

SOUTH TRANSDANUBIA

1. Title of the practice
Barcs Thermal Spa
2. Practice theme/issue tackled by the practice
<p>The town on Barcs lies directly on the border with Croatia, the town itself has an important border cross towards Croatia. Before the wars in the Balkans the town was an important destination of shopping tourism from the Yugoslavian side. The wars had largely destroyed the town's image since in 1991 in a result of a mistake a bomb was dropped to territory of the town by the Yugoslavian National Army. This attack brought a new negative image to the town that resulted a rapid economic decline since due to insecure situation foreign investments have completely avoided the region. Local capital was also traditionally missing here since the closedown of the large socialist state owned companies.</p> <p>After the consolidation in Croatia the town tried to find a new way of development focusing onto its geographical position and the missing services on the Croatian side. As part of a conscious positioning of the town and built onto the available thermal water health and recreational tourism has become the town's development force.</p>
3. Objectives of the practice
<p>General objectives: Development of local economy by the means of developing local tourism and rehabilitation of the old town centre.</p> <p>Specific objectives: Establishment of a modern health tourism facility based on to the local thermal water: establishment of a swimming pool, green areas on the territory of the facility.</p>
4. Location
<p>Country: Hungary County of Somogy, Town of Barcs.</p>
5. Detailed description of the practice
<p><u>Origin</u> The project was initiated by the Town of Barcs. Construction plans have already been prepared by a domestic support scheme for local public investments. These plans have been used in this project that focused onto implementation.</p> <p><u>Timescale</u> The project was implemented between November 2004 and February 2007.</p> <p><u>Bodies involved / implementation</u></p> <p>Lead Partner: Municipality of the Town of Barcs</p> <p>Project partners:</p> <ul style="list-style-type: none">- Drava Valley Secondary School and Student Hostel,- BSC Barcs Sport Club,- BVSE Barcs Town Sport Association,

- "Together for the Town" Association,
- Roma Minority Government.

Process and detailed content of the practice

The project was implemented as part of a complex project for the rehabilitation of the town centre of Barcs. The project elements that served the establishment of the thermal spa were the following:

- Selection of the constructor by public procurement procedure.
- Construction of a covered swimming pool:
 - Works on the substructure, structural works, building engineering, construction of the external public works;
 - Internal construction works: furnishing, entrance system, accessibility for disabled people.
- Establishment of the therapeutic department:
 - Works on the substructure, the structure, internal construction works, building engineering, external public works;
 - interior decoration, furnishing, purchase of equipments.
- Technical supervision and authorisation of utilization.

As result of the practice the number of visitors in the spa are about 50% from the Croatian side of the border. The high season is summer when everyday commuting takes place from the Croatian side to Barcs.

Legal framework

The project was implemented according to the Hungarian regulations on construction and running therapeutic thermal spas. For visitors from Croatia there are no restrictions even if the border is a strictly controlled Schengen border there are no problems of border crossing. However the therapeutical facility offers treatments subsidised (or co-financed) by the social insurance system in Hungary for Hungarian citizens, this is not the case with the Croatian guests who have to pay for the services. This reduces the number of Croatian guests so this legal barrier should be removed for the further cross-border development of services.

Financial framework

The practice was co-financed by European Regional Development Fund through the Regional Operational Programme of Hungary as part of a complex town rehabilitation project for Barcs. Financial structure regarding the practice concerned is the following:

- ERDF co-financing: 350 718 300 HUF (~1 402 873 EUR),
- Public co-financing: 38 968 700 HUF (~155 875 EUR),
- Total project costs: 389 687 000 HUF (~1 558 748 EUR).

6. Evaluation

- 3900 m² covered bath,
- 350 m² therapeutic department,
- 42 equipments installed in the bath,
- 30 equipments installed in the therapeutic department.
- 31 new jobs,
- 500 new tourists per year,
- 750 new overnight stays per year,
- new private investments, new SMEs, increase in the local tax revenues,
- 160 000 visitors in 2008 (50% between May and August, 50% in low season), 67 000 visitors from abroad (mainly Croatia).

Possible success factors

Barcs lies directly on the border being one of the three most important border crosses between Croatia and Hungary. On the Croatia side 16 kms from the border there is the seat of Virovitica-Podravina county, Virovitica with some 22 inhabitants. The county – being one of the smallest and less populated counties of Croatia – counts some 93 000 inhabitants. This combined with the population of Barcs micro region (...) generates a sufficient local market. However the spa might be considered as attractive for visitors outside the Barcs micro region, including the South Transdanubian regional seat of Pécs located 70 km from Barcs.

Wellness services are tend to be more demanded in Croatia as well while there is no similar facility nearby on the Croatian side. This is shown by the number of visitors that is almost 40% are from abroad (mainly from Croatia, some from Germany). This demand has to be fulfilled by generating services that are co-financed by the Croatian social insurance system as well.

Difficulties encountered

During the implementation of the practice's core investment project there were no major difficulties. During the operation the main difficulty was the non-compatibility of the Hungarian and Croatian social security system that resulted that Croatian visitors don't use the higher value adding therapeutic wellness services but exclusively the swimming pool and the green areas for recreation.

Transferability of the practice to other regions

This practice could be transferred to regions where comparative advantages exist on both sides: the spa infrastructure on the Hungarian one and the demand on the Croatian one. These comparative advantages should be the driving force of CBC. Such comparative advantages could be temporary if development objectives are similar and regions act as competitors. But advantages could be made sustainable if developments towards higher added value services take place.

Contribution to the enhancement of CBC cooperation. - Adaptability for SME support

This project was an element in strengthening the tourism potential of the border region. The border region has a potential in tourism due to the large proportion of territories being under nature protection, the Drava river and the traces of traditional lifestyle. This is a tourism potential that exists from both sides of the state border. The biggest problem was so far the lack of quality added value services (recreational centres, accommodation) to the natural attractions. If the facility in Barcs will be accompanied with the development of accommodation capacities and the speedway development plans will be realized on Croatian side (connecting Barcs with Zagreb and the Mediterranean) the border area may become an important element of South Transdanubia's tourist attractions. These public investments may multiply the SMEs' activities in the area that should be the main force of economic development.

7. Lessons learnt from the practice

The practice displays the fact that even is disadvantageous micro regions with high unemployment ratio and low business density conditions that are usually considered as disadvantage regarding economic activities can be an advantage in other kind of activities. Another lesson learnt from the practice is that good project ideas need constant education of the target groups since the projects' success lies in their motivation.

This project may be treated as a practice for "access to finance" since the spa facility has been established step by step by different regional and state run grant programmes step by step. The practice is a proof that to a clear development aim financial resources are possible to accompany.

8. Contact information

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9. Other possible interesting information

<http://www.barcs.hu/termal/>

1. Title of the practice

Herbal Network

2. Practice theme/issue tackled by the practice

In the border region of Hungary and Croatia – due to political hostiles between Yugoslavia and the Soviet Bloc – no serious developments took place, remained a remote and undeveloped area of Hungary. The wars in the Balkans made this disadvantageous situation even worse. This territory where no industrial activities are undertaken belongs to the most unattained parts of the region of South Transdanubia that is proper for the production of herbs and might ease the serious unemployment situations. There are several administrative obstacles about the bordering position of the region arising from the non-EU member status of Croatia but these difficulties might be removed in a few years.

The project attempted to open up the possibilities in establishing a new source of income for the local population lying in the collection, production and processing of herbs and bio plants.

3. Objectives of the practice

General objectives:

Establishment of a self-sustaining, integrated and interregional production, processing and sales cluster of herbs and bio plants.

Specific objectives:

- Establishment of a advisory service for the establishment and the operation of the producing, processing and sales cluster for herbal and bio plants (4 persons),
- Providing advisory services for the cluster by the advisory network;
- Advanced level education on producing and collection of herbal and bio plants for minimum 24 persons;
- Providing professional boarding education on producing and collection of herbal and bio plants for minimum 12 persons;
- Basic level education on producing and collection of herbal and bio plants for 40 persons;
- Establishing technical background for the analysis of local herbal and bio plants by the means of purchasing 2 equipments;
- Information of minimum 400 persons on the opportunities lying in the production of herbal and bio plants and about the opportunities provided by joining the cluster;
- Elaboration and implementation of a complex, interregional economic development model that bases on local experiences and cooperation, providing an approach for synchronizing regional subsidy structures;
- Generating further projects and cooperation.

4. Location

Country: Hungary
Counties of Baranya, Somogy and Zala.

Due to the fact that Croatian part of the project didn't get finance from the INTERREG IIIA Neighbourhood Programme, direct project activities took place exclusively on the Hungarian side. The Croatian side was involved only for consultations.

5. Detailed description of the practice

Origin

The project was initiated by the Baranya County Employment Centre, but involved the Somogy and Zala County Employment Centres as well in order to ensure the involvement of the whole external border region with Croatia. During the implementation of the project regional employment centres have been set up thus the South Transdanubian Regional Employment Centre has become the lead partner with the participation of the West Transdanubian Regional Employment Center (for Zala county).

Timescale

The project was implemented between 1 January 2006 and 31 August 2007.

Bodies involved / implementation

Lead Partner South Transdanubian Regional Employment Centre.

Project partners:

- Zala County Employment Centre,
- South Transdanubian Regional Resource Centre,
- University of Pécs,
- South Transdanubian Regional Development Agency,
- Baranya County Government.

Process and detailed content of the practice

The project's implementation could be divided into 4 phases:

- Preliminary phase: public procurements, coordination of partners, establishment of the Project Steering Committee, making up the list of advisors, their education, binding employment contracts, consultancy.
- 1st phase of implementation: education of agricultural SMEs, associations, communities, installation of measuring instruments, informational presentations.
- Phase of analysing and project generating: summarizing of experiences, publishing, elaboration of further projects, market analysis, establishment of an information system.
- 2nd phase of implementation: operation of the advisory network, professional educative events, presentations.

Legal framework

Since Croatia is not a member of the European Union the cross-border flow of labour is regulated on a quota basis which is set by the governments. Since this system isn't flexible enough to be capable to manage the eventual work flows between the two sides of the border no cross-border work flow took place. All activities carried out within the project were not affected by any legal problems.

Financial framework

The practice was co-financed by the INTERREG IIIA Slovenia-Hungary-Croatia Neighbourhood Programme in the following way:

- INTERREG co-financing: 65 650 000 HUF (~262 600 EUR),
- Public co-financing: 24 139 989 HUF (~96 560 EUR),
- Total project costs: 89 789 989 HUF (~359 160 EUR).

The project's results should be self-sustainable. Thus most of the project's achievement are still operating: the advisory service, the network is still open to join.

6. Evaluation

Possible demonstrated results

- Selection of the advisors. Selected advisors have been trained on professional (agriculture) knowledge and various skills (presentation, motivation, networking);
- Internal selection scheme for the members of the cluster;
- Purchase of the equipments for analysis (installed at the Medical Faculty of the University of Pécs);
- Training of the target groups (professional, skills, motivation and entrepreneurship) with the principle of "train the trainer".
- Elaboration of an economy development model.

Possible success factors

In the border region of Hungary and Croatia unemployment prevails in local population. Every attempt from the state and regional level is welcome for easing the situation. After Croatia's accession to the European Union the activities – which were carried out exclusively on the Hungarian side with the observation of the Croatian partner – could be done on a real cross-border scale: cross-border collection, cross-border processing, cross-border storing and sales. It means that the project's real success factors might be relevant in the future.

Difficulties encountered

The main difficulty during the project was the lack of funding from the Croatian side. This hindered the parallel implementation of the project from both sides. Another difficulty was the lack of financial resources, more own contribution was needed than foreseen. Another difficulty lied in the motivation of the target groups.

Transferability of the practice to other regions

This practice could be transferred in those regions where similar conditions exist: availability of unskilled labour force, richness in herbal plants, lack of industrial production – lack of pollution, traditions in agriculture.

Contribution to the enhancement of CBC cooperation. - Adaptability for SME support

This project was an initial step towards the integration of the herbal and bio food sector of the border region. Once Croatia enters EU such activities can be carried out in a real cross-border aspect that will generate further project from both sides. In supporting border micro regions' SMEs preferences have to be given to activities that provide work for the unemployed population. It is very important that such results could be canalized into future SME schemes.

7. Lessons learnt from the practice

The practice displays the fact that even is disadvantageous micro regions with high unemployment ratio and low business density conditions that are usually considered as disadvantage regarding economic activities can be an advantage in other kind of activities. Another lesson learnt from the practice is that good project ideas need constant education of the target groups since the projects' success lies in their motivation.

This practice might belong to the categories both “access to partnership” and “access to knowledge” since category since Herbal Network’s aim was to net the producers and collectors of herbs and provide them education.

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9. Other possible interesting information

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1. Title of the practice

Pannonian Tourism

2. Practice theme/issue tackled by the practice

In the border region of Hungary and Croatia due to political reasons during the Soviet times and later wars in the Balkans no economy development actions took place. For this reason and the lack of skilled workforce in the 1990s foreign investments also avoided the region. In the bordering area enormous level of unemployment, social exclusion and soild depopulation tendencies prevail.

Since the economic recovery in Croatia and the prospects of its accession to the EU the natural and cultural heritage is considered as asset in several development initiatives. In South Transdanubian conditions for tourism, especially in some of its sub branches (nature, cycling, water, equestrian) are extraordinary, infrastructure and human resources should be developed. Since the Drava river is an important element in the tourism supply from both sides of the border, has a chance to become a joint tourism supply in special market niches, human resource development should take place in a cross-border aspect as well.

3. Objectives of the practice

General objectives:

Strengthen the knowledge of the labour force in the border region, focusing onto rural tourism suppliers.

Specific objectives:

Organization and implementation of a cross-border educational programme for local tourism suppliers in according to the local specifications.

4. Location

Country: Hungary and Croatia
Counties of Baranya, Somogy, Koprivnica-Križevci, Osijek-Baranja and Virovitica-Podravina.

5. Detailed description of the practice

Origin

The project was initiated by the Baranya County (later South Transdanubian) Employment Centre as an attempt to develop the human resource in the rural areas where tourism may serve as an asset of development. The

development of tourism is a clear development objective in South Transdanubia since conditions are favourable, the region realises the third highest number of overnight stays after Budapest, due to the lake of Balaton. Pécs has been selected as European Capital of Culture in 2010 that sets a new challenge for the sector: new accommodation facilities will be built and new group of visitors may choose the wider region as destination.

Timescale

The project was implemented between 1 December 2006 and 15 February 2008.

Bodies involved / implementation

Lead Partner: South Transdanubian Regional Employment Centre.

Project partners:

- Croatian Chamber of Commerce, Osijek County Chamber,
- Croatian Employment Service, Osijek Territorial Service,
- Croatian Employment Service, Virovitica Territorial Service.

Process and detailed content of the practice

In the framework of the project educational material has been elaborated by Hungarian and Croatian experts for the development of local rural tourism in a cross-border aspect. After the elaboration of the material was taught as a pilot action for 60 people from both sides of the border. The material was set up by the following modules:

1. Tourism and recreation,
2. Hospitality;
3. Accommodation;
4. Arrival and hosting;
5. Programmes;
6. Nature, environment and local culture;
7. Marketing and promotion;
8. Legal background;
9. Management and tourism in rural farms;
10. Health and security.

Legal framework

There were no legal difficulties neither during the elaboration neither the educational period. In a future step the educational material has to be accredited from both sides of the border in order to reach bigger impact by giving valid diploma for the participants. In the project as tangible output of the pilot education the participants were awarded with an "internal certificate".

Financial framework

The practice was co-financed by the INTERREG IIIA Slovenia-Hungary-Croatia Neighbourhood Programme from both sides of the border:

Hungarian part:

- INTERREG co-financing: 23 015 079 HUF (~92 060 EUR),
- Public co-financing: 7 671 693 HUF (~30 687 EUR),
- Total project costs: 30 686 772 HUF (~122 747 EUR).

Croatian part:

- INTERREG (PHARE) co-financing: 81 657 EUR,
- Public co-financing: 27 219 EUR,
- Total project costs: 108876 EUR.

6. Evaluation

Possible demonstrated results

- Survey on demand,
- Formation of focus groups,
- Elaboration of educational material in 10 modules,
- Pilot education of 60 people,
- Awarding internal certificate for participants.

Possible success factors

The border region suffering from depopulation and low level of income tourism is emphasized as an asset of development. This interest is apparent from both sides of the border. The Croatian government put efforts into balancing the development level of the tourism sector, ease the domination of the Adriatic tourism with the strengthening of the continental tourism. On the Hungarian side there are a large territory under protection as national park that provides an asset of tourism development especially in the more environment friendly sub-branches. Similar preferences are found on the Croatian side. In order to reach a higher number of guests the border area has to be positioned as a single tourism product. This approach is common on both sides.

Difficulties encountered

The main difficulty during the project was the language barrier. Educations took place on both sides of the border on the native languages. The educational material was translated into both languages.

Transferability of the practice to other regions

This is a practice that is easy to transfer since similar conditions may exist on several external borders of the EU since such border areas were not target areas of economic development, comparative advantages are still not exploited.

Contribution to the enhancement of CBC cooperation. - Adaptability for SME support

This project was an important element in the cross-border tourism development, since a lot of minor infrastructural developments took place in the area are foreseen to be carried out but human resource development was not treated in a similar way. This project may have a direct impact onto SME development since the project's target groups are those SMEs who work in the tourism sector. The new knowledge may improve their service and generate economic development based on the local assets.

7. Lessons learnt from the practice

If similar development objectives exist on both sides of the border and this meets the local population's needs legal and language barriers might be overcome. In order to reach the targeted development impact a joint accredited educational programme set to be set up in an institutionalized way that gives valuable diploma and knowledge for the participants.

This practice represents an example of "access to knowledge" since the project's aim was providing useful knowledge for SMEs of the rural tourism sector that is transferable from one side of the border to another.

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