly prepared and current territorial development programmes, and information in sufficient quality and quantity. Thus neither the economic nor the territorial link (cohesion) could be formulated.

Based on the above analysed factors the general aim of the project is to inaugurate such a long-term harmonized territorial development programme, operated on a network system, that is based on the common resources of the area, and – as the background encouragement of the above mentioned – which establishes a uniform territorial information data-base background as well as a common shield-institution (regional regional development consultative forum).

Direct aims of the project:

- *Participation of organisations working in regional development (activation of the organisations and experts, inaugurate the cooperative work within the framework of workshops).*
- *Creating a cross-border set of organisations, or networks, and the preparation of a shield organisation.*
- *A cross-border development programme based on the principles of the sustainability (defining the common aims as well as the development policies).*
- *The development of a Slovenian – Hungarian territorial information system (that can help the development aims and the development of the networks).*
- *Project – incubation activities (the creation of counselling, arbitration and consultation services).*

1.2 Objectives of the strategic document

A more successful regional development involves several stages:

- build-up of a vision and a development strategy for the project area;
- creation of partnerships on several levels of cooperation;
- involvement of crucial key factors for the development, and
- implementation of projects supporting the development of the partnership area.

The visions and strategies presented in this strategic document must be dealt with in the first place since they are of key importance for further development. The proposed strategy places concrete projects into a target-oriented synergistic whole, whereas the implementation of projects represents only the last implementation step. Practice has shown that in most cases just the opposite happens. Implementation of projects as such is put in the first place, and this reduces the possibilities for the success of a project and the opportunities for regional development.

This strategic document aims at providing answers to several questions:

- Which sectors, and wgcg themes are crucial for regional development?
- What is the situation on several fields (economic, social, environmental e.t.c.)?
- What are the developmental opportunities and what are the developmental issues?
- Which objectives and preferential tasks are connected with regional development?
- Which measures are necessary to achieve these objectives?
- Which projects lead to the achievement of these objectives?

The main goal of this strategic document is to create project frames and incite projects for the development of a competitive and sustainable area (in the project region) of cooperation, with opportunities for:

- promotion of regional development,
- environment protection and use of renewable energy sources,
- development of tourism and rural areas,
- improvement of transport connections,
- increasing cultural identity,
- encouraging sustainable development.

This document consists of a strategic part and a program/project part. The strategic part includes an analysis of developmental potentials of the region, a definition of main obstacles and advantages for the development, the identification of objectives and priorities within the time-frame of the project, as well as identification of specific areas in the region, most suitable for development.

The strategic document has been prepared for the programme period 2014–2020, which coincides with the period of each financial perspective of the European Union (further referred to as EU), as defined within Slovenia's Development Strategy and stipulated by the EU law.

1.3 Research Methodology

WORKING GROUPS:

The Slovenian Planning and Working Group has the composed membership from Danilo Čeh, Saša Hodnik (ZRS BISTRA PTUJ), Aleš Skalič, Sonja Vratarič (RCMS), Romeo Varga ter Rok Petja (RRA MURA).

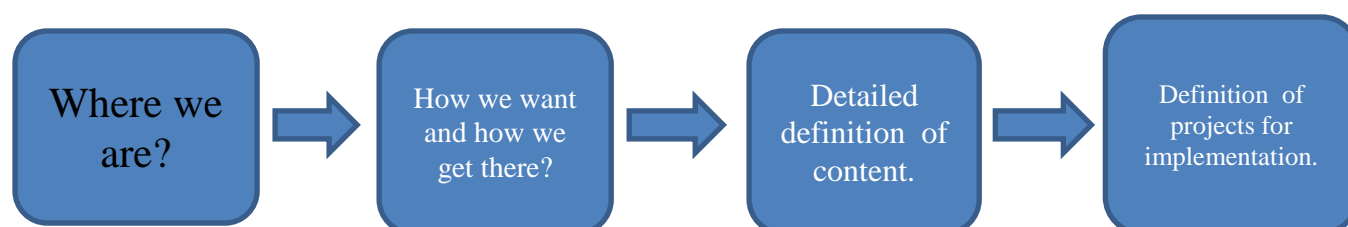
The Hungarian Planning and Working Group has the composed membership from Daniel Holdosi, Vas County, Veronika Kárpáti, Zala County, Balázs Tóth Ministry for Rural Development and Vasvár Town, Károly Kováts Lenti, Károly Balogh Vas County Chamber of Commerce and Peter Halinka, West-Pannonian Regional Development Agency.

In order to achieve the set objectives, the partners have prepared a development plan based on international methodology and well-known approaches to regional development.

Methodological activities	Implementation
PROBLEM ANALYSIS	
Analysis of the situation	Overview and analysis of input data and available sources. <ul style="list-style-type: none">○ Implementation and analysis of the situation within municipalities in order to gain useful information about visions and plans as well as about stand-points towards the present positioning, problems, opportunities and the cooperation within the region (the analysed questionnaires are appended to the strategic document, Appendix no. 2).○ The use of knowledge from the field gained at workshops within project activities and discussion about some of the findings at workshops.○ Analysis of the situation according to key elements of supply and demand.○ Formation of conclusions and challenges, which represents the starting point for planning.
DEVELOPMENTAL MODEL (vision, objective, mission, different concepts)	
Formation of developmental directions and visions, and preparation of an organisation model.	The planning of a development model using methods for the preparation of development strategies, and under consideration of analysed problems and knowledge gained at three workshops.
FORMATION OF MEASURES/PROJECTS	

Formation of a plan of activities/projects according to different fields.

An important part of the strategic document is the action plan of common projects which will cover all defined priorities of the strategy that will have to be fulfilled in order to achieve the main objective of the development model. The measures are defined at the regional level. The strategy itself, but predominantly the action plan, will serve as basis for the preparation of annual working programmes.



1.4 Compatibility with existing development documents

The strategic document of the REG NET project complies with all relevant development documents on the national, regional and local levels.

NATIONAL LEVEL

- Slovenia's Development Strategy 2013–2020
- National Strategic Reference Framework 2007-2013
- Rural Development Programme of the Republic of Slovenia 2007 - 2013
- National Development Programme of the Republic of Slovenia for 2007–2013

- Hungary's National Development Strategy 2014-2020
- Hungary's National Transportation Strategy 2014-2020
- Hungary's Rural Development Strategy 2014-2020

REGIONAL LEVEL (REGIONAL STRATEGIC DOCUMENT)

- Regional Development Programme for the Pomurje Region
- Regional Development Programme for the Spodnje Podravje Region
- Operational Programme for Strengthening Regional Development Potentials
- Operational Programme for Strengthening Regional development Potentials for the period 2007–2013 (OP SRDP) represents the implementation document of the Republic of Slovenia for the period 2007–2013, and defines direct legal obligations and rights connected with the implementation of cohesion policies of the European Union (referred to as EU) in Slovenia. Pomurje energy vision 2007-2013
- Programme to foster the competitiveness of the Pomurje region in the period 2010–2015 and The Law on development support to the Pomurje region in the period 2010-2015

- Vas County Development Strategy 2014-2020
- Zala County Development Strategy 2014-2020
- Westpannon Regional Development Strategy 2014-2020
- Westpannon Employment Strategy (2011)
- Westpannon Innovation Strategy (2011)

The Vas County-, the Zala County and the West Pannon Regional Development Strategy is also currently in Process of preparation. So, full compliance may be declared only for the working phases already completed in these above mentioned programming processes.

LOCAL LEVEL

At the local level, all existing development documents of municipalities from the region have been studied and taken into account on Slovenien side, and has been taken into account through the county level programming process and through the local inputs on the



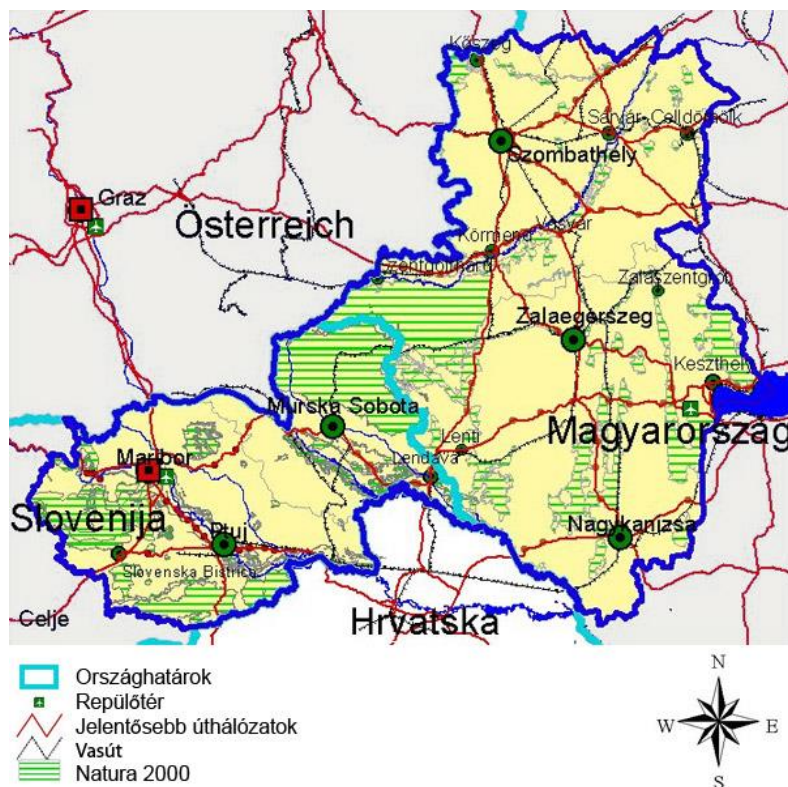
programming workshops on Hungarian side; main emphasis has been put on development strategies for the fields of economy, renewable energy sources, local infrastructure, tourism and cultural heritage. Some of these documents covering different fields are:

- Strategic Development and Marketing Plan for the Tourist Destination Spodnje Podravje
- Development Strategy for the Fields of Sports, Culture and Tourism in the City Municipality Ptuj
- Energetic Plan of the City Municipality PtujEnergetic concept of the Municipality Murska Sobota
- Programme OKO – Longterm Strategic Plan for Sustainable Development of Municipality Murska Sobota



2. Presentation of the region

The Slovenia Hungary Cross-border Cooperation Operative Programme's eligibility areas are the following: in Hungary, they are the counties Vas and Zala, in Slovenia they are Muravidék / Prekmurje and Podravje regions (1st illustration).



National borders / airport / main roads / railway / Natura 2000

1st illustration: The area of the SI-HU Operative Programme¹

The programme region has similar characteristic features on both sides of the border regarding both the natural and the social aspects, thus crossing the border no big differences can be detected. Due to the mutual economic and social history of the region the structure of the settlements is also very similar, mainly consisting of small villages located close to each other. The centres of the regions emerge like islands that have job creation functions of substantial importance. These centres are the following: in county Vas: Szombathely, in county Zala: Zalaegerszeg; in the region of Muravidék: Murska Sobota (Muraszombat), as well as in the region of Podravje: Maribor. In Hungary the town circle of Szentgotthárd-Körmend-Vasvár-Óriszentpéter-Zalalövő-Lenti-Letenye plays important organizational and integrative role in the otherwise strongly rural border region. From the point of view of the transportation infrastructure the link between the two countries has improved in the last decade, but the roads and the railways connections should be further developed in the region.

The region is rich in surface water supply since the rivers Mura, Drava, Zala and Raba cross the area. Agriculture has also got good positions in the area, although parts of the land are

¹http://www.si-hu.eu/program_hu/category/program_area/

not a high quality for agriculture, nevertheless cultivating the land had always a strong role in the Slovenian-Hungarian border region. It is also rich in possessing mineral and thermal water supplies.

The stretch of the program area is 10,628 km², its population is almost 1 million people.² The density of the population differs in the different segments of the area: the Region of Podravje has got significantly higher density data than the other three regions. To sum it up it is important to mention that the territory on the Slovenian side of the border is more densely populated than the counties Vas and Zala. (2nd illustration)

The **statistical region of Pomurje** is located in the northeast of Slovenia and covers an area of 1,337 km² which is approximately 6.6 % of the Slovenian territory. The region is known as the best area for agriculture. The river Mura divides the land into two sub-regions: Prekmurje and Prlekija. The landscape of the Pomurje region consists of the hilly area of Goričko and the flat areas Ravensko and Dolinsko, where the Pannonian flatland gradually goes over into the Lendava hills. On the right bank of the river Mura lie the fields Apaško polje and Mursko polje, and the wine-growing hills of Slovenske gorice. There are a high number of mineral and thermal springs, which has led to the arrangement of five spa resorts – Radenci, Moravske Toplice, Lendava, Moravci and Banovci.

The **statistical region of Podravje** covers an area of 2,170 km² which is approximately 10.7 % of the Slovenian territory. It is located in the north-eastern part of Slovenia and borders the statistical regions of Koroško and Savinjsko in the west, the Pomurje region in the east, Austria in the north and Croatia in the south. There are 41 municipalities in the region, and the capital is Maribor. In geographical terms, the landscape of the statistical region Podravje is a mixture of hills in the northeast, subalpine mountains covered with forests in the west (Pohorje and Kozjak), and the fields Dravsko polje and Ptujsko polje along the river Drava. Water sources are used to produce electricity (the chain of water plants on the Drava). The region is known for its wellness centres and spas, mostly around the towns Maribor and Ptuj. The arable land is used for agriculture, and the majority of agricultural land in Slovenia (83,000 hectares) is located here. Despite several natural areas such as the Natura 2000, the area has not yet been declared as a national park; however, there have been many attempts to establish the national park Pohorje.

The stretch of the territory on the Hungarian area is about 7,100 km², its population in 2011³ was almost 545 thousand people, and the density of the population was 76.5 people/km². The number of the settlements in the counties Vas and Zala are 464, the average population data is 1,155, thus with this data they are the smallest in the country. (2nd illustration)

County Vas is located on the western area of Hungary on the borders of Austria and Slovenia. Its area is 3,337 km², its population is 257,688 people, and its density is 77 people / km². The number of the settlements is 216, containing 12 cities, the average population data of the settlements is 1,193 people. The country has seven micro-regions. (2nd illustration). Vas County traditionally had a balanced spatial system, that was twice overturned in the 20th Century. First, after the first World War, the german-speaking population substantially

² The population of Podravje region 320,000 people (Statistical Yearbook, 2011), The population of Pomurje region: 120,000 people (SORS, 2012).

³ KSH, 2011

trading with Wien and Graz was mostly left without an industrial and agricultural product base, while the Hungarian-speaking parts has lost their traditional direct connections to these markets. The communism brought forced industrialization that was contrabanced by the dispreferredness of the 'iron curtain' border region. All in all, Vas County stayed a balanced, highly cultured and educated County with a good relation to its neighbouring regions outside Hungary in 1990 when sudden foreign investment led development and a new strong urbanization and industrialization impetus appeared. By today, Vas County as per employment is one of the most industrialized counties in Hungary. Its economy has developed potential for international cooperations. Its tourism, together with Zala County is one of the highest in Hungary. Three out of the top 5 tourism resorts are to find in this border region: Hévíz, Sárvár and Bük. The Slovenian Border Region of Vas County, that is the Szentgotthárd-Körmend-Vasvár and Óriszentpéter small regions are characterised by dynamic and developing network of small towns together with aging and diminishing traditional rural settlements. This peripheral rural aspect was not sufficiently taken into consideration in the last 20 years. The Órségi National Park has brought change in this.

County Zala is also located on the western border of Hungary, Croatia and Slovenia are its neighbouring countries. Its area is 3,784 km², its population is 287,043 people, and its density is 76 people / km². The number of the settlements is 248, including 10 cities, the average population data of the settlements is 1,117 people. County Zala (like county Vas) also consists of six micro-regions (2nd illustration). Zala County has traditionally been Hungary's link to the Adriatic. This last decade brought re reviving of the major transportation lines both towards Croatia and towards Slovenia. This transformation in the transport-network has started to rebalance the roles of Nagykanizsa and Zalaegerszeg, and opening up the immediate border region of Letenye-Lenti also for dynamic investments potentials and business development. Zala's Airport, Sármellék is the most important Airport in the Slovenian-Hungarian border region. The nearest next to its importance is the Graz Airport (outside of the target area). Industrial development has been volatile in the last decade, with the now found focuses of wood and furniture industries, and mechatronics – together with Vas. Zala County has excelled herself in developing thermal tourism, Zalakaros, Hévíz, Lenti showed strong development. There is complementing need in reaching the inner and outer peripheries with sustainabla, natur-based actives and rural tourism services.

	Area (km ²)	Population (people)
Programme area total	10,628 km ²	≈ 1 million people

	Area (km ²)	Population (people)	Density of population (people/ km ²)	Number of settlements	Number of cities	Average population in settlements (people)
Hungarian	≈ 7,100	≈ 545,000	76.5	464	22	1,155 people

Areas	km ²	people	people/km ²			
	Area (km ²)	Population (people)	Density of population (people/ km ²)	Number of settlements	Number of cities	Average population in settlements (people)
County Vas	3,337 km ²	257,688 people	77 people/ km ²	216 db	12	1,193 people
County Zala	3,784 km ²	287,043 people	76 people/ km ²	248 db	10	1,117 people
Slovenian areas	3507 km					
Pomurje	1,337	122,453	92			
Podravje	2,170	319,114	147			

Analysis of the current cross-border cooperation (Statistics, projects ... etc.) – annex 1: The Analysis of the Organisations Involved (Stakeholder-analysis) to the Establishment of the Regional Informatics and Development Network

3. Analysis of developmental potentials

The results of the SWOT analysis show main environmental, structural and demographic features that have been identified for the area of cooperation.

The SWOT analysis includes several issues crucial for the development and a restructuring of the area defined within Objective 3.

Some of them can be addressed directly through program activities, while others are placed within a wider frame of the programme.

SWOT analysis is one of the most widespread methods of strategic planning in business administration, regional and urban planning. First and foremost, it is easy to perform and easy to understand. It allows early estimation and systematization of development factors. It can be used as a tool in participative process; moreover, it encourages discussion even among experts. It is fast to execute and cost efficient and therefore suitable for small actions or projects.

A condition for a successful SWOT analysis is a general vision or broadly defined development goals, or – to put it simple – we need to know what we want. The vision is the used as a yardstick to evaluate factors (define their direction). First step in conducting SWOT analysis is an analysis of system attributes and their evaluation as strengths or weaknesses from the point of view of the plan/strategy makers and the point of view of target groups.

A deep analysis of the situation and trends is unavoidable for a successful SWOT analysis. Second step is an analysis of political, economic, socio-cultural, technological, legal, ecological (PESTLE) factors and evaluation as positive or negative and as internal and external. Development factors are in this way distributed among categories strengths, weaknesses, opportunities and threats. In the third step factors within each of the four categories are arranged according to their importance. The results of the SWOT analyses are then used in strategy development: use strengths, stop weaknesses, exploit chances and defend against threats (USED).

The goal of both SWOT analyses is to reveal the regional conditions for development potentials of region of the each partner. The results of the SWOT analysis will be an important base for the planning of further actions within deferent projects in different areas, moreover, for the cross border exchange of ideas and building partnerships with concrete actions.

Analysis of strengths, weaknesses, opportunities and threats for the proposed areas

Area 1: Knowledge, competitiveness and the labour market (entrepreneurship and competitiveness, tourism, R&D and innovations, employment, training and life-long learning)

SPODNJE PODRAVJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • The rising focus on business activities among younger generations • Large number of institutions to support entrepreneurship (SRC Bistra Ptuj, Chamber of Craft and Small Business, Chamber of Commerce and Industry of Štajerska, Managr Club Ptuj) • Increasing number of possibilities for over-night stays in the Spodnje Podravje region (6.68 % compared to the situation in 2008) • Rich gastronomy in the region Spodnje Podravje • Established regional destination organisation to promote the region and some areas outside its borders 	<ul style="list-style-type: none"> • Strengthening of collaboration and partnerships between the economy, educational institutions, supporting organisations and the local environment, with the aim of collaborative planning of the development in the Spodnje Podravje region • Build-up of connections between companies and development institutions, which opens possibilities for collective development of products, services and procedures, and collective representation on the market • Development of knowledge-based services • Strengthening of cooperation and partnerships between local communities, tourist providers and the regional destination organisation
Weaknesses	Threats
<ul style="list-style-type: none"> • Lack of interest in innovations among providers and development agents • Weak creative and strategic connections between the tourist and cultural sectors • Level of productivity below Slovenia's average • Lack of business-oriented individuals and business stimulus, low number of innovators, lack of creativity, innovations and managerial skills • Unfavourable economic structure, inability of companies to 	<ul style="list-style-type: none"> • Lack of managerial skills – brain drain • Inability to use developmental opportunities, which can further influence the existence of negative development tendencies and developmental regression of the Spodnje Podravje region • Failure to increase economic productivity, which can diminish competitiveness • Lack of cooperation between those responsible for the promotion and representation of the tourist destination on the market

reach Slovenia's average, which can be seen as a result of the lack of innovativeness

- Due to the economic crisis, there is a risk that municipalities and the tourist industry will not invest in tourism infrastructure, demand and promotion, which may exacerbate development perspectives for the tourist destination Spodnje Podravje

POMURJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Workforce flexibility • Social entrepreneurship • Pomurje is a multicultural space • Tourism is one of the development priorities in the region, which opens new opportunities for the development of tourism-related cultural activities • Experience in obtaining EU funds and collaboration with border partners • Cross-border integration, inspired by European development programs • A large number of NGOs • Established network of development agencies in region • Established advising for entrepreneurs • Local and regional measures to promote entrepreneurship 	<ul style="list-style-type: none"> • Setting up new business and industrial zones • Brainpower of young intellectuals Pomurje • Development of tourism can be an opportunity for potential local suppliers • Connections between sectors (eg. agriculture, tourism) • Regional integration • The development of tourism in the region and the integration of culture in tourism • Integration between entrepreneurs • Cross-border cooperation in the development and marketing of tourism products • Good geographical location of the region • Integration between companies and development institutions
Weaknesses	Threats
<ul style="list-style-type: none"> • A large number of unemployed people with a lack of motivation to work • Low level of education • Brain drain • Lack of jobs – the gap between availability of jobs and demand is a major problem • Motivation for education and training by the population is low 	<ul style="list-style-type: none"> • Slow adjustment of education and economy to new situations • Unwillingness of unemployed and employed for education and training • Brain drain • Lack of managerial skills • Failure to comply with the new trends of development in all areas

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| <ul style="list-style-type: none"> • Lack of entrepreneurial initiative • Lack of R & D units within companies and the lack of cooperation with universities and research institutes | <ul style="list-style-type: none"> • Non-success in obtaining EU funding • Further recession in economy • The crisis of values, morals and lack of credibility in society • Different interests by taking key decisions in the region |
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VAS and ZALA COUNTIES

Strengths	Opportunities
<ul style="list-style-type: none"> • The processing industry's productivity is higher than the country's average • Vas county is the one of the most industrialized county in Hungary • The tourism is very significant in Vas county: there are some significant services in thermal and balneological tourism, valuable natural tourism, and cultural heritage tourism. The tourism in Zala county is significant too: there is the Balaton lake, and the county has some thermal and balneological bath with strong services • The cities have industrial parks, so that is good basis for production infrastructure • The innovation presence in the enterprise sector • The economic environment is very suitable for the machinery industrial, electrical industrial, and car industrial development • In Zala county, the home capital proportion in corporations is higher than the country's average • Intermediary organizations are working in the programme area, these can help the other organizations to develop innovation • The employment centres and the adult education system is working well with each other 	<ul style="list-style-type: none"> • The programme area is excellent for quality food production • Zala county has strong "green" tourism development potential • The programme area has some thermal and balneological bath, so additional tourism development, and the tourism network development is necessary • Logistical development potential in Letenye and Nagykanizsa area, because these municipalities are located next to the state border, so this location can be very competitive • The car industrial corporations, and their supplier network is strong at the programme area • Some industrial parks has free space, so these parks can develop in the near future • Generate networks for more effective economic life • In the programme area, when the universities, research centres and the corporation sphere increase cooperation with each other, that can be the way to an innovative and effective development • Develop the core infrastructure systems (roads, railways) • Croatia joining the European Union can be a perfect timing to increase the connections between our countries

Weaknesses	Threats
<ul style="list-style-type: none"> • In Vas county, the foreign capital proportion in corporations is higher than the country's average, so the county is more vulnerable to the globalization process • The economic capacity eased in 2010, which is 16% lower, than the same index in 2000 (in purchasing power parity). Zala county's economy eased in 2010 too (this index in 2010 is just 5% higher than in 2000) • The investments environment has been reduced • The number of employees in agriculture dropped to 50% off that in 2000 (2000: 4796, 2010: 2395) • Intermediary organizations' life depends on project resources • Low capacity and investment in R&D sector • The Savaria University in Szombathely has small number of faculties, that serve directly the economic development • In Zala County: low university capacity, weak cooperation between the universities and the corporations, there is not any strong university centre • There are dispersed, often isolated developments instead of complex region developments • Core infrastructure systems are scant or in bad state (roads, railways) 	<ul style="list-style-type: none"> • Dispersed developments continue • Laggard cooperation between the economic actors (universities, corporations, research centres) • The programme area's potential will be reducing, because of the small number of university faculties low quality of education • The programme area will be in disadvantaged position, when the R&D investment remain as low as now • When core infrastructure will not be developed, it will cause further negative processes for the whole economy

Area 2: Infrastructure (transportation, energy, space, information society)

SPODNJE PODRAVJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Natural and diverse geographical area (diverse and relatively well preserved nature) • Favourable geostrategic location • Ecologically important areas which contribute significantly to the preservation of biodiversity • Diversity of renewable energy sources (biomass, biogas from plants and manure, solar energy, geothermal springs ...) • Several development projects connected with RES and EE • Existence of knowledge and skills from the fields of RES and EE 	<ul style="list-style-type: none"> • Reduction of energy costs in the local sector and in households • Establishment of collaboration between research institutions, the LEA Spodnje Podravje (Local Energy Agency), higher-education programmes in the fields of EE, RES and electronics in bionics • Development of new applications and products from alternative renewable energy sources • Better use of potentials within research groups in institutions • Protection of the environment and controlled environmental intervention
Weaknesses	Threats
<ul style="list-style-type: none"> • Unadjusted infrastructure for the supply of drinking water (obsolete pipe network, water reservoirs and water treatment plants) despite contemporary models of drinking water supply • Uneven spatial and demographic distribution which results in the stagnation of rural areas • Uneven demographic development of the region, without a clear sustainable direction or spatial plan • Brain drain (of experts in the field of informatics) • Poor railway infrastructure • Small number of high-tech companies 	<ul style="list-style-type: none"> • The rising pressure from various economic branches in the region on one hand, and the inability to protect important natural areas on the other, could result in a depletion of these areas and their fauna and flora • Disrupted water supply affecting smaller local water systems as the result of draught, poor health and technical standards of water supply facilities, and dispersed settlement; all this implies increased protection and inspection of sources of drinking water in the area • Lack of subsidies at the national level • Lack of potential investors, both native and foreign • Failure to comply with GPPs (green public procurements) • Political crisis and changes of legislation in favour of fossil fuels

POMURJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Good transport links and infrastructure • Pomurje is close to Hungary, Austria and Croatia • Well-preserved nature • Biodiversity • Good communication links • Availability of suitable and affordable land for infrastructure • A high level of use of ICT (Internet, mobile telephony) compared to EU countries 	<ul style="list-style-type: none"> • Untapped alternative energy sources, • Reducing energy dependence of Pomurje energy from imports in the region • The establishment of logistics centres • The production of energy from alternative sources • Protection of the environment and controlled environmental intervention • Construction of South Stream through Slovenia (gas)
Weaknesses	Threats
<ul style="list-style-type: none"> • Changing the look of the landscape Pomurje • Declining groundwater levels • Brain drain (an expert in the field of informatics) • Poor train infrastructure • A small number of high-tech companies 	<ul style="list-style-type: none"> • Destruction of non-renewable natural resources • Region will not follow the fast development of technology • Slow respond to the high tech development

VAS and ZALA COUNTIES

Strengths	Opportunities
<ul style="list-style-type: none"> • The highway No. M7 has increased the reachability of the county Zala from Budapestről as well as from the southern markets. • One of the three international airports is situated in county Zala (Sármellék). • Continuous development of the railway lines (the development of the Sopron- Szombathely- Szentgotthárd lines), there is a possibility of the foundation of a logistics centre in the area of Szombathely. 	<ul style="list-style-type: none"> • The possibilities of the realisation of the road No. 65 Central-European Traffic Channel, which would serve as the north-south traffic axle. • Change of the roads No. 8 and 86 to motorways, the decrease of the truck load. • The regionalisation and the merger of the Volán companies, and the better cooperation of the different ways of transport (public road, railway companies), the creation of an more

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| <ul style="list-style-type: none"> • It is easy to get to the towns around Szombathely on public roads. • The establishment of multimodal junctions, interchanges (Körmend) • Remarkable positional facilities. (North-west directions, borders to three countries) | <ul style="list-style-type: none"> • effective public transport (multimodal junctions, interchanges, synchronised timetables). • The development of the lower level roads with the aim of the better availability of the region. • The development of the roads crossing the border with the aim of the better availability of the region. • The development of the logistic centre roles (Szombathely, Nagykanizsa) • Further rail road developments, investments (construction of double rails, electric lines) |
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Weaknesses

- Heavy traffic on the road No. 86 regarding cars and the long vehicles, trucks. The truck load has doubled since the 2000s).
- Increasing traffic, the quality of the main road system is increasing slowly.
- The capital of the county Zala (Zalaegerszeg) does not have any connections to the highways.
- Both the public road and the rail road connection are in bad conditions between the two centre cities of the counties, and it limits the possibilities of the creation of a uniform labour market.
- Multimodal junctions, interchanges have been built only in a few places.
- Lack of Railways-connection Rédics-Lendava hinders the development and co-operation potential both the town of Lendava and Lenti.
- Public transport is not competitive with transport by car.
- The public transport of the small settlements does not help the people going to work.
- A weak southern connection limits the relationship with Croatia,

Threats

- The development and the renewal of the roads No. 4 and 5 will not be financed by the EU, which leads to the worse availability of the small settlements, thus the regarded settlements stagnation, procrastination can be diagnosed.
- The north – south connection will not be realised.
- The increase in the already overloaded roads (road No. 86) leads to the roads much faster amortisation.
- In County Vas there will not be any highways, which would decrease the level of availability of the region.



and the northern relations of Nagykanizsa.

- Operation of the Airport in Sármellék does not run economically.
- There are no highways or motorways in county Vas.



Area 3: Social security and health (social entrepreneurship, programmes of social activation)

SPODNJE PODRAVJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Various Active Employment Policy programmes • Well-developed system of early childhood education and elementary education • Access to basic medical services • Well-developed system of social care for the elderly 	<ul style="list-style-type: none"> • Development of educational and training programmes adjusted to economy needs • Increase of competitiveness in the economy sector through human resource development, employee trainings • Integration of the economy and educational institutions with the aim of restructuring secondary and other education programmes/trainings and promoting lifelong learning • Promotion of health and higher motivation for sports activities and programmes of preventive health care • Increasing the importance of social entrepreneurship
Weaknesses	Threats
<ul style="list-style-type: none"> • Negative natural and emigrational increase in the municipalities of the Spodnje Podravje region • Rising percentage of older population • Rising unemployment • Unfavourable age and educational structure of the unemployed (high percentage of unemployed over 50, high percentage of long-term unemployed) • Inadequately skilled workers, lack of mobility, which influences the balance between supply and demand on the labour market • Lack of quality jobs, in particular for young educated professionals • Lack of financial resources for investments in pre-school and elementary education • Lack of social and non-profit housing for young families 	<ul style="list-style-type: none"> • Further decrease of the number of inhabitants and an even greater negative natural increase will further increase the percentage of aged population • Low social status makes it impossible for individuals to participate in cultural and sporting activities • To slow creation of new jobs, especially for young, educated professionals, which can force them to leave the region • Failure to restructure the system of secondary education and to fill the gap between economy and education

POMURJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> The first social firms already operating in Pomurje Large number of non-profit organizations A large number of volunteers 	<ul style="list-style-type: none"> Well-developed public works Massive unemployment of people who are eligible to work in social entrepreneurship Promotion of social entrepreneurship Public tenders for promoting social entrepreneurship
Weaknesses	Threats
<ul style="list-style-type: none"> Bad defined legislation in the field of social entrepreneurship Increase in social distress Low funding for socially excluded groups Reducing funding for NGOs High unemployment Low-skilled labour force 	<ul style="list-style-type: none"> Lack of understanding of the local environment to the needs of socially excluded groups The economic crisis will increase. Social exclusion will be greater Slow restructuring of the economy Unwillingness to integrate the unemployed into training Population will be difficult to provide funding for the education and development

VAS and ZALA COUNTIES

<u>Society, demography, education</u>	
Strengths	Opportunities
<ul style="list-style-type: none"> Well established adult education system operates in the area, cooperating well with the unemployment offices (In County there is REMEK Adult Training Centre) The skill training system is being modified to supply the students with more practical knowledge. Social institutes operating with full usage The number of the available places (742 places) in the nurseries have risen by 19% in 2010 compared to 2000, but the number of 	<ul style="list-style-type: none"> The decrease of the population with a bit higher level than the national average in the counties Vas and Zala especially in the Vasvár and Óriszentpéter areas as well as in the Letenye and Lenti areas (due to the demographic changes the area has started to age) Gradual decrease in the number of births. Decrease in the number of children of the ages between 0–18 years with a higher pace than the national average in the years of 2000s. The development of an aging society.

<p>the places in the kindergartens are varying, remarkable decrease in the number of children and low level of usage in the area of Vasvár and Óriszentpéter</p> <ul style="list-style-type: none"> • Relatively developed human infrastructure (education, health care, social) in the county with the help of the governmental and European Union funds. • Decreasing number of doctor patient meetings in County Zala since 2005 • The traditions of cooperations between the settlements. • Cultural diversity, nationalities. • The level of the activity of the civil society is higher than the national average. (higher number of non-profit organisation in the counties.) 	<ul style="list-style-type: none"> • Gradual emigration from the county (in county Zala: -0.6 per mile, in county Vas: -2.11 per mile) • High rate of divorces which refers to social instability. • Sudden increase in the rate of unemployment especially in County Zala (in county Vas: 6.2 %, in county Zala: 9.5 %) • Gradual decrease in the number of employed people • More than half of the unemployed has been unemployed for more than 180 days. • Decrease in the number of positions in elementary schools. • Unfavourable medical status of the population compared to the national average. The ratios of health problems of the cardiovascular system, diabetes and cancer have increased (even doubled compared to the situation in 2000.) • The rate of people working in Austria is high. • Educated people are leaving the region (abroad or to the capital)
Opportunities	Threats
<ul style="list-style-type: none"> • Increased health consciousness which gives possibility to the expansion of the scope of the medical services regarding not only the elderly people. • Better cooperation between the education and the market to supply the market with skilled workers (qualitatively and quantitatively, balance between supply and demand). • To build on the civil sphere and the civil organisations. • Networking developments in the training systems. • Improving social systems (health sector, elderly care) with investments from funding, so that real improvements would be realised not only statistically, to create better feeling of people. • Measures for easier settlement of companies, thus increasing the number of workplaces. 	<ul style="list-style-type: none"> • The closing down of the enterprises is continuous due to the economic crises, increasing the rate of the unemployment in the area (see in Zalaegerszeg the Flextronics company, which after the several cutbacks, redundancies, some more 1100 people will lose their jobs, which can deteriorate the data of the unemployment in the region) • The disadvantaged, underprivileged areas will suffer from depopulation due to the emigration and natural decrease. • The medical status of the area can go on deteriorating, the rate of the mortality can increase, endemics can appear, and the feeling of the people can become worse.

Area 4: Management of resources (renewable energy, prevent the production of waste, adjust to climate change, more effective and sustainable agriculture)

PODRAVJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Well-preserved nature • Extremely high biodiversity • Outstanding landscape diversity • Huge natural potentials of water resources • A regional concept of an integrated environment management • An adequate system of waste separation • Expert knowledge in the field of waste treatment and processing • Diversity of renewable energy sources (biomass, biogas from plants and manure, solar energy, geothermal springs ...) • Forests as source of renewable energy • A tradition of sustainable and multifunctional forest management in symbiosis with nature 	<ul style="list-style-type: none"> • Establishment of the centre for re-use of certain types of waste • New jobs in the sectors of waste re-use and waste treatment • Availability of a wide range of renewable energy sources • Unexploited alternative sources of energy • Natural capacity for agricultural production • Development of new products in the field of renewable energy sources, and their applications • Acquisition of financial means from cohesion and other funds for reconstruction works on public buildings and facilities
Weaknesses	Threats
<ul style="list-style-type: none"> • Loading of groundwater with nitrates (pollution from agriculture) • Unadjusted infrastructure for the supply of drinking water (obsolete pipe network, water reservoirs and water treatment plants) despite contemporary models of drinking water supply • Uneven demographic development causing stagnation of rural areas • Migration of younger generations from rural areas, which results in an unfavourable demographic structure of the rural population • Poor knowledge about the potentials of specific areas 	<ul style="list-style-type: none"> • The rising pressure from various economic branches in the region on one hand, and the inability to protect important natural environments on the other, could result in a depletion of these areas and their fauna and flora • The process of centralization and the lack of coordination in the field of regional development • Outflow of highly skilled labour (brain drain) • Reduction of the market share of agricultural products in Slovenia (produced in the Podravje region) due to growing competition of agricultural products from other European countries, as a consequence of Slovenia joining the EU

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| <ul style="list-style-type: none"> • Poorly developed system of supplementary occupations on farms • Lack of promotion of home-produced food • Lack of specific agro-environmental knowledge, advice and information flow | <ul style="list-style-type: none"> • Uncompetitive domestic products, on the national as well as on the international markets |
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POMURJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Well-preserved nature • Extremely high biodiversity • Outstanding landscape diversity • Non pollution of drinking water • Mineral water in the region • Increasing the number of treatment plants • Pomurje has a rich tradition of handicrafts and cuisine 	<ul style="list-style-type: none"> • Availability of renewable energy sources in a very wide range • Unused alternative sources of energy, • Unexploited natural resources • Natural capacity for agricultural production • A large proportion of the rural population and large willingness to work in agriculture • The possibility of the development of entrepreneurship • Small proportion of "eco" farms
Weaknesses	Threats
<ul style="list-style-type: none"> • Collection and deposit of waste is not optimal organized • Uncontrolled spread of towns and cities • Unchecked proliferation of buildings • The rapid growth of traffic • Small farm size composition • Poor competitive ability of farms 	<ul style="list-style-type: none"> • Declining groundwater levels • Exploitation of some renewable energy sources affect the equilibrium of the environment • Destruction of non-renewable natural resources • Interference in environment in the production of renewable energy

VAS and ZALA COUNTIES

Strengths	Opportunities
<ul style="list-style-type: none"> • Forests cover the territory of both counties above the national average. • High proportion of nature protection areas (mainly in Vas County) • Risk of water pollution of river Rába declined in previous years, the Zala river's water quality is improving a continuously. • A significant amount of thermal and medicinal waters, local conditions allow to use geothermal energy in the near future • Favorable conditions for using biomass energy • The north and the east part of Vas county is a favourable location to establish wind turbines • The whole programme area has favourable conditions to use solar energy • There are no major water quality problems • Development of flood-prevention and protection on the Mura river is in progress, on the river sides of the Gyöngyös, Répce and Rába these facilities have been established or investments are in progress • The previous landfills have been closed and re-cultivated the modern landfills have been established. • Selective waste collection and waste management has already begun. 	<ul style="list-style-type: none"> • Rising environmental consciousness and preference of local products • Technological and economic preconditions of producing renewable energy improve, most significantly in the case of geothermal, solar energy, wind and biomass energy. The proportion of these alternative energy resources must to increase within the programme area to increase the share of these alternative energy resources is a key opportunity to build upon. • Further in infrastructure for flood protection and rainwater diversion • For municipalities with below 2000 inhabitant equivalent waste water management has to be solved • Scope of alternative energy resources are increasing against gas in energy supply. • More efficient selective waste collection and waste management
Weaknesses	Threats
<ul style="list-style-type: none"> • The proportion of the used agricultural area has significantly decreased between 2000 and 2010. • Air pollution is typically high along roads number 8, 76 and 86 	<ul style="list-style-type: none"> • Fossil energy prices increase in the near future, maintenance costs of real estate will also raise. This can motivate usage of alternative energy resources.

- (mainly in the cities), on the east bypass road at Szombathely, and at some major road junctions and in major city centres.
- Main causes of groundwater contamination still exist: insufficient infrastructure for rainwater diversion, usage of chemical fertilizers, communal waste water dehydration (in Vas county's 95, in Zala county's 90 se is not solved. Significant extent of vulnerable water bases and their protection areas
- Rainwater diversion's is not sufficient, causing danger of flooding or inland water problems. Along the rivers of the Kerka, Zala and the Principális in Nagykanizsa flood protection infrastructure needs further development
- Municipal solid waste collection and management is not selective, solid waste disposal is still the general solution.
- There are a lot of illegal landfills near to the settlement's border
- The quality of drinking water is good, but needs further investments to clean it from arsenium and iron in some areas
- The house building has slowed down from the 2000th year on
- Weather conditions are expected to become more and more extreme, with more frequent natural disasters (floods, flash-floods, forest fires, desiccation of soil), that is, rainwater diversion and the water retention will have a key role
- Lack of rainwater diversion can lead to problems in groundwater contamination and it can harm drinking water bases.
- Vas county's 95 and Zala county's 90 settlements that have no solution for waste water management, will face a hopeless situation

2 Analysis of strengths, weaknesses, opportunities and threats in the regions (Podravje, Pomurje, Vas county)

PODRAVJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Favourable geographic location of the Spodnje Podravje region (within the region Podravje, close to main traffic junctions, bordering Austria to the north and Croatia to the southeast) • The rising focus on business activities among younger generations • Established connections between economy and educational institutions • Natural and diverse geographical area (diverse and relatively well preserved nature) • Favourable geostrategic location • Diversity of renewable energy sources (biomass, biogas from plants and manure, solar energy, geothermal springs ...) • Forests as source of renewable energy • In the last few years, the number of accommodation possibilities in the Spodnje Podravje region has been rising, as well as the range of amenities on tourist farms • Development of recreational tourism (cycling, hiking) • Expansion of the food and wine offer, creation of wine routes, theme routes • Favourable environmental conditions for organic farming 	<ul style="list-style-type: none"> • Lack of business-oriented individuals and business incentives, low number of innovators, lack of creativity, innovations and managerial skills • Low level of outward investments into the region as well as into the sub-region Spodnje Podravje • Unfavourable economic structure, inability of companies to reach Slovenia's average, which could be the result of the lack of innovativeness within the economy field – too few companies with an added value • Level of productivity below Slovenia's average • Uneven spatial and demographic distribution which results in the stagnation of rural areas • Low energy efficiency (buildings, industry, transport) • Low level of knowledge about EE and RES • Lack of interest in innovations among service providers and agents of development • Weak creative and strategic connection between tourism and cultural heritage • Low production rate of farms due to their relatively small size and the dispersed settlement
Weaknesses	Threats
<ul style="list-style-type: none"> • Strengthening of collaboration and partnerships between the economy, educational institutions, supporting organisations and the local environment, with the aim of collaborative planning of the development in the Spodnje Podravje region • Using the advantages of the region's central location between Austria, Hungary and Croatia, especially to build-up active connections between regional centres of neighbouring countries and between the regions 	<ul style="list-style-type: none"> • Lack of integral development projects based on exploiting all available resources could diminish the attraction of the Spodnje Podravje region and become the main reason for the absence of outward investments in the future; all this could also have a negative effect on further development of companies in the region • Political crisis and changes of legislation in favour of fossil fuels • Due to the economic crisis, there is a risk that municipalities



- Development of new applications and products from alternative renewable sources
- Strengthening of cooperation and partnerships between local communities, tourist providers and the regional destination organisation
- More efficient exploitation of forest resources

and the tourist industry will not invest in tourism infrastructure, demand and promotion, which may exacerbate development perspectives for the tourist destination Spodnje Podravje

- Uncompetitive domestic products, on the national as well as on the international markets

POMURJE REGION

Strengths	Opportunities
<ul style="list-style-type: none"> • Interesting environment for foreign investors 	<ul style="list-style-type: none"> • External sources for development



<ul style="list-style-type: none"> • Social entrepreneurship • Transport (connections of the town with the region, parking places, public transport, daily migration...) • Public space and its use • Green areas • Structure of the project area visitors • Regional planning documents 	<ul style="list-style-type: none"> • Increasing national and EU funds for R&D • Characteristics of the urban structure • National policies on urban development, spatial planning, regional development, economic incentives; building and heritage regulations etc. • Good geographical location of the region • Availability of renewable energy sources in a very wide range
Weaknesses	Threats
<ul style="list-style-type: none"> • Unexploited alternative energy sources • Low level of education • Brain drain • Demographic processes; social structure of the inhabitants (age, employment, income, ethnic background...) • Structure of economic activities in project area • Strength of economic activities; position of the local economy in the region • Regional resources for development: public and private (entrepreneurs; households) • Attitude of the mayor and town council members toward the project • Attitude of the local politics towards development • Ageing of population 	<ul style="list-style-type: none"> • The crisis of values, morals and lack of credibility in society • Condition of the national/world economy • Relations between local and regional/national politics • Influence, project stakeholders have in the local politics • Brain drain • The aging population • Different interests in taking key decisions in the region • Destruction of non-renewable natural resources • Environmental problems/their management • Lack of own funds • Lack of human resources for R&D • Low investment ability of firms and local communities • Bad laws in the field of investment

VAS and ZALA COUNTIES

Settlement system

Strengths	Weaknesses
<ul style="list-style-type: none"> • The regional centre, Szombathely is significant in county Vas, its connection network is strong with the neighbouring cities. • The traditions and the successes of the cooperation among the settlements. • The traditions of the cooperation among the settlements at the borders. • Traditional settlement types, regional identity. • Governmental aid to the settlements with debts. 	<ul style="list-style-type: none"> • Network of small settlements, with supply problems. • Towns with lack of function (settlements that only have the title of a town) • Distance from the centres of the region, relative low innovative potential of the centre cities. • The areas on the other side of the border are also underdeveloped, and lack a centre. • The micro-villages are badly supplied with the public services; they can hardly keep the population from emigrating.
Opportunities	Threats
<ul style="list-style-type: none"> • Building on the connections that have already been established. • Creation of mutual regional developments with the help of the more effective dialogue, information changes between the settlements. • Crossborder cooperation with the aim of a more successful region. 	<ul style="list-style-type: none"> • The micro villages lose their population. • The settlements are having more and more debts.

4. Key findings of the analysis of the situation according to specific contents fields, and guidelines for development

4.1 Knowledge, competitiveness and the labour market (entrepreneurship and competitiveness, tourism, R&D and innovations, employment, training and life-long learning)

KEY PROBLEMS

LACK OF NEW COMPANIES; LACK OF COMPANIES WITH A HIGH ADDED VALUE

The level of business activity is low; among the established companies only a few succeed. Company owners have relatively high, almost surreal expectations about company growth. In addition, there are not enough companies with a high added value or companies offering knowledge-based services. In general, there are too few companies in with own, innovative products and services, especially in branches with huge developmental potentials.

INABILITY TO CREATE NEW QUALITY JOBS

In the region, there is a low level of business activity, lack of incentives, managerial skills, creativity and innovative ideas, which all blocks the creation of new jobs, in addition, the area is extremely unattractive for new economy agents that could contribute most to the formation of new ideas, create quality jobs and lower the unemployment rate. One of the most present disadvantages regarding employment is the fact that young people without work experience find it extremely hard to get employed, furthermore, the number of unemployed with higher or university education is continuously rising, as well as the number of those that are difficult to employ. The lack of quality jobs forces highly skilled workers to leave the region, and on the regional level, this so called "brain drain" has become an issue that is not to be ignored.

INADEQUATE RESPONSE OF THE EDUCATIONAL SYSTEM TO ECONOMY NEEDS

The activities of supporting organisations are not directed into adapting education and training programmes to economy needs, and into encouraging the development of entrepreneurial thinking. Despite the diverse range of educational/training programmes, business owners and other users believe that these programmes do not enable the acquisition of new, up-to-date knowledge and skills quickly enough. Furthermore, these programmes are not flexible enough and not target-oriented; they are not based on practical experience and do not address actual problems. There is a big gap between the economy, the universities and the research and development institutions to be filled.

POOR USE OF TOURISM POTENTIALS

The extremely rich natural and cultural heritage of the region (according to some estimates, the valuable objects of cultural heritage are classified among Europe's peak) provides many opportunities for the development of tourism but on the other hand, also demands a highly responsible spatial use, protection of natural environment, a build-up of a developmental relationship towards culture, cultural heritage and local traditions, as well as towards creating an added value by improving socio-economic living conditions for the region's population. Objects of cultural heritage are highly endangered. The need to invest into tourist and sports infrastructure on the project area is still present but most of all, there is also the need to restore objects of cultural heritage on one hand, and to create quality tourist products and services on the other.

GUIDELINES

DEVELOPMENT OF EDUCATIONAL AND TRAINING PROGRAMMES/PROJECTS ADAPTED TO ECONOMY NEEDS

The collaboration of the educational sphere and the economy is still too weak, which can be seen in the fact that educational and training programmes do not meet the demands of the local labour market. Strengthening educational institutions by improving educational programmes, adding new approaches and modern teaching methods and forms such as e-learning, is likely to provide for a more quality offer of educational and training programmes, and to motivate individuals to participate in the various learning processes. By stimulating the development of the so called "mediators of knowledge", i.e. knowledge centres, universities and other educational institutions on one hand, and by establishing an appropriate system for the evaluation of informal and part-time education and training programmes on the other, it will be much easier to meet developmental needs and to exploit the opportunities of the region.

IMPLEMENTATION OF MECHANISMS/PROJECTS AIMED AT CREATING A LINK BETWEEN ECONOMY, UNIVERSITIES AND RESEARCH AND DEVELOPMENT INSTITUTIONS

Some of the opportunities lie in investing in high technologies, creating new jobs with a high added value, increasing the share of highly skilled economy experts, mobilizing these experts, and in ensuring stronger cooperation between the economy, the education institutions and the R&D sphere. Therefore, measures will be aimed at interconnecting R&D potentials in order to support innovativeness and the development of technologies and services to improve the economical competitiveness of the region, as well as at supporting common development and innovation projects, build-up of technology networks, formation of research centres, and the implementation of other common innovation projects.

INVESTMENTS IN ECONOMY-DEVELOPING INFRASTRUCTURE

Domestic and foreign companies must be prepared and motivated to provide the necessary conditions for business operation and cooperation with the economic, tourist and the R&D branches in order to ensure their success, either on their own or in form of public-private partnerships which usually involves large investments in economic infrastructure.

The various unpopulated areas/industrial zones dispersed across the region can be used for the construction of economy-developing infrastructure in the fields of crafts, business, economy, tourism, R&D etc., thus offering huge potentials for development on several fields. However, in order to invest in economic infrastructure, potential developers have to acquire ownership over the properties that will be used for development; furthermore, the buildings have to be equipped with municipal infrastructure, and their owners have to provide all necessary documentation for a smooth realization of inward and outward investments.

Despite the favourable geostrategic location of the region, the advantages of this are not being fully used; the region's natural features, its existing transport and tourist infrastructure require additional upgrades in the fields of logistics and tourism, and through cross-border cooperation, the region can become a gateway between the EU, the Balkan and the Middle East.

Low scale and small infrastructural investments are badly needed in order to facilitate local economic development in the rural and peripheral regions. One third of settlements do not have canalisation and sewage treatment infrastructure on Hungarian side. That may work preventive against local enterprise development. Small scale tourism infrastructure is also dispersed and lacks organic regionality. One of the biggest needs is for an integrated cross-border bicycle routes network that could link together the already existing parts of the future network infrastructure and the tourism attractions of our region, respectively.

STRENGTHENING OF COOPERATION AND PARTNERSHIPS BETWEEN LOCAL COMMUNITIES, TOURIST PROVIDERS AND REGIONAL DESTINATION ORGANIZATIONS

A modern destination management system should become the leading agent for the development of tourism in the region. Cooperation between private and public tourist providers is one of the key features of the tourist branch and an important aspect of establishing competitive tourist destinations.

The natural and cultural features of the project area represent high potentials for the enrichment of the tourist offer. The aim is to provide activities that would present natural values as interesting tourist products and services based on the principle that tourism coexists with nature. Natural and cultural features can be given an added value only through the development of diverse and innovative tourist products.

The necessity to support smaller and middle-sized companies in the tourist branch is one of the most important developmental aspects. Smaller and middle-sized companies are rarely involved in tourist activities; therefore, destination management services should include giving advice and guidance for these companies. They should be involved in projects and systematic trainings.

The area should become more attractive for domestic and foreign private investors in order to exploit the existing potentials. The main fields for development of tourist products in the project region are: active holidays (hiking, cycling), cities and culture, health and wellness, business tourism, activities for young generations, nature, rural tourism, ecotourism and gastronomy.

4.2 Infrastructure (transportation, energy, space, information society)

KEY PROBLEMS

SPACE AND INFRASTRUCTURE

Spatial development on the regional and sub-regional level is uncoordinated, and has no clear and sustainable direction or spatial plan. There are no common spatial documents, concepts or strategies for spatial use on the regional as well as on the sub-regional level. Some of the characteristics are dispersed settlement, uncontrolled construction and suburbanization, which are putting large pressure on the transport corridor (particularly on the motorway system). Typical processes in the area are suburbanization, continued dispersion of settlements and reformation of typological and environmental features of settlements. The various economic activities in the area and the lack of solid measures to protect important natural environments could endanger these natural areas and the fauna and flora living there. Furthermore, the rich biodiversity of an area with a high potential for future development of the region is endangered because of unresolved property ownerships, the lack of supervision and the absence of sanctions for violators, as well as due to poor cooperation between municipalities and the state in order to establish new protected natural areas on the Slovenian side. On Hungarian side of the region the future of small- and micro-settlements demands special care and attention. The renewed government structure in Hungary, with the introduction of NUTS IV districts with public law rights may bring new developments.

TRAFFIC INFRASTRUCTURE

The organization and maintenance of regional and local roads and the public transport system reveals several weaknesses regarding transport capacity, population density and appropriate length according to the size of individual municipalities. On the regional level, this causes unbalanced mobility and transfer standards. The railway infrastructure is obsolete and in a bad condition. The low-ranked road network investments has been and will be dispreferred by the EU development conditions, and that brings unfavourable development effect to the border region, and a task for both

Countries for together compensate these potential worsening of this low scale infrastructure network.

WATER SUPPLY SYSTEM

The disruption of water supply to some of the smaller water systems, which can be seen as the consequence of drought, poor health and technical standards of water facilities, and dispersed settlement, will require an increased protection and inspection of local sources of drinking water. Rain-water canalization is a newly arising need as with the newly occurring extreme climate and meteorological phenomenon, local canalization system face an unprecedented challenge in protecting the water-cover of the agricultural lands, and micro fludes in the settlements, as double intervention focus.

ENERGETICS AND ENERGY NETWORKS

The project area with its many energy sources offers huge potential for energy production from renewable sources. Some alternative energy sources such as solar energy, cogeneration, modern technologies (photovoltaic systems, hydrogen etc.) are not being exploited either. With the exception of a few systems for centralized energy production and district heating, modern technologies remain a domain of larger settlements in form of municipal services (joint combustion facilities are using oil, partially gas and water from geothermal sources).

GUIDELINES

EFFECTIVE USE OF ENERGY

By increasing the use of renewable energy sources, we can contribute to the global aim of reducing the negative effects of the long-term use of fossil fuels, thus ensuring secure energy supply and keeping a cleaner environment.

- In residential buildings – window sealing/replacement, thermal insulation of the roof, inspection of heating system pipes, hydraulic balance of the heating system and installation of thermostatic valves, installation of a central regulation system, replacement of combustion appliances, thermal insulation of outer walls, reduction of electric energy consumption; in general, the above measures can help reduce energy consumption in the building by 30 %.
- In business buildings – linking the public and the private sector, so that waste heat from industrial processes is used for the heating of public buildings through systems of district heating; companies which do not yet have a system of energy management can arrange an energy inspection and chose an energy management strategy aimed at improving energy efficiency in the company.

One of the priorities of energy and environment policies of the EU and their regions is to increase the share of renewable energy sources (RES).

- There are differences between the municipalities in the project area regarding the percentage of residential buildings that are being heated with wood and wood waste. Whereas wood and wood waste is a widespread heating material in rural parts of the region, its use is not so common in urban areas. Wood represents an easily accessible source of energy. The use of wood biomass however, has many advantages, compared to classic heating with wood.
- The use of the alternative energy source biogas has many advantages for the municipality and its areas, since biogas represents an independent and stable energy source for electricity and heating. At the same time, it can become an additional source of income for companies or farms (tourism, provision of electricity) and an educational topic for everyone in the municipality who is interested in biogas and biogas production. The annual potential for the production of biogas from plants and manure only in the Spodnje Podravje region eg. is 352,436 MWh/a.
- There are no strict rules or regulations for the exploitation of solar energy for sanitary water heating and space heating, since solar systems are installed for use in individual buildings and are usually combined with other energy sources. The technology of water heating is simple, and the investment seems acceptable for individual households but even more for buildings with a high water usage. If solar energy is used for space heating, the investment is a bit higher because the building has to be equipped with an underfloor heating system. Such systems are suitable for new buildings. Solar energy can also be used for electricity production.

INFRASTRUCTURE

When new buildings are being built, and old ones renovated, it seems reasonable to ensure optimal energy efficiency, and to use building materials, forms, styles and techniques that can easily adapt to natural features of the local environment. Preserving typical local forms and building techniques or renovations procedures positively contributes to the landscape image thus making the region even more attractive for tourists.

SPACE

The region represents a natural and diverse geographical area (diverse and relatively well preserved nature), and its geostrategic location is extremely favourable. There are some common spatial documents, concepts for spatial use and strategies for spatial development. Development of an integrated residential and traffic system with centralized settlements surrounding regional and sub-regional centres, is in progress.

DEVELOPMENTAL OPPORTUNITIES IN THE FIELD OF DRINKING WATER SUPPLY

Clean drinking water and sufficient amounts of drinking water is crucial for an unhindered development of an area. The aim of the development programme is to ensure high standards of drinking water quality, to restore the water network and its facilities, to connect smaller systems with larger ones and at the same time, connect them to other water systems within and outside the borders of the municipality. Larger amounts of clean drinking water will enable a smooth economical and tourist

development but foremost, the development of industrial zones along main transport routes. Automation of the water supply system will cover all water system facilities in the network. Together with other water resources, the entire region offers huge potential for the supply of clean drinking water to a wider area.

4.3 Social security and health (social entrepreneurship, programmes of social activation)

KEY PROBLEMS

UNFAVOURABLE DEMOGRAPHIC TRENDS

Population decline and low birth rate result in a high percentage of aged population. Demographic trends indicate a low fertility rate, a negative natural increase, a rising percentage of older population and a decline in the number of population under 14. One of the main characteristics of the region is ageing population.

EXACERBATING SITUATION OF YOUNGER GENERATIONS

Unfavourable scholarship policies, a relatively closed labour market, the lack of social and non-profit housing for young families, employments for a definite period of time – all these factors prevent younger generations to form families and live independent lives – especially in our rural micro-regions and peripheries.

INABILITY TO CREATE NEW QUALITY JOBS

In the region, there is a low level of business activity, lack of incentives, managerial skills, creativity and innovative ideas, which all blocks the creation of new jobs, in addition, the area is extremely unattractive for new economy agents that could contribute most to the formation of new ideas, create quality jobs and lower the unemployment rate. Successful transformation of business potentials would require innovative business provision interventions such as they introduced and practice in the neighbouring Austrian border regions of Burgenland and Eastern-Styria.

EDUCATIONAL SYSTEM AND THE HIGHLY EDUCATED WORKFORCE

A well developed educational system is crucial in achieving developmental progress and competitiveness of the Pomurje region. Qualified and highly educated workforce is the key to economic development. However, there is a huge discrepancy between the educational level of the unemployed and economy needs (the reason for this is that education programmes do not meet the demands of the labour market). Due to the current situation in the fields of industrial production (textile industry) and agriculture, some occupations have become less interesting for younger generations, moreover, the corresponding educational programmes (textile technician, agricultural

technician) have been abolished. In the small-settlement regions creative institutional solutions for education, and enhanced freedom for community or civil initiatives are to be allowed and facilitated.

GUIDELINES

CREATION OF A HEALTHY LIVING ENVIRONMENT

A healthy living environment and appropriate municipal utility services for all inhabitants in the region are of key importance in ensuring an appropriate health standard of the population. Future investments on the regional and national level will be aimed at the development of tools for the implementation of projects from the field.

PROMOTION OF HEALTH AND HIGHER MOTIVATION FOR SPORTS ACTIVITIES AND PROGRAMMES OF PREVENTIVE HEALTH CARE

In order to provide a higher quality of life and increase social cohesion, it is crucial to strengthen, pluralize and raise the quality of social services in the field of social and health care, and to adapt them to the needs of modern society (e.g. programmes for the prevention of diseases and the promotion of health).

PROGRAMMES OF ACTIVE EMPLOYMENT POLICIES FOR YOUNGER POPULATION UNDER 26 AND OLDER POPULATION OVER 50

Younger generations and vulnerable target groups of unemployed such as the elderly and the disabled, together representing a significant percentage of the unemployed, are difficult to employ and therefore represent huge potential for the labour market. Measures to increase employment rate and raise the level of education, to promote more flexible employment processes, to involve these vulnerable groups into education programmes and trainings, in combination with actions to stimulate the creation of new jobs, innovative new approaches, exchange of good practices and promotion of social entrepreneurship – all this could contribute significantly to the abolishment of disparities on the labour market and enable social involvement of these vulnerable groups thus increasing their chances to find employment.

4.4 Management of resources (renewable energy, prevent the production of waste, adjust to climate change, more effective and sustainable agriculture)

KEY PROBLEMS

WASTE MANAGEMENT

All municipalities in the region have an organized service of waste collection, usually involving separation of waste already at the source, in households.

The regional centres for waste management have not significantly improved their activities for the re-use of separated waste fractions created during processing according to known technologies, and this provides opportunities and new challenges for further development in the new programme period.

BUILD-UP OF COOPERATION BETWEEN FARMERS AND THE FOOD PRODUCING AND FOOD PROCESSING INDUSTRIES

One of the most evident issues is the lack of cooperation between farmers and the food processing industry in the region, taking into account its huge potentials. The strengthening of cooperation has to include several aspects and should include communication and joint production on one hand, and promotion and marketing based on common interests on the other.

MARKETING OF AGRICULTURAL PRODUCTS AND SERVICES

It would seem reasonable to market agricultural and related products under a common brand/trade name, and to define the criteria for its use. This would encourage the food producing and food processing industries to undertake organized marketing and promotional activities for their products. Despite perfect agricultural conditions, there are only a few food and harvest products from the region, having the same trade basis and being marketed under the same registered trade mark. The exception is the wine-producing industry, with a relatively large number of brands that are becoming more and more competitive also outside the region. An upgrade of marketing and promotional activities for these existing brands offers opportunities for the creation of new partnerships and for a joint presentation on the regional and national market.

OVERGROWN CULTURAL LANDSCAPE

Despite several measures and incentives, the problem of overgrown agricultural surfaces is still present as one of the consequences of abolished livestock breeding and agricultural land use. This problem is most evident in the hilly areas of the region where the conditions for farming are far less appropriate. Overgrown cultural landscape is gradually losing its value and is becoming less appropriate for housing and various other activities (e.g. tourism).

ENVIRONMENTAL STANDARD

Slovenia joining the EU has brought a remarkable progress in the field of environment protection in the project region. Due to strict European legislation, environmental standards have been tightened, and this has encouraged the population to start rapidly eliminating the negative impacts of economic activities on the environment. The National Park Őrség on the Hungarian side has brought a new environmentally responsible development into the border region between 2002-2013. Its both environmentally and economically viable innovations are worthwhile for wider introduction in our target cross-border region.

GUIDELINES

WASTE MANAGEMENT

The number of tenders for EU projects from the field of waste utilization as the source of raw material is rising, and these funds can be partially used for upgrading the system of waste management. In this way, waste would not represent a burden but an opportunity for new economic and technological development. Upgrading regional centres for waste management represents a new opportunity in the fields of social and economic development.

Social field:

- raising the quality of life of the population on the project area, which could positively affect population growth in terms of settlement, and raise employment potentials (modifications of the degassing technology and the technology of processing biodegradable waste could reduce air pollution, improve the landfill situation, as well as reduce odour and the direct impact of landfill areas on the surrounding);
- preserving natural resources and biodiversity, which could have a positive effect on tourism and the well-being of residents;
- upgrading regional centres for waste management could improve the landfill situation and waste management thus lowering environment pollution and contributing significantly to the well-being of residents in the long-term.

PROMOTION OF ENVIRONMENTALLY FRIENDLY FARMING

Agriculture plays an important role for the preservation of habitats and biotic and landscape diversity. The implementation of agro-environmental measures contributes significantly to the prevention of further degradation of certain habitats (in particular, meadows, pastures, haymeadows and meadow orchards), and to the restoration of these habitats, especially those that are already overgrown.

RESTRUCTURING THE FOOD PROCESSING INDUSTRY

The food processing industry is in correlation with rural development and often significantly influences the range of products and the production rate of the agricultural industry. A restructuring and a modernization of the food processing industry will provide for new challenges and guidelines to achieve competitiveness and developmental progress.

DEVELOPMENT OF ENTREPRENEURSHIP AND SUPPLEMENTARY ACTIVITIES IN RURAL AREAS

The introduction of supplementary activities is of key importance for the development of rural areas, since these activities can bring new job opportunities and represent an additional source of income for farmers. Furthermore, they can motivate the rural population for business undertaking and exploiting the competitive advantages of the rural areas such as: traditional skills and knowledge, workforce, raw materials, organic product, biomass, tourism...

RENEWABLE ENERGY SOURCES

- The use of the alternative energy source biogas has many advantages for the municipality and its areas, since biogas represents an independent and stable energy source for electricity and heating. At the same time, it can become an additional source of income for companies or farms (tourism, provision of electricity) and an educational topic for everyone in the municipality who is interested in biogas and biogas production. The annual potential for the production of biogas from plants and manure in the Spodnje Podravje region is 352,436 MWh/a.
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4 Development goals – challenges and opportunities for the future (concrete goals for the future and opportunities which can be realized in the future).

Based on the analysis of the situation in the region-performed by the SWOT analysis we have identified a number of key development priorities and goals for the new financial perspective 2014-2020.

PRIORITY 1: Enterprising, Competitiveness and knowledge for faster development

Goal 1: Increase enterprising and competitiveness of economy, society and levels of knowledge and innovation for faster urban centers and rural development (stimulating research-developmental activity and innovations in companies)

Goal 2: Stimulation of development of integral touristic offers

Goal 3: Strengthening of cooperation and partnerships between local communities, tourist providers and regional destination organizations. Create stimulating environment for tourism development.

Goal 4: Implementation of projects aimed at creating a link between economy, universities and, research and development institutions (successful knowledge transfer from research organizations into economy). Increase added value with strengthening of innovation capacity and human resources. Also – creating of stimulating environment for business. We must focus on increasing efficiency of research-development and innovation activity. Important aspect of the added value is also technology introduction for improving energy and material efficiency and reduction of economy emission intensity.

Goal 5: Providing equal access to life-long learning and consultancy (strengthening of human capital in economy – knowledge-based development with stimulating human resources and knowledge for the needs of the economy-long life learning, training)..

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PRIORITY 2: Development of environment, space and infrastructure

Goal 1: Protection of environment and sustainable energy

- Improvement of the environment
- Increase the share of renewable energy
- Increase energy efficiency

Region is very widely forested, therefore it has a very good potential of renewable energy, especially for biomass. Efficient use of energy in economy and households is low.

Goal on the field of waste is high proportion of re-use and recovery, but this orientation has its own limits that come from possibility of imperfect separate waste collecting.

Reducing of gas emission is also one of the goals of sustainable energy utilization. We can assure this with increasing of investments in energy efficiency. New facilities for producing renewable energy are very important as well.

Goal 2: Providing of quality and wholesome drinking water

Active protection of water resources and artificial recharge of aquifers is very important. Because of the climate changes we must assure spare and new drinking water resources.

Goal 3: Development and revitalizations of urban centers

- Increase the attractiveness of urban centers for residence and work
- Improvement of urban planning
- Revitalization of emptying rural micro-regions through community and social innovations

Goal is to stimulate partnership between companies, science-educational institutions, cultural institutions, urban populations and other interested groups and individuals. We should encourage the creation of the networks for exchange of the experiences and best practices, dialogs between employers, knowledge holders and institutes for employment. With implementation of sustainable (?) transport forms we will improve quality of living. Most of all we should give priority to public transport, cycling and walking.

Goal 4: Transport infrastructure development

- Road and traffic infrastructure improvement
- Improvement of traffic safety
- Modernization of rail network

Development of regional traffic infrastructure is very important for development of regional project – because of the development of economy and other activities.

Priority 3: Agriculture and rural development

Goal 1: Stimulation of rural development with connecting of development actors in region at planning and implementation of the rurals/country strategy and acknowledge Lisbon strategy and principals of substantial development for improvement of rural life quality:

- Adaptation of more market-oriented agriculture
- Increase the employment level and economic activity of agriculture and forestry
- Competitiveness improvement and environmental efficiency of agriculture and forestry
- Reestablishment of development partnerships between urban and rural areas
- Connecting into jointly promotional strategies
- Higher awareness of rural brands
- Support information and promotion activities for product that are included in quality scheme

Our common rural characteristic is lack of infrastructure diversity and lack of quality jobs. There are main reasons for rural lagging.

Goal 2: Stimulation of business development in the rural areas

- Improvement of employment opportunities and rise the quality of life
- Rise of competitive position and economic stability of agriculture
- Creating a better and efficient investment locations for business in the rural areas

Goal 3: Stimulation of alternative projects, which are environmental-friendly, production in the agriculture and forest sector (eco, organic production)

- Reduce the impact of agriculture waste on the environment and organized managing with them
- Stimulate the use of environmental-friendly fertilizers and other agents in water protection areas
- Preservation of farming on particularly vulnerable areas
- Introduction of agriculture practices and producing of the fields that improve environment situation