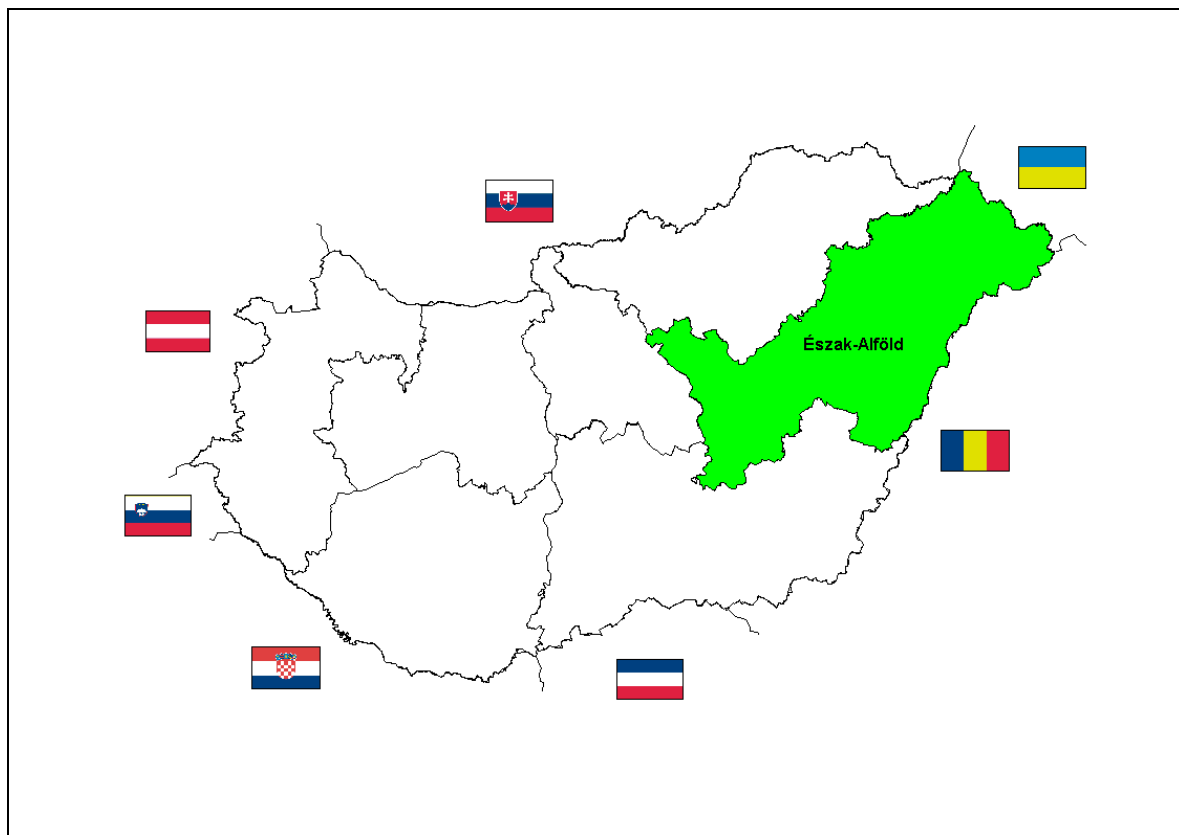


The North Great Plain Operational Programme

2007-2013

2007HU161PO009



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EXECUTIVE SUMMARY

The North Great Plain being one of the six Hungarian convergence regions, the North Great Plain Operational Programme (hereinafter: NOGPOP, in Hungarian version ÉAOP) supports the implementation of Priority 5: Regional Development of the New Hungary Development Plan¹ in particular. Furthermore, only the twinning of a regional programme and sectoral operational programmes can fully meet the development needs of the region during the 2007-2013 period.

The operational programme supports all the micro- and macro-economic objectives of the Integrated Principles transforming the European Union's reviewed Lisbon Strategy into structural objectives and the majority of its employment objectives (e.g. the development of the means of employment, the provision of an inclusive market, market compliance, bringing training and education in line with market needs). The development objectives of the region match the strategic objectives of the *National Development Policy Concept* and the *National Regional Development Concept* aimed at the emergence of a Successful Hungary and balanced regional development respectively. All of the horizontal objectives identified and named in the NHDP also feature, directly or indirectly, in the structure of the operational programme.

The programme incorporates the principle of environmental, social and economic sustainability as well as cohesion into its strategy and also directly serves its attainment.

Taking into consideration the problems as well as the territorial imbalances and characteristics identified in the situation analysis and the regional development objectives and priorities outlined in the above documents, the NOGPOP sets the following long-term **overall objective**:

Based on the natural and social heritage and the characteristics of the settlement network of the North Great Plain Region, to strengthen regional competitiveness and redress territorial imbalances within the region.

The prevention of further increases in development differences is a realistic goal for the 2007-2013 programming period. Accordingly, the strategic objective of this programme is preventing the North Great Plain Region from falling behind; i.e. keeping the region on a national growth trajectory in order that a process of convergence may later begin.

¹ The New Hungary Development Plan is the National Strategy Reference Framework necessary for using the support available under the European Union's structural funds and Cohesion Fund for use between 2007 and 2013 (hereinafter: New Hungary Development Plan or NHDP).

In order for the strategic objective to be achieved, three specific objectives have been set:

Specific objectives	Indicators
Strengthening the region's SME sector	<p><i>Changes in the real value of the gross added value produced by the corporate sector as a result of the programme (HUF)</i></p> <p><i>Volume of investment induced by support (HUF)</i></p> <p><i>Number of small and medium-sized enterprises established or having a new permanent establishment in the region (no.)</i></p> <p><i>Relative distribution of gross added value/person at small region level (%)</i></p>
Improving the income generating ability of tourism	<i>Increase in the gross added value in the accomodation and catering industry (%)</i>
Improving the population's mobility	<i>Number of persons using community transport (persons)</i>
Developing the region's human resources	<i>Reduction in the proportion of pupils who fail to meet the minimum knowledge criteria in schools where the ratio of such pupils is over 50% (%)</i>
Improving the environmental status of the built and natural environment	<i>Size of brown-field areas utilised (hectares)</i>

The increase in the efficiency of interventions by the operational programmes is supported by the integrated implementation of developments that reinforce each other as a flagship programme, for example,

- ◆ The seven competitiveness poles
- ◆ School of the 21st century
- ◆ No one left behind (realignment of backward areas)
- ◆ A chance for children, and
- ◆ "Barrier-free Hungary" flagship programme.

Developments

The strategy of the NOGPOP and the allocation of funds to the individual areas have been finalised as a result of the partnership process.

At current prices with 15% national contribution

Priority axis	Priority budget (euros)	Percentage
1. Regional economic development 1.1. Infrastructure development of the regional business environment 1.2. Promotion of regional and inter-regional co-operation 1.3. Development of information and innovation services	164 991 398	14.38%
2. Tourism development 2.1. Development of tourism products and attractions 2.2. Development of commercial accommodation 2.3. Destination management development	208 450 929	18.17%
3. Improving transport conditions 3.1. Development of road transport infrastructure 3.2. Development of community transport systems	199 935 957	17.43%
4. Development of human infrastructure 4.1. Development of the infrastructure for public services for human resources 4.2. Improving access to public services	236 207 524	20.59%
5. Urban and regional development o Urban development o Regional and urban nature and environmental protection developments o Increasing the social role of and strengthening co-operation between the region's civil and religious associations	296 254 662	25.83
6. Technical assistance	41 300 926	3.6%
Total:	1 147 141 396	100.0 %

The amounts at current prices in EUR of the assistance allocated to the programme under the applicable regulations are included in the Financial Chapter.

Partnership

While being prepared, the programme underwent an extensive partnership process, which had two directions. One was consultations within the region, the other was consultations with the individual ministries on the content elements of the ROP and sectoral operational programmes. The programme contributed to the successful implementation of the development pole programme in Debrecen. Comments received after the completion of the partnership process were taken into account and integrated into the programme.

Guide to the abbreviations

Guide to the abbreviations used in the North Great Plain Operational Programme and the related Plan of Measures and Activities:

GAV	Gross Added Value
CSG	Community Strategic Guidelines
NOGPOP	North Great Plain Operational Programme
NOGPRDC	North Great Plain Regional Development Council
NOGPRDA PBC	North Great Plain Regional Development Agency Public Benefit Company
EFF	European Fisheries Fund
EARDF	European Agricultural and Rural Development Fund
EPO	European Patent Office
ERCOP	European Regional Co-operation Operational Programme
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
GDP	Gross Domestic Product
EDOP	Economic Development Operational Programme
MA	Managing Authority
ICT	Information and Communication Technology
IT	Information Technology
ITC	Information and Telecommunication
R+D	Research and Development
ENVENOP	Environment and Energy Operational Programme
SME's	Small and medium-size enterprises
TOP	Transport Operational Programme
CSO	Central Statistical Office
IB	Intermediate Body
RE	Resident equivalent
NRP	National Reform Programme
NDP	National Development Plan
NEPF	National Employment Public Foundation
NDPC	National Development Policy Concept
OP	Operational Programme
NRDC	National Regional Development Concept
ROP	Regional Operational Programme
SEA	Strategic Environmental Assessment
SOP	Sectoral Operational Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
SOCOP	Social Renewal Operational Programme
TEN	Trans-European Network
SOCINFRAOP	Social Infrastructure Operational Programme
RIVTC	Regional Integrated Vocational Training Centre
NHDP	New Hungary Development Plan (which is the National Strategic Reference Framework of Hungary)
IOP	Implementation Operational Programme
AVP	Advanced Vásárhelyi Plan

1. SITUATION ANALYSIS

1.1. THE NORTH GREAT PLAIN REGION: SOCIO-ECONOMIC SITUATION AND NATURAL ENVIRONMENT

Comprising three counties (Hajdú-Bihar, Jász-Nagykun-Szolnok és Szabolcs-Szatmár-Bereg), the North Great Plain Regions is situated along the Eastern border of the Republic of Hungary. The Region borders an EU member state (Slovakia) and two non-EU countries (the Ukraine and Romania) along a 6 km and a 338 km section respectively of the state frontier. Along the border, areas forming a geographical or an ecological unit stretch beyond the state frontier. (Part of such areas is a component of the EU Natura 2000 network.). As regards cross-border relations, it is mainly the geographical framework of interregional co-operation between key cities that can be identified. There are working relations between Nyíregyháza and Ungvár (today Uzhgorod) and Debrecen, Berettyóújfalu and Nagyvárad (today Oradea). Such relations are, however, mostly of an ad hoc nature and should be expanded.

Ranking second in terms of size, the region occupies an area of 17,729 km², with a population of 1,533,162 as at 1 January 2006 and 1,540,424 according to a micro-census held in mid-2005. (Based on which, it is the country's second most populous region.)



Figure 1: The geographical location of the North Great Plain Region

In what follows the current situation in the North Great Plain Region will be outlined based on the structure of the Community Strategic Guidelines (CSG).

1.1.1. GUIDELINE: Making Europe and its regions more attractive places to invest and work

The first of the Community Strategic Guidelines is especially important for the North Great Plain Region given the low level of the development of its economy, circumstances discouraging investment and the low presence of foreign capital.

The **GDP per capita indicator** was two-thirds of the national average in 2004, which accounted for a mere 41.9% of the EU-27 average, the North Great Plain Region thus bringing up the rear (Table 1). Despite improvement and increase in real value (1999 – 34.8%, 2000 – 36.0%, 2001 – 39.6%, 2002 – 39.9%, 2003 – 41.8%, 2004 – 41.9% relative to the EU-25

average) in the new millennium, according to EUROSTAT data, the region was only able to outrank five regions in Bulgaria, seven in Romania and six regions in Poland in 2004.

Of the counties in the North Great Plain Region, Hajdú Bihar County is the least favoured, ranking 12th or 13th among the Hungarian counties. In 2004, however, it ranked 10th. Jász-Nagykun-Szolnok managed to rank 13th or 14th for most of the 1990s; later, however, it fell further behind, ranking 16th and 17th in 2003 and 2004 respectively. Szabolcs-Szatmár-Bereg County is the least favoured of all, more often than not, bringing up the rear (i.e. ranking 19th (in 2004) or 20th).

Further evidence of the disadvantaged position of the region and **significant territorial disparities within the region** is that, of the 27 planning-statistical micro-regions here, 15 are included in the category of the least favoured counties and 9 in the category of disadvantaged counties (Government Decree 64/2004 (IV.14.)). A clear indication of the territorial imbalances between the micro-regions is that, based on 2004 data, in terms of gross added value per capita, the Derecske-Létavértes micro-region with the lowest value accounted for less than 9% of the figures for the Debrecen micro-region with the highest value; of the 27 micro-regions, 20 account for less than 25% of the figures for the Debrecen micro-region. Differences are conspicuous in respect of total domestic income per capita. The Csenger micro-region only accounted for 45.5% of the figures for the Debrecen micro-region with the highest value in 2004. Of the 27 micro-regions, 7 produced less than half and 21 two-thirds of the figures for the Debrecen micro-region.

Based on the GDP per employee indicator reflecting productivity (see Annex 1 Table M1), the North Great Plain Region is in a somewhat more advantageous situation due to a low level of employment, than on the basis of the GDP per capita indicator. It ranks 6th among the regions; relative to the national average, it is close to 10% better off (74.5% in 2004). Compared to the regions preceding it, differences are smaller. Comparisons with the corresponding EU figures reveal a phenomenon similar to the GDP per capita value: the value of the GDP per employee indicator (49.0% in 2004) exceeds that of the GDP per capita by 10% relative to the EU-25 average.

Table 1: GDP per capita in the Hungarian regions as a percentage of the national figures (with effect from 2000, calculated with FISIM, 1996-2004)

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Central Hungary Region	148.4	151.0	150.0	153.6	154.9	157.9	163.5	159.7	158.8
Central Transdanubia Region	92.3	96.5	98.6	94.4	97.8	94.4	88.9	93.4	95.6
West Transdanubia Region	104.8	105.0	110.2	114.6	114.3	105.9	103.6	108.7	104.4
South Transdanubia Region	79.6	77.2	76.7	77.2	74.9	73.9	73.2	71.8	71.3
North Hungary Region	68.7	66.8	67.3	65.7	64.6	65.2	63.9	64.4	66.4
North Great Plain Region	70.0	68.6	67.1	63.6	63.6	66.4	64.6	65.9	65.5
Hajdú-Bihar County	77.9	76.1	75.4	71.4	71.6	73.8	73.3	76.2	76.1
Jász-Nagykun-Szolnok County	75.2	74.7	71.7	67.0	66.7	70.3	67.6	66.0	64.7
Szabolcs-Szatmár-Bereg County	58.6	57.1	56.0	53.8	53.8	56.7	54.2	56.0	56.0
South Great Plain Region	80.6	77.2	75.5	73.6	71.5	70.9	69.1	68.1	69.0

Source: Hungary's national accounts 2003-2004, CSO, 2006

The low values of the GDP per capita and a low level of investment are closely interconnected (see Annex 1 Table M2). Relative to the 2001-2004 average and in respect of the specific indicators of investment, the North Great Plain Region ranks penultimate; what sends a warning

signal is that it was outranked by the South Great Plain Region in both 2003 and 2004. In terms of the composition of investment, in respect of businesses, local governments and minority local governments, the North Great Plain Region brings up the rear (although in the case of minority local governments, the value per capita differs less from the national figures than do the figures for the total number of investments). It only ranks higher in the case of investment financed by budgetary institutions. The underlying reason for the poor investment indicators of local governments and minority local governments is financial constraints. In 2005, compared to the national 36.1%, 69.6% of the local governments of the three counties belonged to the category of economically disadvantaged local governments through no fault of their own (the second most disadvantaged region was the North Hungary Region at 43.4%), which may cause problems in the case of small financially constrained local governments in the 2007-2013 period when it comes to the provision of own contribution.

In the new millennium – as a result of the region's improved accessibility – foreign capital started to take an increasing interest in the Trans-Tisza Region. As a result, there was a steady increase in the foreign capital inflow (e.g. Michelin, Electrolux, Flextronics, National Instruments, FAG, TEVA and Samsung). Growth in the North Great Plain Region, in respect of the amount of the foreign participation in the equity of businesses with foreign shareholders, increased 2.22-fold between 2000 and 2004, which outperformed national growth, which managed a 1.75-fold increase. A similar trend was discernible in the case of companies with foreign shareholders. While national figures remained broadly flat during the period surveyed, growth was close to two-fold in the region, which was attributable to an increase in the number of businesses of Ukrainian and Romanian origin operating in Szabolcs-Szatmár-Bereg County. Owing to the development described above, the region's national position has improved slightly even if its indicators still fall considerably behind their national counterparts.

Table 2: Specific indicators of foreign capital in the Hungarian regions in 2000 and 2004

	A		B		C	
	2000	2004 ⁺	2000	2004 ⁺	2000	2004 ⁺
Central Hungary Region	246.5	229.1	113.9	105.1	574.1	550.8
Central Transdanubia Region	69.9	90.3	113.9	153.6	162.7	148.5
West Transdanubia Region	73.1	115.8	67.9	117.6	285.5	248.6
South Transdanubia Region	18.3	15.9	29.7	31.3	163.5	128.2
North Hungary Region	45.2	31.0	180.1	138.3	66.5	56.7
North Great Plain Region	23.8	30.8	77.9	49.5	81.0	157.4
Hajdú-Bihar County	33.8	41.6	162.4	223.7	55.2	47.0
Jász-Nagykun-Szolnok County	26.7	36.3	115.7	175.1	61.1	52.3
Szabolcs-Szatmár-Bereg County	12.2	16.8	27.0	12.7	119.7	336.0
South Great Plain Region	31.6	16.8	55.2	43.6	151.6	97.4
Hungary	100.0	100.0	100.0	100.0	265.3	252.6

A – amount of foreign capital per one resident (Hungary=100), B – amount of foreign capital per one enterprise (Hungary=100), C – number of businesses with foreign shareholders per 100,000 residents

+ – preliminary data

Source: the CSO statistical yearbook of the counties affected

Of the major characteristics of the sectors absorbing capital projects and FDI, the following should be highlighted.

In respect of Hungary's **agricultural development**, the North Great Plain Region is a key strategic area. 21.7% of the country's agricultural land is in this region, which ranks second after the South Great Plain among the regions in Hungary. Based on gross added value and employment, agriculture plays a significant role in all three counties of the region. A further asset is that natural heritage/attributes and expertise needed for manufacturing certain agricultural products are available in the region, which provides an excellent basis for the involvement of an innovative and competitive agrarian economy (Details are provided in a separate document entitled "A Regional Situation Analysis of Objective 1 (Convergence) of the European Union's 2007-2013 Programming Period – North Great Plain Region").

However, there is hardly any efficient manufacturing, processing and distribution-related co-operation between the individual agricultural producers, and the number of highly processed agricultural products is low. Poor **production security** is attributable to an inadequate background, i.e. the absence of a physical infrastructure needed for efficient business management, logistic systems that lag behind in terms of quantity and quality, the deficiencies or the inadequate standard of quality assurance, agrarian innovation and marketing in several areas.

Industrial production underwent significant development in the North Great Plain Region between 2000 and 2005: 2004 figures are 144.6% of the 2000 figures exceeding the national rate of 141.7%. Although growth was the fastest in Hajdú-Bihar County, it also exceeded national average in Szabolcs-Szatmár-Bereg and Jász-Nagykun-Szolnok Counties. Specific indicators concerning industrial production also corroborate the fact that industry in the North Great Plain Region developed at a fast pace. A look at industrial output per resident and per industrial employee reveals that, relative to the national average, indicators for the region were much better in 2004 than in 2000. Within the region, Jász-Nagykun-Szolnok County is in the most advantaged position, while growth was the fastest in Hajdú-Bihar County. Notwithstanding, growth only helped to reduce backwardness; it hardly influenced the national ranking (5 and 6) of the North Great Plain Region; on the contrary: it fell further behind the North Hungary Region immediately preceding it.

As regards the distribution of **industrial** employees, regional figures exceeded their national counterparts in the following sectors: the manufacture of textiles and textile goods, leather goods, footwear, foods, beverages, tobacco, wooden and paper product and printing. Within the region the following sectors play a more significant role than elsewhere in the country. Hajdú-Bihar County: chemical industry and mining, electricity, gas, steam and water supply; Jász-Nagykun-Szolnok County: textile and food industries, unprocessed metal, manufacture of processed metal products and machinery; Szabolcs-Szatmár-Bereg County: foods, beverages, tobacco and chemical industry.

Industrial parks, the number of which was 179 in January 2006, play an important role in industrial development nationally. Of them, 26 (or 14.5%) are located in the North Great Plain Region; however, the low level of their utilisation is an unmistakable indication of the fact that despite the developments launched, in respect of several indicators (e.g. net size of built-in areas (54.64%), the number of those employed, the volume of investment), the Region only ranks 4th to 7th in a national comparison. A further problem is that impressive data on the size of built in areas is due, mainly, to a few industrial parks, e.g. those in Debrecen, Jászfényszaru, Jászárokszállás and Nyíregyháza; the standard of the operation of the rest is rather low. This is especially true for industrial parks located in small and medium-sized towns, as they can play an important role in local employment provided they are properly developed. In the course of

the establishment of industrial parks, with environmental sustainability as a major consideration, brownfield investments will have to take priority over greenfield ones.

In addition to the above, the low level or, in some regions, the complete lack of IT services, constrained capacity for supporting logistics and the low level of regional marketing aimed at attracting investments also hinder industrial development significantly.

As a combined effect of privatisation and the en masse establishment of and a strong fluctuation in commercial businesses, **the commercial supply network** grew many times over its original size first through the mushrooming of mainly small shops before the mid-1990, then, from 1997 on, through the emergence of super- and hypermarkets, shopping malls and dedicated stores selling consumer durables, each with a considerably larger floor area. Compared to the national 10.8%, commerce and repairs accounted for 9.6% of the Region's GDP in 2004 (the third highest of all the regions). 11.4% of all employees worked in commerce, the second highest value after that in the Central Hungary Region (the corresponding national data was 10.7%).

The North Great Plain Region has much to offer in terms of **tourist attractions**. A potential natural resource and the most valuable asset of the tourist industry are **mineral and thermal water reserves**. There are 221 thermal wells operational in the region; baths of various types can be found at 57 places, with 33 of them using thermal water suitable for medicinal purposes. The potential offered by health tourism has been best utilised in Hajdú-Bihar County, where the spa in Hajdúszoboszló has earned international recognition. There are three key health resorts in the region: Debrecen, Hajdúszoboszló and Szolnok. Further popular places include Nyíregyháza, Berekfürdő, Tiszaújváros, Cserkeszőlő, Hajdúnánás, Püspökladány, Kisvárda and Túrkeve. Conditions (e.g. high quality baths and pools as well as the related medical services) for medicinal and thermal water to be gainfully utilised internationally are only available at few places only. Development of tourism, health resorts, in particular, should pay special attention to the loading on thermal water reserves, the environment and the limit to their exploitation for business purposes.

Another attraction of the region is its natural heritage, natural setting and cultural heritage. **Hortobágy**, the largest contiguous expanse of grassland (or "puszta" (heathland, steppe)) in Central East Europe and a World Heritage site, is by far the most valuable asset of the region. The Hortobágy National Park was the first and the largest of its kind in Hungary. Besides Hortobágy, there is another national part (the Körös-Maros National Park) as well as 4 protected districts, 19 nature reserves and a further 123 areas of local importance in the region. Unfortunately, the vast majority of these areas lack the necessary infrastructure that is indispensable for them to become tourist attractions; purpose-driven strategic marketing and the development of related products are also lacking, which reduces the hospitality-related capacity and competitiveness of these areas. International demand for eco-tourism is likely to further increase in the future, thus, special attention will have to be paid to the preservation, amelioration, reconstruction and the availability in a sustainable form of the protected areas in the Regions and those that are, although not protected, of similar nature; similar care must be exercised in the case of areas that are, although not protected, almost in their original state.

Appeal associated with waters like **the River Tisza and its tributaries** plays an important role in what the Region has to offer in terms of tourism. The upper and middle sections of the River Tisza are popular with lovers of water sports. Rivers are key components of eco-tourism, as fishing, water sports and equestrian tourism attract many nature lovers to the region. **Lake Tisza** is famous for its unique natural beauty. In the interest of the further development of hunting great emphasis must be placed on the preservation, in terms of both quality and quantity, of the game stock which is of excellent quality.

Ecclesiastical heritage and related **monuments, highlights** and events also represent an important appeal to tourists, mainly those from the neighbouring regions. Further assets from the point of view of tourism include the relics of traditional lifestyle and farming, folk traditions (Jászság, Nagykunság, Hortobágy, Hajdúság, Szatmár and Bereg), folk crafts as well as stately homes and mansions, most still vacant and unutilised.

Event tourism also has long-standing traditions. Events are, for the most part, cultural events (e.g. folkdance festivals and theatre festivals with the participation of national theatre companies), events that are either evocative of local traditions or offer culinary delights (e.g. equestrian days, goulash festival, shepherds' days, etc.) and events of local or regional importance. Currently, the number of internationally famous events (such as the Debrecen Flower Show, the Goulash Festival in Szolnok, Summer in Jászberény and Fruit Show in Nyíregyháza, etc.) is low. It is mainly county towns that host **fairs, exhibitions and conferences**; currently, only Debrecen has the necessary facilities for events involving large contingents of guests or visitors; the other two county towns and Jászberény and Hajdúszoboszló can only host events with fewer attendees or visitors.

However, the attractions described only hold a regional or local appeal; only a few qualify as a complex tourism product. What further hinders their development and better utilisation is the scarcity of hotels and other places of accommodation in the region: in terms of hotels and other places of accommodation per 1,000 persons the North Great Plain Region ranked 5th to 7th among the regions in Hungary in 2005; by contrast, the utilisation of such places was the third highest in the country. Furthermore, conditions for hospitality also leave a lot to be desired, especially in the case of less well-capitalised SME's. A further problem is that the number of up-market hotels and places of accommodation is low. This seems to be the primary reason why, although the number of visitors to the North Great Plain Region continued to grow in 2005 after a decline in 2004, specific tourism indicators (e.g. the number of (foreign) visitors per 1,000 residents) are not favourable: the region only precedes the South Great Plain Region and – in respect of foreign visitors – the North Hungary Region, falling significantly behind the national average. As a result of the above, gross added value per one resident in leisure and tourism was hardly one-third of the national average in 2004.

The volume of tourism in the North Great Plain Region can be characterised by a specific duality, which is attributable, fundamentally, to the significant territorial imbalance in tourism (Annex 1, Table M3). Both capacity and frequency of visits are concentrated in places with special appeal (concentration is even stronger in the case of foreign visitors), which have the necessary infrastructure in terms of both accommodation and other services (the concentration of guest nights is the highest in this region). At the same time, in 2005, 183 settlements (i.e. over one-third of the total number of settlements) were destinations for visitors to the region, which, on the demand side, justifies the development of regionally diversified tourism. Seasonality is a further problem that faces the region. Despite the decline experienced over the past few years, the North Great Plain Region has managed to retain its position in the mid-league among the regions in Hungary.

The institutional system of tourism in the region is diversified. It includes local governmental alliances operating side by side, various micro-regional and county associations, those involved with regional level tourism-related responsibilities and NGOs. Tourinform Offices (there are 23 of them) are of great importance. In addition to the above organisations, there are 31 travel agencies and tour operators in the Region. Magyar Turizmus Zrt. (Hungarian Tourism Private Limited Company), Észak-alföldi Regionális Marketingigazgatóság (North Great Plain Regional Marketing Directorate) and Tisza-tavi Regionális Turisztikai Projektiroda (Lake Tisza Project Office for Regional Tourism) are responsible for regional marketing aimed at the

promotion of tourism. The key responsibility of the North Great Plain Tourist Board and the Lake Tisza Regional Tourist Board is to ensure the most efficient possible implementation of the objectives and tasks. They also play an important role in the co-ordination of the regional development of tourism. Tourism does not seem to be high on the agenda of local governments; developments are neither co-ordinated nor overseen in most cases. Most local governments have no dedicated office-holder responsible for tourism; concerted development concepts also lack.

Tourism has become a “cool” career recently, which is clearly reflected in that there are far too many undergraduates with tourism as their major. Many with a college degree in Tourism, Hotel and Catering or Hotel and Catering attend university or college courses in economics leading to a second degree. Curricula for undergraduate economists place great emphasis on the hands-on approach. By contrast, other areas of tourism (e.g. health tourism, leisure and sports tourism) face a shortage of dedicated professionals. Although a labour market with oversupply has a lot to offer in terms of job opportunities to top-notch professionals with a degree in tourism, regional experience reveals that the region is facing a shortage of professionals trained to a high standard in certain specific areas (e.g. therapeutic and bath massage, event organisation, tour operation and wellness).

1.1.1.1. Expand and improve transport infrastructures

An efficient, flexible and safe transport infrastructure is a pre-condition for economic development, since it boosts productivity and, through facilitating the movement of persons and goods, improves the outlook of the regions affected for development. Transport networks also increase trading opportunities, while also increasing efficiency.

Due to its geographical location, the North Great Plain Region could play a key role in **freight transport logistics**. The size, economic activity, transport infrastructure and geographical location of the country taken into consideration, a network of 11 logistics districts and 13 national logistics centres has been delineated; of the latter, three (Záhony, Debrecen and Szolnok) are in the region. However, in order for the relevant potential to be utilised, the **transport network** needs to be developed, which is, however, hindered by the fact that transport corridors of European importance and routes with heavy traffic do not always coincide in the North Great Plain Region.

A striking characteristic that the distribution of the **road network** by road types reveals is that, although several TEN routes cross the region, the proportion of motorways and motor roads, which best ensure fast access, is low. Although the new motorway sections (M3) opened in the course of 2006 and 2007 will improve accessibility, a significant part of the region – particularly its areas along the western, southern and eastern borders – still has no connection with the Hungarian and international motor roads, and is outside both the 15-minute and the 30-minute agglomerations. The region’s axis in respect of road transport is Main Road no. 4, which is considerably overloaded by transit traffic. Today the quality of the roads in Hungary also poses a serious problem. In this respect the situation in North Great Plain Region looks rather bleak. A look at the quality of the national road network (Annex 1, Table M4) reveals that

- the physical condition of the surface and the loadability of the roads in the region is among the poorest; the situation is somewhat better when the evenness of the surface is considered.
- the region ranks better in respect of main roads than in respect of minor roads.

As regards accessibility, in addition to poor access to expressways, the general accessibility of settlements is also poor (Figure 2). Of the 27 micro-regions within the regions, only 5 can be included in the first two categories; 15 belong to the last two (the ratio of the micro-regions that

belong to the first two categories to those in the last two is the worst in the North Great Plain Region); as a result, standard communication is rather difficult for these micro-regions to maintain with other areas.

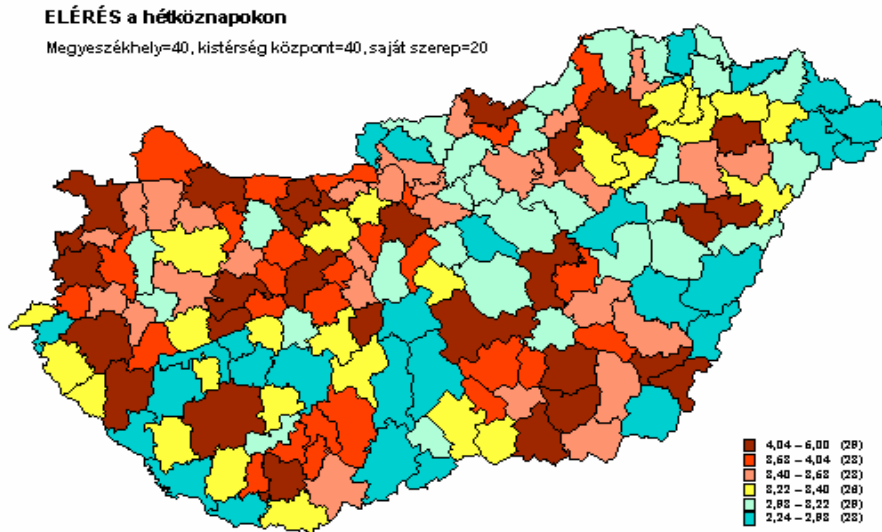


Figure 2: Access time to settlements by public road on weekdays²

Elérés hétköznapokon=Access time on weekdays

Megyeszékhely=county seat, kistérségi központ=micro-regional centre, saját szerep=own role

Source: National Development Policy Concept, 2005

Today, the **cycle lanes of 6 national networks** cross the North Great Plain Region. The total length of the cycle lanes in the region (772.3 km) account for 14.1% of the main national network (5,493 km). Most (528%) run along dykes; over one-third (or 37.4%) run along public roads. The low number and density of cycle lanes and the absence of environmental awareness of the regional population and decision-makers seriously hamper the spread of this environment-friendly, sustainable and healthy means of transport.

In terms of the density of rail links, the region's **railway network** is above the national average; however, the proportion of electrified links and those controlled with automated safety equipment is below the national average. As regards the general physical condition of the rails, special duality can be identified. The rail links which, owing to their relative development, play an important role in international communications, allow for high-speed (over 100 km per hour) traffic. By contrast, due to the scarcity of funds, rails along other major and minor links are rather amortised, with speed limit becoming the order of the day. A further problem is an obsolescence of the fleet.

² When computing the “**Accessibility on weekdays**” indicator, the factors below were taken into account:

- average public road access time to own county seat and the nearest county seat, in minutes, with a weight of 40%,
- average public road access time to the centre of own micro-region and the centre of the nearest micro-region, in minutes, with a weight of 40%,
- Own role, the degree to which the given settlement has the necessary institutions (the extent to which another settlement must be visited), in scores, with a weight of 20%.

The **scores** of the settlement are the aggregate of the above three factors.

Scores: best: 6.00 – worst: 1.00

As to community transport, the fact that means of **suburban community transport** are overloaded during the rush hours is another issue to be addressed, as this imposes burden on both distance and inter-settlement community links. Local community transport in most cases means bus services in towns and cities; tram and trolley bus services are available only in Debrecen. Concerning the current situation of local community communications, the number of transported passengers has declined consistently over the past years, which is due, in part, to quality/capacity-related issues. (In 2005, the number of transported passengers per means of transport was 555,667; with this, the North Great Plain Region ranked 2nd among the Hungarian regions; the national average was 104.2%.) The reason why this trend is rather adverse is that passenger car transport replacing community transport carries a large number of risks from the perspective of both transport safety and environmental protection.

There is no scheduled passenger service along the **waterways** of the region; the only exception to this is a few scheduled ferry services along the River Tisza. Recreational navigation and water tourism are mainly restricted to the River Tisza. Constituting part of an ecological network of international importance, the hitherto relatively untouched river and its immediate environs with rich natural heritage (in particular, the section of the Upper Tisza between the state frontier and Tokaj) has a unique appeal to tourists. There is no national port handling public transport in the region; 12 ports handling passenger traffic along the River Tisza are engaged in seasonal navigation; the infrastructure supporting water tourism is not adequately developed.

The airport in Debrecen - operating as a permanent international commercial airport since April 2003 - plays an important role regarding to **air traffic**. Due to its size and location, the airport has the potential of a future transit airport handling both passenger and cargo traffic. The **airfields in Szolnok and Nyíregyháza** are likely to become destinations for scheduled domestic and international flights only in the longer term; the airfield in Kunmadaras has the potential of a future transit cargo airport over the medium term.

1.1.1.2. To strengthen the synergies between environmental protection and growth

Environment capital investments can contribute to economic development in three different ways. They guarantee the long-term sustainability of economic growth, reduce the external environment costs of the economy (e.g. medical and waste treatment costs) and encourage innovation and job creation. Future cohesion programmes should aim to strengthen badly needed co-operation between environmental protection and growth. Although in certain environmental issues (e.g. preliminary and impact assessments), in addition to overrepresented social and NGOs, private individuals also take an increasing interest and play an increasingly important role in the capital projects affecting their immediate environment, the low level of environmental awareness and sensitivity to the environment is still a problem in the majority of the population.

Infrastructural facilities in **dwelling**s in the North Great Plain Region have undergone significant development in the new millennium. The length of public utility pipelines supplying drinking water grew from 9,544.3 km to 9,787.2 between 2001 and 2006; simultaneously, the proportion of dwellings with piped drinking water also improved. As a result of such growth, early in 2006, regional figures (94.1%) reached the national average (94.1%); as regards the ranking of regions, the region outperformed the North Hungarian and South Great Plain Regions struggling with significant backwardness and ranked fifth. With drinking water supply, a key problem facing the North Great Plain Region is that drinking water from stratum water is contaminated (arsenic, ammonia, iron, manganese, boron, nitrite, etc.) which affects over 60%

of the settlements here. A solution to the problem is the regional programme aimed at the improvement of drinking water quality; the first stage of the programme is financed by the Cohesion Fund; once the preparation is over, the second stage will be implemented within the framework of the KEOP (Environment and Energy OP).

Of late, focus has been shifted onto and significant funds have been allocated to the development of the **sewage system**; as a result, there has been a sharp rise in the length of the sewage pipelines (3,138.3 km → 4,957.6 km) and the number of dwellings with piped sewage disposal (193,940 → 294,591) between 2001 and 2006. Development was, however, only able to reduce the degree of backwardness. Thus, in early 2006, with 48.7%, the North Great Plain Region ranked penultimate. Mainly at minor settlements, where there is no piped sewage disposal or where it is only partially available, sewage is collected in desiccating units or settling tanks, which are usually not properly sealed, giving rise to significant problems. In a significant number of the micro-regions within the region (10 out of 27) the proportion of dwellings with piped sewage disposal (30%) was less than half the national average (65.0%) in 2004. (It was below 30% in the Berettyóújfalu, Csenger, Derecske-Létavértes, Jászberény, Kunszentmárton, and Törökszentmiklós micro-regions.); however, the fact that this figure was 16 in 2005 indicates development.

Owing to EU assistance, the number of the settlements and the proportion of dwellings in the North Great Plain Region involved in **regular and scheduled waste collection** has been on the increase (in 2006: 356 places, i.e. close to 91.5% of the settlements in the region and 85.7% of the dwellings, which is still lower than the national average (91.0%)); selective waste collection is also becoming common. Nevertheless, we are still laying down the foundations for state-of-the-art waste management. In 2001, close to 4 million tons of waste was generated in the region; most (37%) was non-hazardous waste generated in agriculture and food industry; the quantity of solid and liquid communal waste (12.8% and 22.8% respectively) as well as industrial and construction/inert waste (7.62% and 11.9% respectively) is also significant. The proportion of waste types differs significantly from what is customary in the rest of the country. In 2000, agricultural, solid communal and industrial waste accounted for a mere 7.2%, 8% and 31.2% respectively of the amount generated nationally. The fact that close to 99% of the solid communal waste and 29% of liquid waste are disposed; the proportion of recycling is very low. Recently, financed by ISPA and the Cohesion Fund, major developments have been launched in order to improve waste management in the region. The Szabolcs-Szatmár-Bereg and Hajdú-Bihar County, Szolnok and Lake Tisza Waste Management Projects are among the major ones. Despite the projects launched, EU assistance has not been able to resolve all the waste management problems even within the project areas; thus, there have remained **serious waste management issues** to be addressed in the region. The environmental damage posed by waste disposal sites closed down or to be closed down also poses a threat. The proportion of selective waste collection is low and the selectively collected waste is neither recycled nor re-processed. (The waste management system that has started operating in Hajdú-Bihar County has led to considerable improvement.) The bodies of dead animals cause environmental problems, as their disposal is still unresolved. The quantity of waste has been growing consistently; however, there is no modern monitoring system in place and a complex environment protection industry is yet to be established.

Due to a lower level of industrialisation, air pollution is less of a concern here than elsewhere in the country; nevertheless, the public administration area of Szolnok and Nyíregyháza and the environs of Debrecen, based on their classification into air pollution zones (under the Regulation of the Ministry of Environmental Protection and Water Management No. 4/2002.

(X. 7.)), is rated as a polluted area. Following the change in regime, there was a material decrease on air pollution due, in part to the discontinuation of the operation of the industrial polluters and the technological upgrading of the companies that survived, and partly that most households had switched over to gas heating. Today, owing to the gas programmes completed, in addition to moderate heating-related household pollution, mainly **traffic-related air pollution** has come to replace industrial pollution; the result being that nitrogen-dioxide has become the main pollutant, which causes problems especially along major roads and in the environs of larger cities.

Another harmful effect of transport is an increase in the concentration of the near-surface ozone, which often exceeds threshold levels. The amount of settling dust increases in summer, which is attributable to drier weather, intensive farming and a natural phenomenon in the sandy areas in Nyírség. Floating dust is common along major roads. Based on 2002 data, both settling dust (semi-annual average value in summer: 133 g/m²/30 days, threshold value: 16 g/m²/30 days) and nitrogen-dioxide (semi-annual average value in the heating period: 222 µg/m³, threshold value: 40 µg/m³) significantly exceeded threshold values. Based on the data provided by the MTVM, air pollution caused by nitrogen-dioxide and floating dust affects mainly Hajdúszoboszló, Debrecen, Hajdúnánás, Tiszafüred, Nyíregyháza, Mátészalka, Kisvárd, Tiszavasvári, Vásárosnamény and Záhony.

In addition to air pollution, pollution caused by ragweed and pollen is also significant, the North Great Plain Region being one of the most afflicted areas in this respect.

Except for the River Zagyva, all the **rivers** in the region rise abroad, this determines water quality. The water quality of the River Tisza, which criss-crosses the region, varies between “good” and “moderately good”. The water quality of the Szamos, the Kraszna, the Túr and the Sebes Körös, its tributaries rising in areas beyond the border varies widely, the underlying reason being the industrial, mining and communal pollutants along the sections of the River beyond the border. Lake Tisza, one of the country’s largest lakes is situated in this Region; the quality of its water is, on the whole, good, although siltation, the appearance of algae and the proliferation of saligot (Water Chesnut) give rise to concerns. **Oxbows branching off the River Tisza** represent a special issue; although they are in differing conditions, they are all invaluable in terms of nature protection, agriculture, recreation and environmental protection. The most important natural resource of the region is **stratum water**, the utilisation of which is 26%, and is mainly restricted to cities and towns (in particular, Debrecen, Nyíregyháza, Jászberény, Törökszentmiklós, Mezőtúr, Tiszaföldvár-Martfű and Túrkeve).

The most serious risks to environment security in the North Great Plain Region include **floods, excess surface water**, the contamination of the rivers that rise abroad and the absence of an international monitoring system that can forecast or alert to them. Comprehensive flood protection along the River Tisza is yet to be solved in Szabolcs-Szatmár-Bereg and Jász-Nagykun-Szolnok counties; the current infrastructure of **dykes** fails to comply with the requirements that take into consideration benchmark flood levels. In the years to come the Advanced Vásárhelyi Plan is envisaged to play a key role in finding a resolution to the dismal situation and in mitigating the impact of the problems. Given the characteristics of the Region’s terrain, gravity cannot fully resolve the problem of **draining off** excess surface water. During the spells of drought in the 1980s and agrarian restructuring after the change of regime drainage systems fell into neglect, resulting in longer response times in drainage (from 1 to 2 weeks to 3 to 4 weeks) and a serious recurrent problem every year in the settlements of the Region.

Woodland in the region is below the national average (11.2% compared with the national 19.1%), which is further compounded by its fragmented nature. As regards the region’s natural heritage, **original phytocoenoses** are few and far between. Nevertheless, linked to the rivers

here and Hortobágy, Hungary's first national park and a world heritage site, there are protected areas of considerable size in the region. The Region's **habitats of national importance** are situated in sandy woods, sandy grassland, loess grassland, floodland forests, floodland meadow, saline grassland and marshland. These habitats and some of the protected species, which are more or less independent of such habitats, are today endangered, as fragmentation, reduction in the size of habitats, human interference, reduction in the diversity of species and desiccation threaten their survival.

There are vast expanses of Natura 2000 areas (overlapping bird sanctuary and nature conservation areas) with a combined size of approximately 367,000 hectares, accounting for close to 21% of the entire area of the region. Natura 2000 areas are shown on the maps in Annex 1 (Annex 1, Figure M1).

The most important natural resource in the North Great Plain Region as one of the country's most significant farming region is arable land. Several factors of land degradation (e.g. acidification, wind erosion, alkalinisation, erroneous cultivation, industrial and communal waste, erroneous groundwater management) threaten the condition of the various types of soil in the Region, which may lead to loss in the value and structure of the soil and, hence, a decrease in crops.

As to **built environment**, the settlements in the region, due to a dynamic yet, as a rule, quantitative increase, have mostly lost their traditional character, and relics of traditional architecture have survived in few settlements and only sporadically. It is mostly old settlement structures that have survived in large numbers in the built environment of the individual settlements, the number of the protected relics of the type of architecture that characterises a certain area are few. It is primarily cities and towns where brownfield sites (e.g. one-time military bases, airfields and industrial facilities), less attractive settlement centres and neighbourhoods with a population coping with multiple disadvantages pose a problem. In the region, according to the VÁTI database, there are military bases and industrial estates in 15 cities/towns; the size of brownfield sites is largest in Debrecen, Szolnok, Nyíregyháza and Berettyóújfalu (Annex 1, Figure M2). That they also comprise water or nature protection areas is a further problem.

The urban network of the North Grain Plain region is characterised by the fact that, apart from the three large cities, medium-sized and small towns are relatively weak on functions and the strength to organise the vicinity, which is also apparent in the economic attraction of these places and the situation of the population in the labour market. In regional comparison, this region has the highest level of unemployment.

The proportion of blocks of flats is significant primarily in the three large cities (the county seats). Indicators that suggest deterioration include the lower rate of people with higher education qualification, the high proportion of unemployed and households surviving solely on aids within the population of active age. Furthermore, deterioration is a threat primarily for those blocks of flats where the majority of buildings are 10-storey buildings.

Dilapidated urban sections that are not blocks of flats are often areas with pure infrastructure supply consisting of detached houses. The detrimental position of these areas is characterised by the higher proportion of people with no more than elementary school education and the low rate of higher education graduates; the high level of unemployment; the high proportion of those who survive solely on aids within the population of active age and the fact that the share of the people living in this area out of social support is higher than the city average.

The absence of green areas, the neglected state of the existing ones and the low number of concrete inner area roads are a typical Great Plain legacy. A further recurrent problem is untidy public places, pavements of poor quality and roads without an asphalt surface, which significantly increase dust pollution.

Noise pollution has been considerably abated by the construction of by-pass roads (some were completed by 2006, others have just begun) (in e.g. Szolnok, Törökszentmiklós, Kaba, Püspökladány, Hajdúszoboszló, Hajdúhadház, Téglás and Újfehértó, etc.) along Main Road no. 4; nevertheless, it is a problem yet to be addressed in settlements along major roads with heavy traffic (e.g. main roads 32, 42, 47 and 471). Besides public roads, rail traffic also adds to noise pollution. Several settlements are facing the problem of relocating industrial premises from inner to outer areas.

Nearly all settlements in the region have to respond to the challenge that there are no funds available for the renovation of **dwelling, public buildings or monuments**; the will on the part of the competent decision-makers and investors' commitment are also lacking. Pursuant to Government Resolution No 1015/2005 (II. 25.), unobstructed access to public services must be provided; however, local governments or institutions managed by the local governments cannot provide the conditions for such in most settlements in the region.

1.1.1.3. Address Europe's intensive use of traditional energy sources

Pursuant to the applicable EU stipulations, the share of **renewable energy resources** in domestic energy consumption will have to increase from the current 3.6% to 12% in 2010 in the European Union. Furthermore, in Hungary the share of electricity generated from renewable energy resources will have to increase from 0.8% in the base period to 3.6%. In this context, the utilisation of the potential offered by solar cells, solar panels, wind turbine generators, biomass-based heat and electricity generating system, the availability of homes heated by biomass, liquid bio fuels and other alternative fuels (e.g. hydrogen fuel supported by wind power stations) is **very low** in the North Great Plain Region. A further possibility is the utilisation of geothermic energy.

Such a low level of utilisation clearly indicates that only isolated developments have been implemented so far. The country's only biodiesel plant is in Kunhegyes. Biogas is produced in Nyírbátor. Wind power stations as recent developments in this area have been commissioned in Mezőtúr and Törökszentmiklós. Local communal boiler plants in Vásárosnamény and Mátészalka have switched over to wood chip-based heating.

This is in stark contrast to the fact that the amount of available reserves is considerable. The annual number of sunny hours increases in the North-South direction, exceeding 2,000 hours in most areas in the Region and it stands at 2,050 hours in the southern areas. The Region exhibits heterogeneous agrarian characteristics. There is excellent arable land in the Hajdúság and Jászság areas, the areas with less favourable characteristics where food industry-related production is to be discontinued are suitable for the cultivation of plants that can be utilised for energy production. However, transport costs are also an important factor to be considered when such utilisation is contemplated. Although the average speed of wind is below that in Transdanubia, scores of settlements in mainly West Jász-Nagykun-Szolnok County are contemplating the utilisation of wind power. Although nearly all settlements with thermal wells have, at one point, considered the idea of utilising geothermic energy, today it is still massively underutilised despite the geothermic gradient value in the Great Plain being three times the global average.

GUIDELINE 1.1.2: Improving knowledge and innovation for growth

The objectives of the European Union aimed at growth and job creation require a shift in economy towards knowledge-based activities.

1.1.2.1. Increase and improve investment in RTD

Fundamentally, the competitiveness of businesses in Europe depends on their ability to market new knowledge as soon as reasonably possible.

Research and development, which is mostly closely related to higher education, is one of the strengths of the North Great Plain Region; at the same time, however, it also raises certain concerns. The region ranks second in terms of the ratio of R&D expenditure to the GDP, (Annex 1, Table M5), third in terms of R&D expenditure per resident and fourth in terms of the share of R&D employees (Annex 1, Table M6); overall, by domestic standards, it has a very strong research base. Of the problems R&D faces, the most important is the fact that there are no R&D institutions in most cases. Nor are there networks connecting businesses, which could ensure the utilisation of research results and increase the proportion of market-oriented applied research.

1.1.2.2. Facilitate innovation and promote entrepreneurship

In the new millennium the entrepreneurial boom that characterised the 1990s has subsided; as a result, there has only been a moderate increase in the number of **registered businesses** (Annex 1, Table M7). What is more, between 2005 and 2006 we even witnessed a decrease (the rate of which exceeded the national rate, and was highest in Jász-Nagykun-Szolnok County within the region). On the other hand, increase between 2000 and 2006 was 11.9%, considerably exceeding the national average (8.2%). The largest increase was in Szabolcs-Szatmár-Bereg County (15.3%) and the lowest in Jász-Nagykun-Szolnok County (5.0%).

This favourable trend has only been able to mitigate the region's disadvantage in terms of businesses (Table 3). Relatively low entrepreneurial spirit is evidenced by the fact that, in terms of specific indicators, the region only precedes the North Hungary Region. Compared to the relevant national data, its backwardness is much more striking in the case of well-capitalised partnerships and businesses with 10 to 49 employees and those with over 250 employees. The situation looks somewhat more promising when we consider the fact that the number of medium-size enterprises with 50 to 249 employees per 1,000 persons accounts for 81.1% of the national average, which is 10% higher than the number for the entire entrepreneurial community (71.5%). A further problem is limited co-operation between the individual enterprises, which is attested by a lower number of clusters (2 or 3), an indicator of stronger co-operation.

Table 3: Specific indicators of registered enterprises in Hungary's regions in 2005

	A	B	C	D	E	F	G	H	I
Central Hungary Region	170.4	91.5	9.2	43.6	78.8	164.8	4.72	0.66	1.33
Central Transdanubia Region	111.3	37.2	2.7	16.2	74.1	108.0	2.76	0.42	1.12
West Transdanubia Region	118.4	38.0	2.5	16.8	80.4	114.8	2.99	0.50	1.20
South Transdanubia Region	113.2	35.5	2.6	14.4	77.7	110.2	2.47	0.41	0.52
North Hungary Region	81.0	27.6	2.1	11.2	53.4	78.4	2.17	0.32	0.70
North Hungary Region	85.7	29.7	2.1	12.0	56.0	83.0	2.25	0.39	0.63
Hajdú-Bihar County	92.9	33.4	2.8	13.9	59.5	89.9	2.47	0.41	0.82
Jász-Nagykun-Szolnok County	79.7	25.9	2.0	11.3	53.7	76.7	2.43	0.42	0.66
Szabolcs-Szatmár-Bereg County	83.1	28.9	1.4	10.8	54.2	80.8	1.91	0.34	0.43
South Great Plain Region	100.9	31.4	2.7	13.7	69.5	97.6	2.81	0.45	0.62
Hungary	119.8	49.4	4.3	22.2	70.4	116.1	3.17	0.48	0.94

A – number of enterprises per 1,000 residents, B – number of partnerships per 1,000 residents, C – number of joint stock companies per 10,000 residents, D – number of limited liability companies per 1,000 residents, E – number of sole proprietorships per 1,000 residents, F

– number of businesses with 0-9 employees per 1,000 residents, G – number of businesses with 10-49 employees per 1,000 residents, H – number of businesses with 50-249 employees per 1,000 residents, I – number of businesses with over 250 employees per 10,000 residents

Source: TEIR

As regards the territorial distribution of the registered businesses, the number of businesses per 10,000 persons is identical to the national average only in three micro-regions (Nyíregyháza, Debrecen and Hajdúszoboszló), while the Szolnok micro-region only approximated it. By contrast, in close to half of the micro-regions (Baktalórántháza, Hajdúhadház, Ibrány-nagyhalász, Csenger, Derecske-létavértes, Nyírbátor, Kunszentmárton, Törökszentmiklós, Püspökladány, Polgár and Tiszavasvári), the given number was below the corresponding national figure, which points to a major problem.

When studying entrepreneurial activity at a settlement level, it is hard to miss that the density of businesses in county towns, a few neighbouring settlements, and larger cities/towns in the counties, tourist destinations and settlements with or lying in the vicinity of a frontier station exceeds the regional average. The above facts are attributable to the following:

- entrepreneurial activity is more robust in large-size settlements and townships in the vicinity of county towns owing to larger market absorption;
- tourist destinations also hold an appeal to entrepreneurs;
- recently, a large number of businesses have been set up in settlements in the vicinity of frontier station in order that the advantages being near the state frontier can be gainfully exploited.

A significant impediment to the development of enterprises is an underdeveloped network of consultancy firms. Although there are chambers of trade and commerce and there is also a network of enterprise development in all three counties, according to the results of a questionnaire survey conducted within the framework of a situation analysis of the Regional Innovation Strategy, only 20% to 25% all respondents rely on the information provided by various intermediary and consultancy organisations regularly.

1.1.2.3. Promote the information society for all

Despite recent IT developments, the North Great Plain Region is still in a disadvantageous position as regards the spread of **information communication technologies**. In respect of most of the indicators (e.g. households with satellite connections, number of ISDN lines per 100,000 persons: 2004 – 3,389, households with Internet access in the home, businesses with Internet access: 2003 – 58%), the region ranks amongst the last in the regions.

1.1.2.4. Improve access to finance

One of the fundamental conditions for promoting knowledge and innovation is making access to funds easier. In order to promote growth and job creation, market-compatible support must be provided for businesses. The above presupposes an advanced network of financial services, which is, however, not fully available in the North Great Plain region. Based on 2004 data (Annex 1, Table M8), the region only precedes the Central Transdanubia Region in terms of the share of the financial intermediation sector in the GDP and the proportion of employees in such sector.

GUIDELINE 1.1.3 More and better jobs

In addition to improving competitiveness, the Lisbon Strategy has also set job creation as an objective, which is of key importance for the North Great Plain Region.

1.1.3.1. Attract and retain more people in employment and modernise social protection system

and

1.1.3.2. Improve adaptability of workers and enterprises and the flexibility of the labour market

For continued economic growth, the promotion of social inclusion and combating poverty, the widening of the base of business activity, rising employment and falling unemployment rates are indispensable in combating poverty.

As regards **the numbers employed**, there was consistent growth for a long time in the Northern Great Plain Region. There was, however, a significant fall between 2003 and 2005, followed by an increase in 2006. Between 2003 and 2005, the decrease affected Jász-Nagykun-Szolnok the most, whilst the increase between 2005 and 2006 was the highest also here.

An analysis of the rate of employment sheds light on a major weakness of the North Great Plain Region: it is rather low within the 15-74 age group by Hungarian, EU and international standards (2005: 44.7% compared to 50.5% in Hungary, 51.3% in EU25, 62.3% in the USA and 57.6% Japan); in this respect the region only precedes the North Hungary Region (figures for 2006: North Great Plain region: 45.75%; Hungary: 50.9%). On the other hand, it is positive that following a decrease between 2003 and 2005 (2003: 45.93%; 2004: 45.02%; 2005: 44.66%) the indicator increased in 2006 (45.75%). Of the counties, Hajdú-Bihar County and Jász-Nagykun-Szolnok County are in the most favourable position (ranking 13th-14th nationally), while Szabolcs-Szatmár-Bereg County ranked last in 2006.

The region's situation is far from being favourable by EU standards as well: in 2004, among the 249 NUTS 2 level regions, it ranked 230th, and among the 41 regions of the 10 new entrants it ranked 36th.

Unemployment is closely related to employment in the North Great Plain Region. While the rate of unemployment fell significantly between the late 1990s and 2003 (2003: 6,8%), there has been a sharp rise recently (2006: 10.9%), thus, the Region ranks 6th in Hungary (Table 4). Within the region, Hajdú-Bihar County ranks highest (12 in 2006), while Szabolcs-Szatmár-Bereg County ranked 20th in 2006.

The reason why, despite the unfavourable employment indicators, the situation of the Hungarian regions and, among them, that of the North Great Plain Region cannot, in terms of unemployment, be regarded as unfavourable in the EU is Hungary's specific circumstance (a high proportion of the economically inactive). In 2004 the unemployment rate in the EU stood at 9.2%. With its 7.2% rate the North Great Plain Region ranked 116th among 251 regions and 11th among the regions of the 10 new entrants.

Experts are divided on how an unemployment rate like this, which is high even by national standards, should be perceived. Many think that some of the unemployed (and their number should be high given the regional indicators) are perfectly suitable for retraining.

Table 4: Changes in the rate of unemployment in Hungary's regions between 1998 and 2005 (%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Central Hungary Region	5.7	5.2	5.2	4.3	3.9	4.0	4.5	5.2	5.1
Central Transdanubia Region	6.8	6.1	4.8	4.3	5.0	4.6	5.6	6.3	6.1
West Transdanubia Region	6.2	4.5	4.2	4.1	4.0	4.6	4.6	5.9	5.7
South Transdanubia Region	9.4	8.2	7.8	7.7	7.9	7.9	7.3	8.8	9.0
North Hungary Region	12.0	11.5	10.1	8.5	8.8	9.7	9.7	10.6	11.0
North Great Plain Region	10.9	10.1	9.2	7.8	7.8	6.8	7.2	9.1	10.9
Hajdú-Bihar County	9.6	8.8	7.1	6.4	6.6	6.0	5.7	8.4	9.2

Jász-Nagykun-Szolnok County	11.8	10.8	9.4	7.3	7.8	5.6	6.2	8.3	9.6
Szabolcs-Szatmár-Bereg County	11.6	11.0	11.2	9.6	9.1	8.4	9.5	10.3	13.6
South Great Plain Region	7.0	5.7	5.2	5.4	6.2	6.5	6.3	8.2	7.8
Hungary	7.8	7.0	6.4	5.7	5.8	5.9	6.1	7.2	7.5

Source: Time series of the labour survey, CSO, Budapest, 2004, The Statistical Yearbooks of the counties affected, Labour Market Review 2005, CSO 2006

A closer look at the micro-regional data on unemployment reveals that the Csenger, Fehérgyarmat, Vásárosnamény, Nyírbátor, Baktalórántház, Mátészalka, Hajdúhadház, Tiszafüred, Balmazújváros and Berettyóújfalú micro-regions are in the most unfavourable situation (twice the national average).

In addition to its high rate, the quality of unemployment is also very unfavourable: in respect of graduates, the North Great Plain region has the worst indicators (11.3%); in the case of those unemployed longer than 180 days (their share in the unemployed is 51.3%) it is only preceded by the North Hungary Region. Within unemployment, with regard to unequal opportunities, one cannot fail to notice duality: on the one hand, compared to other regions, there is hardly any difference between male and female unemployment (9.0% and 9.1% respectively); on the other hand, in respect of the above-referenced quality indicators, women in the North Great Plain Region are always worse off than men (the proportion of the graduates unemployed and the permanently unemployed is 11.4% and 55.5%).

A favourable development is that there is a developed secondary labour market in the region, which includes, among other things, public benefit employment, social land programme and social community work programme.

Due to poor employment and unemployment indicators, the North Great Plain Region is among Hungary's most backward regions in terms of inactivity and dependent status (Annex 1, Table M9). Of the counties, Szabolcs-Szatmár-Bereg County is the hardest hit, as in terms of the number of the economically inactive per 100 persons in employment it ranks penultimate, and last with the number of dependent persons. The specific situation of those on disability pensions is closely related to the situation outlined above: in the North Great Plain Region the proportion of the disability pensioners under retirement age (2005: 18.79%) exceeded not only the national average (2005: 15.27%) by over 3.5%, but it was also the highest among the regions.

Women are even worse off: the number of the economically inactive and dependent women per 100 women in employment exceeds the data for the total numbers employed. The value of the two indicators relative to the corresponding national figure is among the highest (Annex 1, Table M9). A further indication of women's disadvantaged situation is that female employment (2005: 38.2%) is only three-quarters of male employment, a situation that has further deteriorated recently (2003: 75.2%, 2004: 74.4%, 2005: 74.1%).

The underdeveloped state of the region's economy compared to the national average and resultant low wages give rise to grave **social problems**. As a result, in respect of most indicators (e.g. the number of those receiving subsidised meals, day care and regular social benefits per 10,000 residents), the North Great Plain Region ranks 6th-7th. Within the region, Szabolcs-Szatmár-Bereg County is the worst hit, as it ranks 19th-20th in respect of all the indicators. In the case of those that are in need of special care, a further problem is that with **the number of children at risk**, the region's indicator exceeds the national average significantly. Szabolcs-Szatmár-Bereg County is especially hard hit, as it is here that the number of the children at risk is the highest even by national standards, which, in turn, portends the

reproduction of poverty. Furthermore, it is here that the highest numbers of persons with disabilities live. According to the 2001 census data their number is 92,156. In the light of this, it is especially unfortunate, that despite the obvious widespread destitute, the monthly average amount of the regular social benefit is the lowest in all three counties in the region even by national comparison. Although there is an extensive network of institutions that provide care for the economically and socially challenged, there are no services that could help co-ordinate daytime care for children, family and career. In 2004, there were 181 institutions providing permanent and temporary accommodation, 266 clubs for the elderly and 17 for the mentally disabled. 53 settlements provided village caretaker services. Furthermore, when the specific indicators of social care are taken into account (e.g. the number of those receiving care at homes/institutions per healthcare worker), it is safe to say that figures for the North Great Plain Region are not dispiriting even when compared the data for other regions. It is true that in the case of the special needs groups, the social and child welfare day and temporary care facilities are often missing, additionally it is typical that they are mostly concentrated in larger towns/cities or in the county towns.

A specific segment of social issues is the problems associated with the Roma, which are, due to the high proportion of this ethnic group in the region and is especially acute (in the course of the 2001 census, the share of those identifying themselves as Roma in the population was 3.1%, which is the highest after the North Hungary Region; experts claim that the share of the Roma population is much higher, putting it at 10% to 12%).

Regarding the places of residence of the **Roma**, their proportion is lower in the region's more urban and economically more developed mid-section, while it is higher along the state frontier, in region boundaries and disadvantaged areas along the River Tisza (Annex 1 Figure M3). Of the three counties in the region, Szabolcs-Szatmár-Beregben is home to the most populous Roma community. Based on a survey carried out at a settlement level by Szabolcs-Szatmár-Bereg County Alliance of Ethnic Minority Local Governments, the proportion of the Roma within the entire population approximates 15%. Within the county, the Nyírbátor and Tiszavasvári micro-regions have the largest proportion of the Roma within the population (20.5% and 20.3% respectively). The proportion of the Roma is over 80% in Tiszabő, Jász-Nagykun-Szolnok County, and over 50% in Tiszabura. Both settlements have had a Roma mayor since 2002.

Some characteristics of the county's Roma population differ considerably from those of the majority society, and illustrate the problems that this region has to tackle in connection with this ethnic minority group. The age composition of the Roma population is rather young; the proportion of underage children is especially high (40%, compared to the 20.6% county average); by contrast, the proportion of those at least 60 years of age is very low (3.6%, compared to the 17.6% county average). Their level of education, especially women's, is rather low: over half of the 15+ did not complete primary education (compared to the 25% county average); a further four-tenths only went to primary school. Only 5% are skilled workers; 0.5% have a certificate of secondary education and a mere 0.1% hold a university or college degree.

The Roma's labour market position is particularly poor: only 4.5% of those identifying themselves as Roma were in employment, while over 55% (due, in part, to the high proportion of underage children) were dependent in 2001. A 2003 survey involving Roma organisations revealed that the most important sources of income for the Roma population were family support, child maintenance support, child-raising support, unemployment benefit odd jobs, day labouring, public benefit work and community work.

Problems have been identified also in the living conditions of the Roma: their dwellings are mostly without or only partly equipped modern convenience, and heavily segregated (close to

half of the respondents involved in the 2003 questionnaire survey reported housing segregation within the settlement).

NGO organisations, the number of which grew sharply over the past years (Annex 1, Figure M4), play an important role in resolving the problem mentioned above. Such a rise in their number was followed by quality developments financed from domestic and EU funds; representatives of the civil sector launched complex services in the service sector. The organisations operating the Region are especially active in environmental protection and labour market, focusing on the target groups during the implementation. Programme implementation experience shows that, despite everything, NGO's are facing increasingly tough professional challenges, due, in part, to increasingly strict application criteria, and, in part, the limited availability of the funds available for them, which greatly affects their ability to absorb funds. In the absence of a properly trained staff, the majority of the organisations are unable to raise the necessary funds, get stuck at a certain stage of their development, are unable to make any progress towards high-quality implementation, and after a while their operation – both financial and professionally, get stranded.

1.1.3.3. Increase investment in human capital through better education and skills

One of the most serious problems in the European labour market is the fact that many cannot enter or stay permanently at the labour market for lack of proper education or training.

Raising the standard of training is all the more a topical issue as economic development presupposes the availability of the necessary human resources, and as regards the educational level of the population (Annex 1, Table M10), the North Great Plain Region ranks last among the regions in respect of two indicators (the 15+ age group completing at least primary education; the 18+ age group having at least a certificate of secondary education. (The situation is especially serious in the case of primary school students, since in this category Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg Counties rank penultimate and last respectively among the counties).

At the pre-school level overcrowded **crèches** pose a serious problem. Compared to the national 93.4% utilisation, the corresponding figure for the North Great Plain is 96.5%; it is especially high (over 100%) in the Hajdúhadház, Ibrány-nagyhalász, Hajdúböszörmény, Baktalórántháza, Nagykálló, Derecske-létavértes, Nyírbátor, Balmazújváros and Tiszavasvár micro-regions.

Similarly to national trends, the North Great Plain has also witnessed a drop in **the number of primary school students** (academic year 2001/2002 – 165,045 students, academic year 2005/2006 – 151,945 students). Although the number of teachers did not follow this trend for a long time (academic year 2001/2002 – 14,708 teachers, academic year 2003/2004 – 14,797 teachers), financial considerations made themselves felt last year (academic year 2005/2006 – 14,178 teachers). In consequence, the rather desirable fall in the number of students per teacher has stopped; it has even grown somewhat.

In terms of quantity indicators (number of classrooms, number of students in a class, the teacher-to-student ratio) differences between the individual schools are not material; when, however, it comes to quality (e.g. availability of language classes, IT infrastructure, study circles, out of curricula activities, availability of teaching/learning material, the standard of school infrastructure, sports facilities, etc.), the picture is completely different. As a rule, standard is lower in smaller settlements.

In addition to a decreasing number of students, the development of crèches and primary schools is also justified by the general state and physical condition of schools and the standard of the services that they provide.

In the 1990s, simultaneously with changes at a national and global level, **secondary level education** also underwent a fundamental structural transformation in the North Great Plain Region. As the number and proportion of students at trade schools fell significantly, so the other two types of secondary education (grammar school and secondary modern school) grew in importance. As a result, the number of students at secondary modern schools (former trade schools), vocational schools and grammar schools standing at 76,464 in the academic year 1990/1991 rose, according to preliminary data to 89,499 in 399 institutions of secondary education in the academic year 2005/2006. As a result of the above referenced processes, the Region now faces a shortage of skilled workers, which may hinder the development of both processing and construction industry. A further difficulty is that tension between the various institutions (e.g. local government, municipal government, the churches and NGOs) in charge of schools often compromises the standard of education.

Institutions of **higher education** have a long-standing tradition in the region, with specialised institutions among them. Debrecen is a major and dynamically developing university centre of not only the Region, but also the country. University level education is available only in Debrecen, while college-level education is available in Nyíregyháza, Szolnok, Hajdúböszörmény, Jászberény and Mezőtúr.

1.1.3.4. Administrative capacity

Taking into account the number of the **settlements with an urban status**, which play a key role in the implementation of various programmes, the North Great Plain Region is one of Hungary's most urban regions: in 2005, compared to the national 9.2%, 16.2% of its settlements had an urban status (which means a total of 63 cities/towns). Computed with a population as at 1 January 2005, compared to the national 66.1%, 63.1% of the region's population lived in towns/cities. If we also take into account the settlements that were awarded an urban status in 2005, it rises to 64.4%. A serious problem facing the region is that, among the cities/towns in the region – especially on the peripheries –, low-performing settlements with hardly any impact on the surrounding space, providing services of a rather unpredictable standard are strongly over represented, while there are only few medium-size towns and truly large cities. Furthermore, the standard of local administration in the majority of the settlements with or without an urban status is rather low. E-administration is still few and far between.

1.1.3.5. Help maintaining a healthy labour force

In the North Great Plain Region **the number of the population** fell between 2001 and 2005; its extent was, however, below the national average. Thus, in respect of this indicator, it ranks 3rd among the regions. The reasons underlying the favourable trend are fundamentally standard demographic processes: although there has been natural waste in the North Great Plain Region recently, its extent (2003: 2.7‰; 2004: 2.2‰, 2005: 2.8‰) has long been the lowest in the country. The situation looks more dismal in respect of migration. The Region has long been regarded as a “population emitter”, with the resultant negative migration balance.

Regarding the counties constituting the North Great Plain region, it is safe to assume that, from the perspective of **natural demographic processes**, Szabolcs-Szatmár-Bereg County is in the most favourable situation quantitatively: decrease in the population was the lowest here after Pest County. Furthermore, in 2005, among the counties, in respect of the birth ratio, it ranked second (Hajdú-Bihar County ranked 3rd), while, in respect of mortality Hajdú-Bihar County and Szabolcs-Szatmár-Bereg County ranked 4th and 6th respectively. Just the opposite the case with migration: in respect of emigration, Szabolcs-Szatmár-Bereg County has had very poor indicators for a long time now. The same has also held true for Jász-Nagykun-Szolnok County. A look at the trends in the counties reveals that the majority of the settlements where the number of the population has increased are in the vicinity of Debrecen, Nyíregyháza and

Szolnok, which is attributable primarily to emigration from the county towns. At the other end of the spectrum, too, there emerges a spatial trend: the majority of the settlements with a shrinking population are situated on the peripheries, where access is difficult, in the vicinity of the county boundaries or the state frontier.

The North Great Plain is a **region with the youngest age composition in Hungary**: the ageing index was the lowest in both 2001 and 2005. Within the Region Szabolcs-Szatmár-Bereg County is in the most favourable situation, as its ageing index was below 1 even in 2005, which is ascribable to the high proportion of the Roma population discussed above. However, in the coming period, similar to the national trend, ageing is expected to accelerate, which, in turn, will lead to an increase in those in need of care.

Despite a mortality ratio that is below the national average, **the population's state of health** is far from being good. An analysis of the individual age groups shows that, except for the age group of 0-9, regional data are worse than national figures in all the other age groups. In addition, despite some improvement over the past years, in respect of life expectancy at birth, the Region ranked penultimate among the regions for both men (67.72 yrs) and women (76.62 yrs) in 2004.

Unfavourable health data are likely to be related to the fact that the standard of health care is not satisfactory, and that the distribution of and load on healthcare are uneven. The development of the institutional system cannot catch up with the number of those in need of care. Although in terms of the availability of pharmacies and ambulance the North Great Plain Region ranks 2nd-3rd (as regards the former, it should be noted that there are no pharmacies open for the public in 130 settlements of the Region), it ranks last among the regions in the country in respect of the provision of GP and penultimate in respect of the mean indicators of hospital beds. A further problem is the absence of complex centres of prevention and health protection, leisure centres and those promoting regular exercise, multi-functional community space and a regional healthcare system tending local residents as well as the low standard or, in some areas, a lack of institutions of rehabilitation.

1.2. SWOT ANALYSIS

Strengths	Weaknesses
<p>GUIDELINE 1: Making Europe and its regions more attractive places to invest and work</p> <ul style="list-style-type: none"> • In most parts of the region potential for agricultural production is favourable. • Processing businesses operational here are suitable for the establishment of a supplier network. • Tourist attractions with national and international appeal, considerable natural, environmental and cultural heritage, relatively intact natural heritage • Significant logistics potential • The regional airfield in Debrecen operates as an international airport. • There are significant surface and subterranean water reserves. • The region has good potential for increasing the proportion of renewable energy production. <p>GUIDELINE 2: Improving knowledge and innovation for growth</p> <ul style="list-style-type: none"> • Significant regional research potential <p>GUIDELINE 3: More and better jobs</p> <ul style="list-style-type: none"> • Sizeable labour force ready to be retrained • Strong secondary labour market with a long tradition • A large number of NGO’s are operational in the region; they now play an important role in an increasing number of areas. • A diverse and advanced system of institutions of tertiary education • The age composition of the region is the youngest in the country. 	<p>GUIDELINE 1: Making Europe and its regions more attractive places to invest and work</p> <ul style="list-style-type: none"> • The specific indicators of FDI are low compared to national indicators. • The number of highly processed agricultural products is low. • Industrial parks are underutilised; the region’s capital investment indicators are poor. • A low number of complex tourism products; poor income-generating ability of tourism • Significant regional concentration and seasonality of tourism • Deficiencies in the institutional system of tourism and limited accommodation capacity • A poor transport network with bottlenecks hinders fast access to micro-regional centres. • Suburban mass transport is not satisfactory and fails to serve the links between city and its conurbation. • Substantial degradation of part of the natural and built environment • Low level of environmental protection infrastructure (inadequate drainage, deficiencies in combating excess surface water, certain types of habitats are threatened, their physical condition is unsatisfactory) • Low proportion of the production and use of renewable and alternative energy <p>GUIDELINE 2: Improving knowledge and innovation for growth</p> <ul style="list-style-type: none"> • Poor communication between researchers and the business community; the structure of research and the demand of companies are mismatched. • Poor co-operation between businesses; a large number of so-called “forced enterprises” <p>GUIDELINE 3: More and better jobs</p> <ul style="list-style-type: none"> • Employment is below the national average; the structure of unemployment is unfavourable. • A low number of institutions of social and daytime care and halfway houses, especially as regards groups with specific needs and young children • A high proportion of population with multiple disadvantages (the Roma, persons with disability, children at risk) • Human and financial barriers to the further development of the NGO’s

	<ul style="list-style-type: none"> • Low educational level of the population • A large number of peripheral settlements with centres with a weak impact on surrounding space and services of uneven standard • High mortality rate and a high number of people with physical disabilities in the region, low number of healthy years • Uneven regional distribution and an overloaded healthcare system • No established complex system for an active way of life or social and community functions
<p style="text-align: center;">Opportunities</p> <p>GUIDELINE 1: Making Europe and its regions more attractive places to invest and work</p> <ul style="list-style-type: none"> • Foreign investors' interest in the region • Increasing demand for specific indigenous high-quality or bio-products, with resultant rising prestige of ecological farming • Increasing domestic and international demand for high-quality complex tourism products, thus especially for health, eco-, leisure, sport and event tourism • Increasing international transit trade in the region • Development of the technical conditions for the diverse utilisation of thermal water • Spread of environment awareness; pick-up in the environment industry and waste management market • EU requirement: strengthening of the role of alternative and renewable energy management <p>GUIDELINE 2: Improving knowledge and innovation for growth</p> <ul style="list-style-type: none"> • A key EU priority: increase in the R&D spending <p>GUIDELINE 3: More and better jobs</p> <ul style="list-style-type: none"> • Interest in the region of foreign investors creating jobs 	<p style="text-align: center;">Threats</p> <p>GUIDELINE 1: Making Europe and its regions more attractive places to invest and work</p> <ul style="list-style-type: none"> • Foreign investors staying away; scarcity of financing needed to combat permanent capital constraint; lack of participation in global production and supplier chains; absence of financial connections • Stricter requirements and formal standards of the single European market • A consistently high number of vehicles results in increasing noise and air pollution ; overloaded and deteriorating infrastructure; higher probability of accidents • Permanent climate changes, increasingly extreme weather • Source of damage to the nature and environment and natural disasters: other side of the border <p>GUIDELINE 2: Improving knowledge and innovation for growth</p> <ul style="list-style-type: none"> • Increase in foreign or non-EU R&D potential; lower specific values <p>GUIDELINE 3: More and better jobs</p> <ul style="list-style-type: none"> • Fewer central funds to finance the operation and development of public supply (education, culture, healthcare, active and community functions and social care) • Increase in the number of those needing health or social care; the development of the institutional system cannot keep pace

1.3. CATEGORIES OF TERRITORIAL PLANNING APPLICABLE TO THE NORTH GREAT PLAIN REGION

Territorial planning categories (hereinafter: spatial categories) are not identical to the spatial units of the region according to various aspects (e.g. classification of cities/towns into categories according to functions, administrative classification, environmental, small areas, etc.). Rather, they mean spaces that form, as much as it is reasonably possible a contiguous unit in terms of regional development intervention strategy.

For efficient territorial planning a clear system of spatial categories is needed within a given region. In keeping with the Lisbon Strategy of the European Union, the objective is **the strengthening of competitiveness** in the region as a whole and at the level of the individual areas. In order to be able to achieve it, we must, taking into account local attributes as much as possible, focus development funds on the sectors and areas with the best outlook (**the principle of concentration is also a currently effective principle of the EU**).

The ultimate goal of creating spatial categories is to group the settlements with largely similar problems, characteristics and potential in order that later a combination of development priorities may be assigned to them which differ by spatial categories and which, according to those participating in regional planning, offer them reasonable future alternatives. Inclusion in various categories does not mean any advantage or disadvantage to a settlement when development funds are distributed; rather, the settlements in the various **spatial categories receive, due to their differing characteristics, a specific development mix whose content differs from one type to the next**. Such development packages and regional weights can be taken into account **within** the individual **measures**.

In designing spatial categories it is important that attention should be paid to the fact that the North Great Plain Region is a fundamentally **rural region**. Of the 27 micro-regions, 21 qualify as rural (HAS CRR, 2006), and comprise 76% and 56% of the settlements and the population respectively. A further characteristic of the North Great Plain Region is **a spatial structure with bands**: close to 40% of its settlements lie along public road axes consisting of at least secondary main roads, comprising 70% of the Region's resident population (HAS CRR, 2006). In the North Great Plain there are **three major types of special space**. **Tisza-mente** (the area along the River Tisza) comprises 93 settlements with a population of approximately 320,000. The **Hortobágy National Park** and the **Körös-Maros National Park** border 23 settlements (with a combined population of close to 230,000). Finally, **along the state frontier** 59 settlements (with a population of approximately 80,000), although the issues of being situated along the border affect a larger number of settlements with a more sizeable population. The settlements in the referenced types of space exhibit such specific characteristics that we strove to take into account, at least in part, in designing the categories of territorial planning. The role of the specific types of space in differentiation will assume importance in mainly the implementation of the development objectives and in the **calls for applications**.

The categories of territorial planning were used in determining the spatial focus of the individual interventions. Calls for application accord priority to the areas included in the individual categories of territorial planning in the case of interventions adjusted to their specific development needs. The description of each measure sets out the geographical areas concerning which applications may be awarded extra scores in the course of the evaluation thereof, with environmental and sustainability taken into account.

In designing the spatial categories of regional planning, we strove to incorporate three different considerations:

- the incorporation of the characteristics of the spatial structure of the North Great Plain Region,
- taking into account of the spatial categories of the National Regional Development Concept,
- the evolvement of a clear straightforward spatial system (a reasonable number of categories, inclusion of one settlement type in one spatial category).

We designed the categories of territorial planning bearing in mind the above considerations and relying on literature on socio-geography and regional development, the results of applied research carried out in the region as well as our own empirical studies based on statistical data. (Figure 4, Table M11 shows the method used for the identification of settlements in Categories 1.3 and 2.)

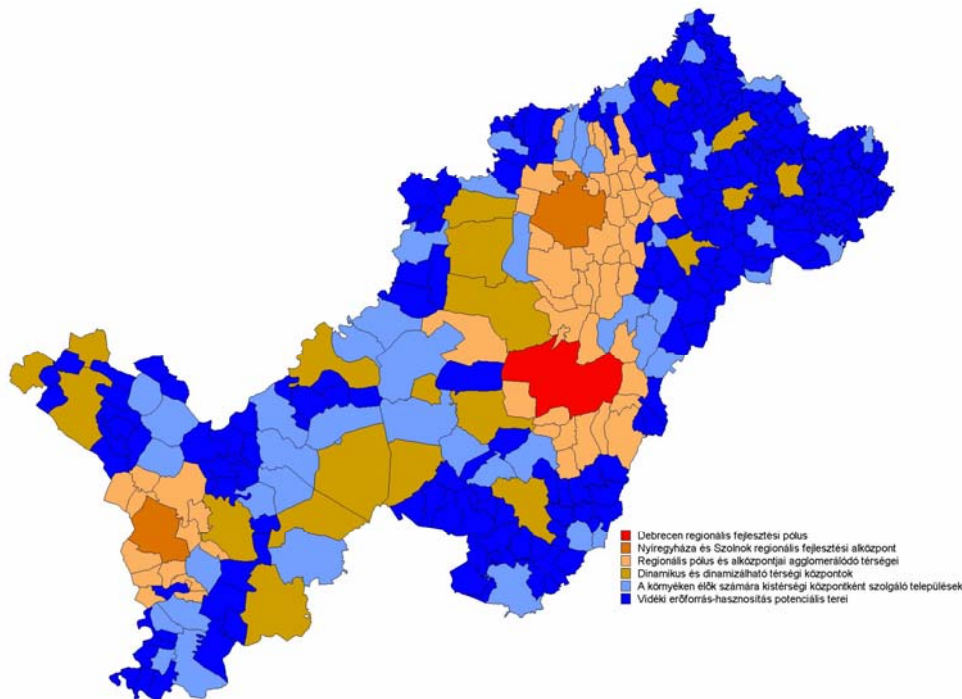


Figure 4: The individual spatial categories of the North Great Plain Region

Source: our own

[The following headings equate to the maps key]

Debreceen regionális fejlesztési pólus = Debreceen regional development pole

Nyíregyháza és Szolnok regionális fejlesztési alközpont = Nyíregyháza and Szolnok regional development sub-centre

Regionális pólus és alközpontjai agglomerálódó térségei = Conurbation regions of regional poles and their sub-centres

Dinamikus és dinamizálható térségi központok = Dynamic regional centres/regional centres that can be dynamised

A környéken élők számára kistérségi központként szolgáló települések = Settlements serving as micro-regional centres for those living in the vicinity

Vidéki erőforrás-hasznosítás potenciális terei = Potential spaces of utilisation of rural resources

The development pole of the region and its sub-centres were identified by the National Regional Development Concept; the separation of their conurbation from the rural space and

treatment together with the central settlement were based on the statistics that we processed, with close attention paid to the approach of the NRDC.

The overwhelming majority of the micro-regions in the North Great Plain are outside the conurbation of the county seat, and their competitiveness is subject mostly to the dynamism of **the small and medium-size towns acting as their centres**. In order for them to be assisted, it is important that the small and medium-size towns that can be dynamised and with a relatively major weighting which significantly influence the development of rural micro-regions should feature as a separate spatial category.

Finally, the third major spatial category includes small towns and mostly backward settlements on **inner and outer peripheries**. In identifying the settlement in the individual sub-categories, we took into consideration the specific objectives and regions in the NRDC. Certain settlements that perform dedicated functions (e.g. frontier stations, tourist destinations) were accorded special weight within a given category. A detailed list of the settlements in the individual categories is contained in Annex 3.

1. Regional development poles and sub-centres

This category comprises those settlements in the region that may become the primary sites for growth. The designations “pole” and “sub-centres” denote not only the three major cities of the region, but also a much wider space that comprises several settlements and forms conurbation around a centre with intricate socio-economic relations.

1.1. The Debrecen regional development pole

The second largest city in Hungary and the largest in the Great Plain, Debrecen has been performing an exceptionally high number of functions for decades now. As a regional centre, its power and urban impacts on the entire region are undisputed. Data on its share in the region are almost identical to that of Budapest in the country. It comprises 13.3% of the population and close to 21% of all businesses in the region. 23% of all the white collar workers live in Debrecen, and 45% of the region’s students enrolled at institutions of higher education go to Debrecen University

1.2. The Nyíregyháza and Szolnok regional development sub-centres

The conurbation of the two cities covers the size of a county. In this regard, Szolnok is in a special situation, since the conurbation around it stretches beyond the county of which it is the seat and peripheries seem to have stronger links with other centres. Although their R&D potential is less favourable, conditions favour industrial operations. The combined weight of the two sub-centres approximates that of Debrecen, comprising 12.5% of the population and close to 23% of businesses

1.3. Regions in the conurbation of regional poles and their sub-centres

Over the past few years there has emerged a region forming conurbation around Debrecen, Nyíregyháza and Szolnok; it was the primary target area first of the population moving from the county towns, and later of businesses. These regions and their centres constitute a single economic and labour market space

2. Dynamic regional centres/regional centres that can be dynamised

Centres of small and medium-size towns in a fundamentally rural space outside the conurbation in the vicinity of the three county towns. These are situated along major transport axes, i.e. primary or secondary main roads and major rail links with a sizeable population; they represent a significant

economic weight and have a developed institutional system.**3. convergence**

Regions

awaiting

Settlements that are economically and socially disadvantaged and/or lie in a traffic shadow on the inner or outer periphery. Part of the group are major settlements with in smaller regions; they have either a certain number of institutions serving the population of other settlements and qualifying as urban functions or some dedicated functions (e.g. tourist destinations, frontier stations). The rest provide only basic supply (wholly or in part) for their population.

3.1. Settlements servings as micro-regional centres for those living in the vicinity

Part of this settlement group is comprised of those towns that are not included in any one of the above groups; those settlements with a non-urban legal status that, concerning the functions that they performs and the services that they provide for the population of the neighbouring settlements, are the centre of a given region must be included in this group. The settlements that perform dedicated functions (e.g. tourist destinations, frontier stations) are also included in this category.

3.2. Potential plans for the utilisation of rural resources

This group includes the settlements that constitute the conurbation of any of the centres of the previous groups and are situated outside the regions that undergo conurbation around county towns. Their community and economy mostly stagnate or decline.

Close to 80% of the settlement in the region are included in the third category of planning. Due to a higher number of settlements in the conurbation of the development pole and the sub-centres, the share of the first category exceeds 15%. The picture is significantly different as regards the size of the population in the individual categories: the population in the first and third account for close to 40% of the total population, while the corresponding figure for the second category is 20%.

The spatial categories provide evidence that there are significant differences in the level of development between not only the micro-regions in the region, but also between the individual settlements included in the spatial categories. The classification of the settlement in these spatial categories was based, according to the research carried out by HAS CRR and Debrecen University, on the following statistical data and indicators:

- Social dynamic of settlement indicator group (resident population, dynamism, proportion of white collar employees, new dwellings);
- Functional development and dynamism of settlements (26 functional institutional variables);
- Ranking based on region qualifier indicator groups (demography, employment structure, changes in employment, unemployment, economic indicators, infrastructure, other specific indicators).

The results of a comprehensive study provide evidence for the magnitude of differences between the individual areas in the region, namely that there are areas that can be easily integrated into the dynamic development of the region and those that badly need developing.

1.4. MAJOR LESSONS FROM THE PREVIOUS PROGRAMMING PERIOD

Before 2004, during the 2000-2006 programming period of the EU, the North Great Plain Regional Development Agency only participated in the implementation of the Phare programmes. In so doing, it gathered a large amount of experience that it will be able to rely on in future implementations. Established national planning also used operational programmes in the 2004-2006 programming cycle, which included the content of the individual sectoral operational programmes and adopted a territorial approach. However, in this period, a single regional operational programme was prepared, which applied to all the regions of the country and had the following key priorities:

1. Developing the tourism potential of the regions
2. Developing regional infrastructure and communal environment
3. Strengthening the regional dimension of human resource development
4. Technical assistance

Between 2004 and 2006, the North Great Plain Region started to utilise Structural Funds within the framework of the First National Development Plan in the Operational Programme for Regional Development (OPRD). It used 22.02% of the entire amount of the funds allocated to OPRD, with a 3-year budget of assistance amounting to approx. HUF 23.342 billion.

The implementation of the OPRD (2004-2006) started on 18 February 2004. In order to achieve the objectives set in the operational programme, in 2004, 9 calls for applications were published, 8 of which applications can be submitted in an on-going manner. In 2005 1 call for application was published again and 3 central programmes were launched. In terms of absorption, the OPRD surpassed all expectations; of the calls for applications to which applications can be submitted in an on-going manner, 4 were suspended in late 2004 and a further 3 in 2005. In early 2006, the only remaining call for application was suspended as well.

A total of 379 applications had been submitted to the Intermediate body up till 9 February 2006. The Managing Authority evaluated and decided on 282 applications; the amount of assistance granted exceeded HUF 21.459 billion. So far, 90 subsidy contracts had been signed bilaterally. Relative to the 3-year budget of the OP, assisted projects account for 91.9%. The total capital expenditure of the contracted projects is HUF 28.541 billion.

Based on the previous period, the following successful measures and procedures should be taken and adopted respectively again in the 2007-2013 period:

Of the calls for applications published within the framework of the OPRD of the 2004-2006 period, it was in the case of Measure 2.3: "Infrastructure investment in pre-school institutions and primary schools", Measure 3.2: "Support for local employment initiatives" and Measure 1.2: "Developing tourism-related services" that requests for assistance exceeded the available funds the most, suggesting overwhelming need for development.

As indicated by the experience of the 2004-2006 programming period, it is reasonable to continue the measures that are aligned to the directions for developing sectoral strategies, given that they are substantiated by regional needs. Based on sectoral consultations, we continue to propose that the development of the infrastructure of crèches and institutions of primary education and tourism-related development measures continue to be financed within the framework of ROP, while local employment initiatives are envisaged to be supported within the

framework of the sectoral operative programme for supporting local employment initiatives (Social Renewal Operational Programme) and the NOGPOP.

A considerable number of projects were received in response to tourism measures in the previous period, with a high rate of excess in the number of applications submitted. Favourable experience was gathered with business entities as beneficiaries primarily for the measure that supported the development of tourism accommodation capacities, where such entities performed their tasks as beneficiaries quickly and flexibly. The non-profit and municipality sector, which was the beneficiary for developing attractions, responded less flexibly and more bureaucratically. Furthermore, as regards business entities, project implementation was accelerated and its efficiency was enhanced by the fact that the maximum 50% support intensity did not call for public procurement.

Based on the experience of the 2004-2006 programming period, it is reasonable to carry on the consulting activity for small and medium-sized enterprises, which was supported out of the Economic Competitiveness OP and should be carried on under the NOGPOP. During those three years, several thousands of businesses have used the basic consulting provided free of charge, which assisted them in acquiring funds and project generation activities in addition to day-to-day activities. Typically, advanced consulting was used by businesses that had been awarded support for technological modernisation, for whom consulting made a contribution to further development.

The open procedure of calls for applications is justified for certain measures, thus it is to be adopted in the 2007-2013 period as well.

Perception of the operation of the micro-regional network of consultants established within the framework of the programme called “The NDP meets you in the home” was favourable. Consultants provide assistance for project hosts with the implementation of the projects assisted within the framework of the First National Development Plan. The network should continue to be operated in the next programming period as well, and it should be developed, using the current network of consultants as a base, within the organisational framework of the regional development agency.

In the previous programming period problems, too, were encountered in connection with the measures and procedures. Therefore, they should be modified in the 2007-2013 period. The problems were as follows,

The slow, rigid and over regulated operation of the institutional system of implementation led to the emergence of problems in the case of both the Phare programmes and the 2004-2006 OPRD.

In the case of Measure 3.3: “Strengthening cooperation of higher education institutions with local actors

”, willingness to submit applications was strikingly subdued in the first year, which was due, in part, to the availability of HEFOP (Hungarian abbreviation for Human Resources Development Operational Programme) applications, which were simpler and more favourable for institutions of tertiary education, and, in part, to the fact that Measure 3.3 of OPRD required new types of activities, co-operation and thinking to which institutions of tertiary education were somewhat late in responding. In the case of “Measure 3.2: Support for local employment initiatives”, only a few applications were submitted at the beginning of the cycle; later, however, with the

applicable legal regulations modified (the guarantees to be offered by the applicants were first made easier to understand, later their provision was no longer stipulated), interest picked up.

As regard measures in support of brown field development, the disorderly ownership relations represented a problem due to which a significant portion of the project implementation period was consumed by settling the ownership situation after the contract was concluded. For the period 2007-2013, orderly ownership situations should be set as a condition for submitting applications.

Often, two intermediate bodies were responsible for the management tasks of one measure. As a result, applicants were often at a loss as to which they should turn to with certain problems. Furthermore, it made the system of implementation somewhat rigid. Thus, it seems reasonable that only *one* intermediate body (the regional development agency) be designated to manage the measures in the 2007-2013 period.

Some calls for applications of the OPRD failed to define clearly enough eligible activities; as a result, several applications had been rejected, since they included ineligible activities. Therefore, during the planning of the NGPOP close attention have to be paid to the determination of the eligible activities; when evaluation criteria are laid down, greater emphasis must be given to the sustainability of the projects.

A large number of applications were submitted in the 2004-2006 period, which led to an unreasonably high number of applications received; the standard of quite a number was, however, rather low. In a number of cases it was the intention to obtain the largest possible amount of financing rather than a genuine need that could be identified in the applications. Therefore, in the next period, serious efforts will have to be made to evolve and properly operate a *project channel*, so that, in particular, need-oriented projects that can adjust to the systems of assistance can be identified, project development ensuring that the *high standard* of projects can be implemented and information and consultancy can be provided.

As an open procedure of calls for applications does not work efficiently when only a limited group of applicants are invited to bid (e.g. in the case of the reconstruction of roads in outer areas), in such cases projects must be subjected to preliminary screening (the use of project dossiers). An open procedure of calls for applications is unsuitable for the on-going submission of applications, as it cannot identify the applications that best suit the programme. Therefore, the adoption of a staged procedure seems to be justified.

1.5. DEVELOPMENT POLICY OBJECTIVES DETERMINING REGIONAL PLANNING

Regional planning in the 2007-2013 programming period is subject to the need for achieving a number of European objectives. The main **medium-term development policy objectives** of the European Union are contained in the economic and social reforms known as the Lisbon Process and the Gothenburg environment reforms.

The objective of the **Lisbon Strategy** is to turn the European Union into the world's **most competitive** and **most dynamic** knowledge-based **economy** by 2010, the sustainable growth of which is based on research and development, innovation as well as the widespread use of information and communication technology.

The **Lisbon Strategy** also sets **social objectives**, in connection with which great store has been set by the expansion of employment, social and economic cohesion, the strengthening of a converging society and the increasing of solidarity.

According to the comprehensive interpretation of **sustainable development** by the European Council in **Gothenburg**, increasing the performance of the economy and the preservation of the environmental conditions are a combined condition for social progress. Social needs can only be satisfied in a manner that is in line with the ability of the natural environment to provide a livelihood.

The mid-term review of the Lisbon Strategy and sustainable development took place in the spring of 2005. Based on experience suggesting mixed results, new aspects of the implementation of the objectives were provided. The reviewed Lisbon Strategy focuses on **growth** and the **expansion of employment**. Toward this end – in line with the objectives of the European Employment Strategy –, it expects the member states to adopt a balanced approach to the improvement of employment and productivity. In order for the Lisbon process to be better coordinated, based on the Commission’s guidelines, **a National Reform Programme** aimed at the attainment of the growth and employment objectives of the 2005-2008 period has been worked out. The guidelines of the programme are summarised in the table below.

I. Macro-economy
I.2.1. Fiscal course supporting macro-economic stability
I.2.2. Sustainable economic development and budget stability on the long term
I.2.3. Distribution of resources promoting growth and employment
I.2.4. Wage policy promoting macro-economic stability and growth
I.2.5. More flexible commodity and labour market
II. Micro-economy
II.2.1. Research and development – widening the base of competitiveness
II.2.2. Business environment dynamization
III. Employment
III.2.1. Attract and retain more people in employment and modernise social protection systems
III.2.2. Improve adaptability of workers and enterprises and the flexibility of labour markets
III.2.3. Increase investment in human capital through better education and training

The EU’s **cohesion policy** is crucial to the achievement of the strategic objectives set in the Lisbon Decision (on the improvement of competitiveness) and the Gothenburg Decision (on the promotion of sustainable development) and the mitigation of the significant territorial imbalances identified in the Third Cohesion Report. The **concentration of funds** is a key consideration in the national and regional development programmes between 2007 and 2013. In keeping with this, the number of cohesion policy priorities has been reduced, with the legal regulations applicable to the Structural Funds consisting of three priorities for the period between 2007 and 2013:

- **Convergence:** Its main objective is to promote growth and job creation in the least favoured countries and regions in a manner that it contributes to the emergence and strengthening of the factors that are conducive to the convergence of economic performance and the conditions boosting economic growth (the so-called real convergence).

- **Regional competitiveness and employment:** Its main objective is to promote changes, and within this the acceleration of economic transformation and increasing employment and productivity.
- **European territorial co-operation:** concerted and balanced development in the European Union, which intends to promote the integration of EU areas through providing assistance with cross-border and transnational co-operation.

On the basis of the level of its economic and social development, the North Great Plain Region is among the least favoured territories in the EU; (measured by purchase power parity) GDP per capita – similarly to all NUTS II-level territorial units outside the Central Hungary Region – remains below 75% of the EU average, therefore, it falls under the scope of the first objective (“Convergence”).

Community Strategic Guidelines (CSG) is an important segment of the European framework of regional planning. The guidelines provide a common framework and a benchmark by means of which the contribution of national and regional programmes to the EU’s objectives concerning cohesion, growth and employment can be measured. The availability of the guidelines is a necessary, but not the only condition for the individual member states and regions being able to perform EU compatible planning in accordance with the reviewed Lisbon Agenda. Guidelines for the period between 2007 and 2013 comprise the following components:

GUIDELINE 1.1: Making Europe and its regions more attractive places to invest and work

- Expand and improve transport infrastructures
- To strengthen the synergies between environmental protection and growth
- Address Europe’s intensive use of traditional energy sources

GUIDELINE 1.2: Improving knowledge and innovation for growth

- Increase and improve investment in RTD
- Facilitate innovation and promote entrepreneurship
- Promote the information society for all
- Improve access to finance

GUIDELINE 1.3: More and better jobs

- Attract and retain people in employment and modernise social protection systems
- Improve adaptability of workers and enterprises and the flexibility of the labour market
- Increase investment in human capital through better education and skills
- Administrative Capacity
- Help maintaining a healthy labour force

Summarising the national development priorities of the 2007-2013 programming period and being the precondition for the application of the EU’s cohesion policy, the **New Hungary Development Plan** (which is the National Strategic Reference Framework of Hungary) relies heavily on the approved and currently effective planning documents and guidelines of the EU and Hungary.

The **frameworks** of planning **approved by the EU** include:

- European Community Strategic Guidelines for Cohesion, Growth and Jobs 2007–2013 (a Commission document providing information for the planning of cohesion policy),

- Regulations laying down the rules for the use of the European Social Fund, the European Regional Development Fund and the Cohesion Fund as well as the common regulation containing general rules applicable to all three funds,
- Integrated Guidelines for Cohesion, Growth and Jobs (as part of the Lisbon process, the guidelines of the national reform programmes to be prepared for 2005-2008),
- Decision regulating the European Agricultural and Rural Development Fund (EARDF),
- The sustainability expectations set out in Gothenburg,
- The Environment Action Plan for the period between 2001 and 2010.

National documents taken into account:

- National Development Policy Concept (NDPC) for the period between 2005 and 2020 approved in December 2005
- National Regional Development Concept (NRDC),
- National Reform Programme (NRP) for the period between 2005 and 2008,
- New Hungary Rural Development Strategic Plan (NHRDSP) for the period between 2007 and 2013,
- Strategy for Sustainable Development,
- National Environmental protection Plan for the period between 2003 and 2008.

The **New Hungary Development Plan** sets two overall objectives for the period between 2007 and 2013: the **expansion of employment** and the **promotion of permanent growth**. The document intends to achieve the former through improving the employability and labour market activity of the individuals, increasing labour market demand and developing a labour market environment that brings demand and supply in line with each other; the most important means of achieving the latter objective are the improvement of competitiveness, the widening of the basis of the economy and the development of the business environment. When realising the development objectives, in the course of both sectoral and regional development, it is important that attention should be paid to the application of horizontal policies (e.g. providing for the conditions of sustainability, the strengthening of cohesion).

Sustainability is based on the integrated understanding of security and, hence, includes the sustainable utilisation of the environment (e.g. the protection of landscape, environment and culture, a wider application of environmental management and increasing environmental safety), the sustainability of social processes (taking into consideration the aspects of halting adverse demographic processes and the responsibility for future generations) as well as the sustainability of economic processes (e.g. reduction in material and energy intensity).

Strengthening cohesion means the elimination of both territorial and social disparities. Fundamentally, **territorial cohesion** can be enforced at two levels:

- Differences in development between the Central Hungary Region and the rest of the country, between the three developed and the four backward regions and between the four backward regions and the micro-regions within the regions must be mitigated.
- The development of the country must contribute to the cohesion of the entire European Area. Towards this end, the development of the currently competitive regions will have to be sustained, with their ability to dynamise extended to other regions; furthermore, their relations with other European areas will have to be deepened.

Fundamentally, **the strengthening of social cohesion** means providing equal opportunities, furthermore, the creation of a country that fosters upward social mobility and discourages the opposite, since society advocates solidarity and the state creates opportunities. Providing for equal opportunities involve socially equal treatment of men and women, the taking into

consideration individuals with permanent health problems and disabilities and the mitigation of the multiple disadvantages of the Roma and their community.

Pursuant to the document, the objectives attained within the framework of **6 thematic areas and regional priorities**:

- Priority 1: Economic development,
- Priority 2: Transport development,
- Priority 3: Social renewal,
- Priority 4: Environment and energy development,
- Priority 5: Regional development,
- Priority 6: State reform.

Priority axes with the details of thematic and regional priorities and a shared content set the individual development (operational) programmes, determining how the North Great Plain Operational Programme is integrated into the system (Priority axis 5).

Within the European Regional Co-operation Operational Programme, which includes **cross-border developments** supported out of the Structural Fund but not determined by the NHDP, the North Great Plain region is affected by the developments of the programme for cross-border co-operation between Romania and Hungary. The following priorities of the ERCOP are harmonised with and supplement the priority axes of the NOGPOP:

- Priority 1: Improving the key conditions for common and sustainable development in the common area
- Priority 2: Strengthening social and economic cohesion in the border area

In addition to supporting agriculture, the New Hungary Rural Development Programme supported out of the European Agricultural and Rural Development Fund, supports the **development of rural areas**. The objectives and support areas will be implemented in the framework of the following priorities:

- Priority 1: Improving the competitiveness of agriculture and forestry
- Priority 2: Development of the environment and rural areas
- Priority 3: Quality of rural life and diversification of the rural economy
- Priority 4: The LEADER programme

The rural development activities eligible for support under priorities 3 and 4 of the New Hungary Rural Development Programme supplement the activities of the NOGPOP based on clear distinctions.

1.6. EXPLANATION OF THE RATIONALE FOR THE STRATEGY

Based on the findings of the situation analysis and the SWOT analysis and the methodology of classic planning, a Strategic Programme containing the comprehensive development strategy and the development objectives of the Region was completed in March 2006. The document, observing the principle of maximum planning, responds to the entire development need of the Region, the possible ways out as well as the issues that the situation analysis has identified, irrespective of the funds that can be used to assist them. (The objectives of the Strategic Programme outlining the entire development need of the North Great Plain Region are contained in Annex 1 of the NOGPOP.) Objectives have been set based on the principles and with an eye to the objectives of Community-level strategic documents (“Cohesion policy promoting growth and jobs: Community Guidelines, 2007-2013 – CSG”, “Lisbon Strategy”),

their national level counterparts (particularly “National Reform Programme for Growth and Employment 2005-2008”) and the New Hungary Development Plan.

In the course of the planning and programming of the NHDP and its Operational Programme, when sectoral and regional priorities were separated, the definition of the content of the regional operational programmes that belong to Convergence Target Area 1 was in line with the principles laid down in the NHDP. Regional operational programmes finance development objectives and programmes that can and are to be decided at a level lower than the national level, i.e. regionally, in keeping with the principle of subsidiarity. These objectives and programmes are determined as a result of partnership process between sectoral and regional actors; therefore, they cannot fully take into consideration the specific characteristics of each region; the main guiding principle was to take stock of the interventions that cannot be and are not addressed at a sectoral level.

According to a new and more efficient paradigm that gained recognition among experts, it is regional operational programmes that can serve as a suitable programming level for the financing of the integrated local and regional development plans; therefore, these programmes should mainly include regional integrated measures. Sectoral planning primarily finances large regional developments, issues at a national level and issues that require derogation obligations.

Based on the above reasoning, the North Great Plain Operational Programme does not and cannot set as its objective the handling or the solving of the region specific problems identified in the situation analysis or the utilisation of the favourable attributes. It must abide by the content elements that fall under the competence of the regional OP as a result of the referenced bargaining process. It follows then that some of the findings of the situation analysis were incorporated into the strategy of the NOGPOP during the planning process. Others were integrated into the sectoral strategies during the partnership process. In keeping with the policies of the relevant ministries, we strive to implement the content elements and intervention areas that have been delegated, as a result of sectoral and regional delimitation, to the competence of the NOGPOP along the objectives described in the strategy.

2. THE STRATEGY OF THE NORTH GREAT PLAIN OPERATIONAL PROGRAMME

2.1. THE OVERALL OBJECTIVE OF THE NORTH GREAT PLAIN OPERATIONAL PROGRAMME

In view of the defining processes of national planning, the regional development objectives laid down in the National Regional Policy Concept as well as the objectives of the New Hungary Development Programme, the North Great Plain Operational Programme has set the following **overall objective**:

“Based on the natural and social heritage and the characteristics of the settlement network of the North Great Plain Region, to strengthen regional competitiveness and redress territorial imbalances within the region.”

The North Great Plain Region are home to developed urban areas, with global connections and a large number of functions and regional centres that can become “engines of the economy” in the region and to a high proportion of backward peripheral areas, where economy is stagnating or declining.

In order for the competitiveness of the region to be increased, the dynamic development of its economy based on its endogenous potential in a manner that the capacity and sustainable use of its natural and social heritage are taken into account. The economic and regional centres that will evolve as a result of the developments will be able, by way of their strength and ability to shape space, to transfer the results and dynamise their environment.

In addition to increasing competitiveness, close attention should be paid to the convergence of the areas lagging behind and the improving of the quality of life in such areas and, within this, reduction in their infrastructural backwardness, equal opportunities in the accessibility to employment and public services, increasing economic diversification, the protection and development of natural and built environment and the invigoration of local communities.

The fact that it borders Romania, along a relatively long section of the state frontier is advantageous for the future development and the competitiveness of the region. This allows for the possibility that the historical ties with the regions on the other side of the border are brought into play again and conditions for close co-operation are created. This is especially important for the development and the strengthening of the cross-border appeal of Debrecen designated as the region’s development pole, and for the economic and social convergence of cross-border areas as well as reduction in their marginalisation. Envisaged expansion in the Russian-Hungarian economic relations will likely generate major developments along the Ukrainian border and exert a strong impact mainly on the Nyíregyháza and Záhony regions.

The overall objective contributes to Guideline 1.1 of CSG, according to which “Europe and its regions must be made more attractive to invest and work”. Within this, the NOGPOP facilitates the achievement of the “expand and improve transport infrastructures” and the “strengthening synergies between environmental protection and growth” objectives. It also contributes to the achievement of the objective “Facilitate innovation and promote entrepreneurship” set out in Guideline 1.2, and that of the “Increase investment in human capital through better education and skills” and “Help maintain a healthy labour force” objectives set in Guideline 1.3 of CSG (“More and better jobs”).

By strengthening the competitiveness of the region's competitiveness, the overall objective serves the overall objective of the NHDP aimed at promoting permanent growth at the same time.

Indicators:

Increase in the GDP per capita indicator for the region (%)

Employment rate (ages 15-64) in the region (%)

Number of new full-time jobs created as a result of the programme (number)

Relative distribution of gross added value per capita at a micro-regional level (%)

2.2. THE SPECIFIC OBJECTIVES OF THE NORTH GREAT PLAIN OPERATIONAL PROGRAMME

Implementing the comprehensive goal of the NOGPOP depends on a number of conditions. Small and medium-sized enterprises that rely on local features and provide local employment make a great contribution to the region's competitiveness, so that their role played in the regional economy should be enhanced, and therefore it is absolutely necessary to strengthen the region's SME sector.

Exploiting the potential inherent in developing tourism, one of the regional economy's sectors – having favourable characteristics in the area – may not only increase regional competitiveness but – given that a considerable part of these favourable features are located in the backward regions – it will make a great contribution to realigning the backward rural settlements, thereby promoting the overall objective. Therefore, tourism should be supported as the 'economic driver' and its profit-generating ability should be promoted.

One of the basic conditions for regional competitiveness is to have an economic structure and human resource that is mobile and can flexibly respond to variations in market demand. Therefore, in order to increase competitiveness, the population's mobility should be increased and the conditions for this mobility should be improved as it will contribute to realigning the backward regions and thereby to mitigating regional imbalances at the same time.

Another requirement for creating a competitive economy is the adequate quality of labour. Nowadays, human resources constitute one of the most important factors in favour of establishing businesses, so the quality of human resources has a great impact on regional competitiveness while its targeted development helps regions that are lagging behind to combat their competitive disadvantage.

Another basic condition for creating a competitive regional economy is that the environment available for economic production should be of a proper condition and should be safe, while a wholesome, healthy, and safe residential environment should be ensured for the region's population. Therefore, it is absolutely necessary to improve the condition of the built and the natural environment.

The following specific objectives facilitate the achievement of the overall objective of the North Great Plain Operational Programme:

Specific objective 1: Strengthening the region's SME sector

Specific objective 2: Improving the income-generating ability of tourism

Specific objective 3: Improving the population's mobility

Specific objective 4: Developing human resources.

Specific objective 5: Improving the condition of the built and natural environment

2.2.1. Specific objective 1 of the NOGPOP: Strengthening the region's SME sector

The region's economic competitiveness is very dependent on the structure of enterprises, while economic stability is ensured primarily by the position, productivity, and income-generating ability of the small and medium-sized enterprise sector that is linked to the region.

Entrepreneurial activity remains well below the national average in the North Great Plain region. Another problem lies in the high rate of micro enterprises (a significant portion of which are enterprises established involuntarily) and the ratio of small and medium-sized enterprises with greater capital strength, which is also low in comparison to the national average. Therefore, in line with the Lisbon objectives, it is important to strengthen regional small and medium-sized enterprises and to increase their number and improve their economic performance in order to increase the region's competitiveness and to improve its economic stability.

Indicators:

- Increase in gross added value (GAV) generated by the corporate sector as a result of the programme (billion HUF)
- Amount of investment induced by the support (billion HUF)
- Number of small and medium-sized enterprises established or having new permanent establishments in the region (number)
- Proportion of SMEs categorised according to the number of employees and sales turnover³ (%)

2.2.2. Specific objective 2 of the NOGPOP: Improving the income-generating ability of tourism

The region's competitiveness can be improved primarily by ensuring special development of economic sectors with a growth potential, which will contribute to meeting the Lisbon objectives. In the North Great Plain region, one of the economic sectors with such favourable characteristics is tourism, but currently these characteristics are not utilised sufficiently and the sector's income-generating ability is not satisfactory. Given that in addition to improving the region's economic competitiveness, tourism will make a direct contribution to increasing employment by creating new jobs, as well as an indirect increase in employment by sales of services and local products, it is important to improve the sector's ability to generate income.

The increase in utilising the tourism characteristics and its income-generating ability should not cause any damage in the considerable environmental and social values that provide the basis for tourism; this growth should take into account the load-bearing ability and sustainable use of such values on the basis of the Gothenburg Strategy.

Indicators:

- Increase in the gross added value produced by accommodation services and the hospitality trade (%)

2.2.3. Specific objective 3 of the NOGPOP: Improving the population's mobility

³ The proportion of enterprises included in the category denoting 5-249 employees and a sales revenue from HUF 51 million to the ceiling of the sales revenue in the prevailing medium-size enterprise category (in 2005: HUF 4 billion))

In the North Great Plain region, there is a high ratio of backward areas that are lagging behind, characterised by high unemployment rates, unfavourable employment indicators, and a high proportion of population in a backward position and a high proportion of Roma population. In these areas, the economic structure is unfavourable, work opportunities are limited, job-creating investments and public services are concentrated primarily in the centres of small regions and regions, in the cities. One of the conditions for realigning these areas is to improve the population's mobility in the course of which the population has a better chance of securing job opportunities, public services of a proper quality, information, training and other opportunities, which contribute to reducing regional differences and increasing employment, in line with the Lisbon objectives.

Indicators:

- Number of persons using community transport (person)

2.2.4. Specific objective 4 of the NOGPOP: Developing human resources

In today's knowledge-based society, the quality of human resources is a dominant factor in a region's economic competitiveness. In addition to improving mobility, the realignment of regions that are lagging behind and are in a disadvantaged position is encouraged by the development of human resources. In the North Great Plain region, human resources are in a highly unfavourable situation, considering that the region remains below the national average as regards both the level of education and the health status of the population. Special attention should be paid to developing the quality and increasing the level of education as well as improving the general health condition of human resources, because they all contribute to both increasing the region's competitiveness and mitigating regional differences.

Indicators:

- Reducing the proportion of pupils who fail to meet the minimum knowledge criteria in schools where the ratio of such pupils is over 50% (persons)

2.2.5. Specific objective 5 of the NOGPOP: Improving the condition of the built and natural environment

In order to create a competitive and viable region, efforts should be made to create a sustainable natural, social, and physical environment that is properly attractive for economic operators, tourists, and the population. On the one hand, this means ensuring a safe and healthy residential environment for the population, creating a safe and economically attractive environment for production and business activities, as well as the creation of an urban network rich in functions, which lays the foundation for economic development and job creation.

The physical basis for all these functions is provided by the region's built and natural environment, but its condition should be improved to increase competitiveness and secure sustainable development in the long run, as this environment is highly dilapidated in some locations.

Indicators:

- Size of brown field areas used (hectares)

2.3. ESTABLISHMENT OF THE PRIORITIES OF THE NORTH GREAT PLAIN OPERATIONAL PROGRAMME

Strengthening the small and medium-sized enterprise sector of the region depends on a number of simultaneous conditions. It requires the creation of the business environment that ensures a proper infrastructure background and high-standard services, which ensures the underlying conditions necessary for production by businesses, and helps them to develop on an innovation basis and to strengthen their market positions. On the other hand, the SME sector's production technology should be modernised to improve the standard of production, increase added value, and the efficiency of production. Thirdly, the exploitation of opportunities inherent in corporate co-operation needs to be encouraged to increase the efficiency of production, to develop an attractive investor environment, and to reduce the competitive disadvantage in respect of large enterprises.

One of the basic conditions for increasing the income derived from tourism is increasing the duration of stay, i.e. the number of guest nights, as well as to increase the length of the tourist season, which will lead to higher tourism income.

Another important element of increasing the income-generating ability of tourism is to expand tourist destinations to include primarily the areas in the vicinity of existing attractions having tourism potential, which are yet unutilised, which will increase the number of areas generating tourism income while helping to reduce the current strong geographic concentration and realignment of backward areas.

Based on the region's favourable characteristics, tourism may emerge as a driver of the region's competitiveness, and this justifies presenting tourism as an independent priority.

In the North Great Plain region, one of the main causes of low employment is the population's low mobility together with the unfavourable education level of human resources. Low mobility can be attributed basically to two factors. One of them is bad transport connections and the other is the population's attitude and low level of schooling. Improving transport conditions – primarily between regional centres and the disadvantaged areas in their agglomeration– will help disadvantaged areas connect to the regional economy and the population reach regional employment, education, and service centres, which in turn will contribute to improving employment and the region's income-generating ability and through that, to the realignment of disadvantaged areas. Quality development of human resources, which constitutes the other basic condition for realigning disadvantaged areas, will be assisted by implementing the specific objectives of the social renewal operational programme aimed at improving the ability to adapt and to increase the level of education.

In the course of improving transport connections to promote mobility, special attention should be paid to the spreading and development of environmentally friendly and sustainable transport modes.

The unfavourable health status and low level of schooling of the population has an adverse affect on the region's competitiveness and the level of employment. The development of human resources absolutely necessitates improving the health status of people and the establishment of the social care system to make sure that as many people who are inactive today return to the labour market as possible. Each health care development will be implemented in harmonisation with the elements of the health care reform. The goal of the health care reform is to enhance the standard of services, to reduce the inequalities in access and to maintain government expenditure at a sustainable level by making more efficient use of them. The measures promote and increase in the number of years spent in good health by the population, recovering the

ability to work as soon as possible and increasing the cost efficiency and quality of services by concentrating resources. The purpose of the infrastructure investment to be realised under the NOGPOP is to ensure a higher standard of care in the framework of the sectoral reform in line with the changes that have taken place as regards healthcare supply in the region, which can be achieved by replacing or modernising tangible assets, purchasing new equipment if needed, and by modernising the infrastructure background. This will ensure the success of developing a single and integrated system for prevention, curing (set of conditions), and healing (modular system of specialist areas) in the health care system, which will be able to serve the goal of high-standard patient-oriented health care by virtue of its complexity.

The interventions associated with public education contribute to realising the reform in public education, the main goals of which are to improve the effectiveness of education (competitive knowledge, mitigation of the inequalities in education), renewing the quality (efficient and integrating public education system) and structure of public education, and creating equal access to quality public education.

Realignment of the regions in a disadvantaged situation and increasing the region's competitiveness call for ensuring access to public education and health care that has a uniform standard throughout the entire region in order to improve the level of qualification and health condition of the entire population, in particular, for those who are in a disadvantaged situation and within that, specifically for the Roma population.

In order to improve the condition of the built and the natural environment, an urban network should be developed in the region, which is capable of organising and supplying its agglomeration, is rich in functions and is viable, being the token of dynamic development in the region. An urban network that has physical environment and economic potential in an appropriate condition is able to help its vicinity become dynamic, which contributes to creating a balanced special structure and increasing the competitiveness of the region.

The other condition of an appropriate environmental status is the existence of a wholesome and safe natural environment, which constitute the basis of society's existence. In the interest of long-term sustainable development, production, and environmental use, the natural environment should be protected from polluting human activities while sustainable use of the opportunities offered by the natural environment should be ensured, and the conditions for mitigating the natural processes threatening human activities should be created.

Another condition for creating an appropriate environmental condition is a properly trained, environmentally conscious society with solidarity, capable of using and developing its physical environment in a sustainable manner.

The NOGPOP sets, in order to attain the specific objectives, the priority axes below:

1. Priority axis: Regional economic development
2. Priority axis: Tourism development
3. Priority axis: Improving transport conditions
4. Priority axis: Development of human infrastructure
5. Priority axis: Urban and regional development

2.4. CONNECTION TO THE IMPLEMENTATION OF INDIVIDUAL FLAGSHIP PROGRAMMES

The efficiency of the NOGPOP's interventions is improved by the harmonised implementation of developments under the various operational programmes, which mutually strengthen each other; these elements are planned in an integrated manner in the framework of so-called

flagship projects. Flagship programmes are special fields of development that respond to problems concerning sectors, regions, or society groups of particular importance. These programmes are important because they can be displayed well for the target groups and not because of their scope or financial magnitude. Flagship programmes offer responses to complex programmes. Individual complex framework documents are elaborated to lay the foundation for the necessary interventions. The interventions defined this way are planned within and as integral parts of operational programmes. Consistent implementation of the complex programme elements and projects of flagship programmes is ensured by the special selection criteria (granting advantages or containing guaranties) or procedures to be set out in the action plans to be prepared for the two-year implementation of operational programmes. This way, the connecting elements and projects of flagship programmes will be implemented within the framework of the NOGPOP and the related set of implementation institutions (managing authority and intermediary bodies).

Flagship programmes involving the NOGPOP:

- Seven poles of competitiveness
- 21st century school
- ‘No one left behind’ (Realignment of regions lagging behind)
- Chance for children
- ”Barrier-free Hungary”

Further information on the elements of flagship programmes is set out in Annex no. 5 to the OP.

2.5. HORIZONTAL AREAS

In addition to the concrete priorities and territorial delimitations, there are such **horizontal principles** that must be generally observed in the implementation of all the developments. Of them, the most important are **the principle of an environmentally sustainable development** and that of **equal opportunities**, with special regard to the equal treatment of men and women. In planning the regional strategic programme, we will put forward such mechanisms and measures that ensure that these principles are strictly observed in the implementation stage so that they can make a difference.

2.5.1. Equal opportunities

In line with Article 16 of Chapter IV of 1083/2006 EC regulation, the North Great Plain Operational Programme ensures the promotion of equality of women and men and the principle of equal opportunities for genders during the various stages of planning, implementing, monitoring, and evaluating the operational programme. In addition, the OP ensures compliance with the principle of preventing any discrimination based on gender, race or ethnicity, religion or belief, disability, age or sexual orientation, particularly in respect of access to funds. The change brought about by the enforcement of the above principles, which yields considerable social and economic benefits, can be achieved only if these principles are complied with and promoted on a comprehensive basis throughout all areas of development policy. In order to ensure equal opportunities, special attention needs to be paid to equalising regional differences, to make sure that the chances of the groups of society concerned for a good life are not influenced by the area of the country where they live.

In line with the Act on equal opportunities currently in force (Act CXXV of 2003 on equal treatment and the promotion of equal opportunities (<http://www.egyenlobanasmod.hu/data/Ebkvtv.pdf>)), in the operational programme, this translates into the strict observance of the principle of equal treatment, honouring social equality between men and women and the taking into consideration of the special considerations as well as discrimination-free treatment of one-parent families, persons with disabilities, disadvantaged persons, and the Roma.

In the North Great Plain Region close attention must also be paid to the social integration of the Roma with multiple disadvantages. The majority of the Roma, who, according to CSO data, account for over 3%, according to expert estimates, however, approximately 10% to 12% of the Region's population, experience multiple disadvantages, and given the low level of their education and the absence of their socialisation, they cannot be integrated into the labour market. The NOGPOP treats the social integration of the Roma horizontally: whenever and wherever applicable, calls for applications prioritise the developments within which integration of the Roma is feasible. Furthermore, within the framework of priorities, targeted interventions must be used to adjust the integration of the Roma to their low educational level. In the interest of raising the level of their education, social integration and improving the general state of their health, enhancing their level of education must be developed in the framework of the priorities, using targeted interventions, together with the targeted realignment of areas in a disadvantaged situation, characterised by a high proportion of Roma population.

The investments supported by the Structural Funds along the above principles must create synergies with the targeted interventions to be implemented in the course of the 'Decade of Roma Integration' programme, particularly in the field of education, employment, housing, and health care.

The NOGPOP takes into account the objectives of the Decade of Roma Integration programme and will contribute to integrating the Roma population in line with that programme in the following areas:

- In micro regions in a backward position that have an excessive representation of the Roma, it will improve the conditions for education, health and social care and encourage the Roma population to take part in education and health care.
- It will allow for implementing a targeted integration programme with the participation of civil organisations.
- It will give horizontal preference to developments that allow for employing the Roma population.
- It will ensure special development in the accessibility and economic structure of regions in a disadvantaged position that are characterised by a high rate of Roma population, which will contribute to improving their living conditions.
- It will support activity and economic functioning of the Roma population together with its entrepreneurial activities; and preference shall be given to developments that help to launch Roma enterprises (e.g. incubation, consulting).

In addition to the North Great Plain operational Programme, the sectoral operational programmes also contribute to integrating the Roma. In order to strengthen the social and economic integration and to increase the employment of the Roma population, special training programmes need to be launched, primarily in the field of entrepreneurial skills for the young Roma, which will help to launch Roma businesses. In the framework of the Social Renewal OP,

there is a possibility for implementing the training programmes required for launching Roma enterprises, while technological development of the enterprises already in operation can be provided under the Economic Development OP.

It is particularly important to present the ESF-type realignment developments related to the integration of social groups in a disadvantaged position, primarily the Roma population, which are in synergy with the NOGPOP's objective, should be given emphasis in the sectoral operational programmes (and among them, primarily, the Social Renewal OP).

A number of flagship programmes contribute to the consistent management of programmes concerning the Roma:

- "No one left behind"
- A chance for children
- 21st century school

The NOGPOP, in line with the applicable law, treats the general observance of the principle of gender equality horizontally. Each development must be engineered in a manner that allow for the possibility that men and women benefit from the envisaged positive impacts of the development in equal measure. The principle of gender equality in the calls for applications must be fully observed at a project level as well.

Indicators:

- Number of new full-time jobs created in backward micro-regions (28) as a result of the programme (number)
- Number of women employed in the new full-time jobs created as a result of the programmes (persons)
- Number of persons in a disadvantage position employed in the new full-time jobs created as a result of the programmes (persons)
- Number of children in a disadvantaged position studying in the developed education institutions (persons)

2.5.2. Sustainability

The individual interventions to be implemented in the course of executing the NOGPOP – consistently with Article 17 Chapter IV of general regulation 1083/2006, the horizontal objectives of the NHDP and the main challenges of the sustainable development strategy adopted by the European Council (15-16 June 2006) as renewed – support sustainable development as well as the objectives associated with the protection of the environment and improving its conditions and within that, restricting climate change.

To ensure that development policy does not consume the resources for longer-term development, the developments must fully comply with the principle of sustainability from an environmental, social, and economic prospective equally, in line with the Gothenburg Strategy.

Those developments that take into account natural and human resources (including natural heritage, areas, landscapes, biological diversity, human health, social cohesion and demographic characteristics), the extent of their capacity that does not lead to their degradation and the protection and the utilisation in an economically sustainable manner of the built environment and cultural heritage can be regarded to be sustainable. It takes into consideration the ability of the ecological system of a given region (including the population there) to provide a livelihood as a condition to which development is subject. Thus, at the level of regional

development policy close attention is paid to sustainability and, within this, the issue of environmental protection, which are also taken into account at the level of planning, implementation and monitoring. In addition to environmental sustainability, special attention should be paid to the social sustainability of developments, i.e. efforts must be made to assist such developments that do not harm local communities; on the contrary: they strengthen them and contribute to the preservation and development of social values, and reduce the number of the threats to social players.

The individual interventions to be implemented in the course of the OP – in particular, integrated urban development operations – in line with directive 2006/32/EC, the 6th priority of the European Union's Energy Efficiency Action Plan and Article 7 of 1080/2006/EC regulation – give particular support to energy efficiency and energy saving investments and, within that, the renewal of residential buildings comprising several families as well as buildings owned by authorities or non-profit service providers used as dwellings by low-income households or people with special needs.

In the framework of each intervention, the NOGPOP understands horizontal sustainable development to mean primarily the following:

- In the framework of the programme, only developments that do not exceed the supporting ability and load ability of the natural environment and cause no irreversible damage to the natural environment can be supported.
- As regards development, preference must always be given to material and energy saving and waste reducing solutions, the use of the best available technologies (BAT).
- In each intervention, efforts must be made to ensure energy efficiency and energy saving in developing real estate.
- Only developments that do not exceed the sustainability of the social environment are eligible for support.
- Only developments that are sustainable in economic and financial terms are eligible for support.
- As regards developments, preference must be given to solutions that spare land use and are environmentally friendly and increase green areas.
- The developments supported out of the programme – especially the developments concerning industrial areas, the road network, tourist attractions and urban rehabilitation – must pay special attention to the Natura 2000 areas in the region, and development may not adversely affect the natural values of these areas.

Indicators:

- Energy saving achieved as a result of the supported projects (TJ)

2.5.3. Representation of the principle of territoriality and the territorial approach

Relative to national development plans in the past, the programme intends to represent an integrated territorial approach, the objective of which is the spatial orientation of the developments, intervention in the development of certain regions at several junctions simultaneously in a manner that synergies reinforcing each other may be generated. In order for territoriality to be represented, a territorial perspective and planning and development employing a territorial approach are a requirement in the case of all specific objectives, while the differing characteristics of the areas in the Region are taken into account and the territorial

priorities of the individual areas of interventions are identified. It is important to create the conditions for harmonising interventions in each region. All developments should be conducive to the attainment of territorial objectives, the evolution of a balanced territorial system and territorial cohesion. The representation of territorial considerations leads to the implementation of developments that are interlinked and reinforce each other and ensures that resources are territorially concentrated. In that way the highest possible added value can be generated, whereby territorial disparities can be reduced.

Indicators:

- ♦ The relative distribution of gross added value per capita at a micro-regional level (%)

2.6. 'REGIONS FOR ECONOMIC CHANGE' PROGRAMME

The purpose of the 'Regions for economic change' initiative is to determine the best practices for economic modernisation with particular regard to the projects that clearly contribute to the EU's employment and growth agenda, as well as to disseminate these best practices among all regions, thereby contributing to their regional growth and reducing economic imbalances. Therefore, the initiative plays a decisive role in implementing the community strategic guidelines concerning community cohesion, which emphasise the importance of sharing national, regional, and local level development strategies, as well as in implementing network building guidelines to ensure that the ideas are reflected in the major national and regional cohesion programmes as well. This aspect plays a particularly important role especially in the Member States and regions that remain furthest below the European Union's average performance.

The 'regions for economic change' initiative groups two existing instruments of European regional policy – the programme for co-operation between regions and the urban development network programme – around the economic development topics defined by the Commission that comply with the Community Strategic Guidelines concerning community cohesion. The initiative functions in the framework of the objectives for European regional co-operation.

The North Great region intends to play an active role in the Community's programmes encouraging international co-operation and the exchange of experience.

In connection with the initiative, we support innovative measures relying on the achievements of networks to which the region is connecting in the NOGPOP programming process, and in the annual report, we will provide information on the implementation of regional actions launched by the region to incorporate the experience gained in network activities performed under the auspices of 'Regions of Economic Change' initiative.

2.7. STRATEGIC DIRECTIONS OF URBAN DEVELOPMENT IN THE REGION

2.7.1. Framework of urban development

A close look at the settlement network of the North Great Plain Region reveals that there is a large number of settlements with an urban status (63 cities/towns of the 389 settlements); at the same time, however, there are quite a large number of settlements among the cities/towns that have hardly any impact on the neighbouring space and few central urban functions. This is especially conspicuous in backward peripheral areas, where settlements with an urban status are surrounded with a large number of backward villages and a vast expanse of land with scattered farmsteads. Territorial convergence is especially important in such backward areas. Furthermore, in the interest of kick-starting economic growth instrumental in the achievement of the objectives of the Lisbon Strategy, it is important that a territorially balanced urban network with satisfactory performance, capable of exerting the necessary impact on, providing high-quality public and private services for and transferring economic results and innovation to its environs should be established. The Region's urban network is high on the agenda of the NOGPOP strategy, for a considerable number of the developments are also likely to occur in cities and towns and regional centres in the next programming period, the underlying reason for which is that socio-economic processes and activities are concentrated here, and the vast majority of the Region's population (64.4%) live here. It is cities and towns that must become the engine of regional growth, are able to dynamise their environs and transfer progress. A key ambition of the NOGPOP's urban development strategy is to establish a dynamic polycentric urban network that complements and offsets the dominance of the regional pole and its sub-centres and maintains balanced relations with its rural regions.

The NOGPOP does not, however, wish to consider or develop the urban network as a component without context; rather, it strives to create equilibrium between the urban network and its environs, i.e. rural areas, thereby creating the largest amount of synergy possible with rural development assistance provided by other programmes (in particular, the New Hungary Rural Development Programme). In order for synergy to be enhanced, it is crucial that both the NOGPOP and other programmes treat developments in an integrated manner and taking into account territorial considerations, which means that developments that reinforce each other (e.g. urban development, village development, modernisation and territorial rationalisation of public services, diversification of rural economy, capital investments creating jobs and diversified land use, etc.) should either form clusters or generate a ripple effect concerning the individual developments

2.7.2. Focus areas of urban development

The NOGPOP employs the following criteria in identifying urban focus areas:

- characteristics of and differences in settlement structure within the Region; the urban problems facing infrastructurally better-off heyduck or agricultural cities and towns with small village agglomerations are different from that of small towns surrounded with small villages and areas with scattered farmsteads as in Szabolcs County. Thus, interventions should differ from one region to the next.
- Each micro-region must have an urban centre – in the case of a micro-region of a larger size, urban centres – which can satisfactorily serve the agglomeration in its vicinity, where access to public and private services are easy and of good quality. An urban

network with a relatively even territorial distribution at the appropriate level of spatial hierarchy is needed.

- Given the scarcity of development funds, focus must be mainly shifted onto areas facing the most serious problems, where access to urban functions, public and private services are difficult or outright impossible for most of the population or most settlements. Therefore, urban development must focus on backward regions or those with multiple disadvantages.
- There must be urban developments and the developments of human public services with strong impact on rural areas. The settlement distribution of human public services reorganised on a micro-regional basis and the agglomeration of and access to the developments affected, must be in line with the developments implemented in micro-regional level economic and service providing centres.

Based on the above, an urban centre capable of economically dynamising an entire micro-region should be developed in each micro-region in an integrated manner. In some micro-regions the high number of settlements and/or the size of the micro-region (e.g. the Berettyóújfalu micro-region) or the characteristics of the settlement structure or the agglomeration (e.g. the Hajdúböszörmény micro-region) may justify the development of two or more micro-regional economic and/or service providing systems. In order for the developments to be efficient, capital investments aimed at the development of economy should be concentrated in these regional centres. There may be exceptions to this, however. There are several such industrial estates of local or regional importance that, along with the regional centres, have a major impact on the economy and play an important role in regional employment (e.g. Jászfényszaru, Jászárokszállás, Biharkeresztes, Záhony and Nyírbogdány). Functions should be expanded in urban centres in the interest of increased utilisation of spaces.

Urban centres and declining settlement districts can be found mainly in the function deficient small towns operating as regional centres in disadvantaged rural areas, as well as in medium-size towns that have lost their former market/agricultural functions and have no significant industrial or service providing capacity.

By contrast, in the case of the upgrading of human public services, the objective is expressly an even territorial distribution that can adjust to service needs, i.e. the provision of human public services (healthcare, social care, education, community services) should not be limited to regional centres, rather they should be concentrated along strategies integrated on a micro-regional basis and assisted and reorganised in a manner that they can provide services for the population of several neighbouring settlements at a high level of utilisation, efficiently and with a territorial scope. However accompanying it is the need to ensure the fast and flexible access to settlements and the adequate and focussed development of the transport infrastructure

2.7.3. Types of interventions of urban development

The NOGPOP intends to tackle the problems of the urban network outlined above and the attainment of the objectives in a differentiated manner.

The components of the urban network must serve the fulfilment of the Lisbon objectives in the Region, i.e. they must contribute to economic competitiveness and job creation. Towards this end, especially in the regional pole, its sub-centres and the dynamic regional centres/regional centres to be dynamised, efforts must be made to develop business activities and foster, adopt and disseminate innovation. One of the main objectives of the development of the urban network is, therefore, increasing urban performance and the establishment and rejuvenation of

urban centres promoting economic growth. For this purpose, the NOGPOP provides assistance with the physical and functional rejuvenation of urban centres and with the establishment of the conditions for the emergence and expansion of community, business and public service functions in a manner that appeals to economic players, tourists and town/city-dwellers.

The networks of cities/towns, in addition to their economic dynamism and functions as service centres, also have to serve their population as liveable cities/towns. Cities/towns can function as places of residence and perform community, leisure, cultural, service-providing and other recreational functions for their resident population. In several cities/towns, however, there have emerged areas and settlement districts that have fallen into disrepair and whose social prestige declined or are threatened by such. Such districts are no longer integral parts of city life, and, as a result, its residents find themselves in a disadvantaged situation. Several cities/towns encounter the problem that it is the very centre of the settlement that has fallen into disrepair and lost prestige, which prevents it from playing a role in the community and performing its central and economic function, preventing the inflow of FDI and the development of tourism. In the long run such settlements lose the appeal that they hold for economic players and tourists; they are also threatened by the exodus of their own residents or a population exchange of a lower social status.

Therefore, the development of the urban network focuses on the revitalisation of the settlement districts that have fallen or are about to fall behind, the modernisation of public buildings, public spaces and blocks of flats in housing estates, improving the living conditions of those living there, promoting their social and cultural integration, developing community functions and guarding public safety.

In order to facilitate the dynamic development of cities/towns and revitalise decrepit districts, the NOGPOP assists the physical rejuvenation of brownfield sites situated in urban areas (former military bases, industrial plants, agricultural factories, etc.) and remedy environmental damage, which allows for the possibility that buildings of this kind, taken out of use, are put to use again through a change in function. Thus, former rundown buildings and settlement districts take on new community or economic functions, thereby becoming an integral part of the city/town and help prevent an increase in built-up areas and protect natural spaces.

The assistance provided, within the framework of NOGPOP, for the development of local economy (development of industrial areas, establishment of economic co-operation, consultancy), transport (the development of public road and community transport), tourism (mainly health, thermal, cultural and heritage tourism) and human public services contribute to increase in the competitiveness of the urban network and its appeal to attract capital.

2.7.4. Method for the implementation of urban development

An urban development strategy is successful only if, in addition to complying with the effective statutory regulations and requirements, it takes into account the development needs of cities/towns. Planning and programming relied on the existing development strategies and concepts of the individual cities/towns, or, in the absence thereof, on the urban development projects available in project. Through the process of iterative social internalisation, cities/towns could voice their opinions and put forward proposals, thereby contributing to the improvement of the content of the NOGPOP.

The NOGPOP, within the framework of urban development actions, intends to concentrate developments rather than develop separate isolated small-size action areas. It wishes to

concentrate developments in such a manner that they are implemented in large-size contiguous areas, with the integrated involvement of the environment of the interventions. Urban developments may be implemented in such contiguous action areas that meet the delimitation criteria specified in the Action Plan.

Another major requirement for developments is that they must fit in with the medium and long-term integrated urban development strategies of the cities/towns, which guarantees that developments are implemented in a consistent and well thought-out manner and as part of a major urban development programme. The availability of such a comprehensive and integrated urban development strategy is a precondition for the use of urban development assistance.

The mobilisation of private capital and, in the case of developments the costs of which can be recovered, the use of refundable aids. The operational programme provides for the possibility that urban development funds supported through EIB and CEB credit facilities are established and the involvement of such funds in urban development interventions.

The objectives of the North Great Plain Operational Programme

Overall objective

Based on the natural and social heritage and the characteristics of the settlement network of the North Great Plain Region, to strengthen regional competitiveness and redress territorial imbalances within the region.

Specific objectives

Strengthening the region's SME sector

Improvement of the income-generating ability of tourism

Improving the population's mobility

Developing the region's human resources

Improving the environmental condition of the built and natural environment

Priority axes

Regional economic development

Tourism development

Improving transport conditions

Development of human infrastructure

Urban and regional development

Horizontal objectives

Equal opportunities

Sustainability

Representation of the principle of territoriality and territorial approach

3. PRIORITY AXES

3.1. PRIORITY AXIS 1: REGIONAL ECONOMIC DEVELOPMENT

Rationale:

In the region, one of the conditions for strengthening the small and medium-sized enterprise sector is to ensure an appropriate business environment. In order for this, industrial parks and areas providing the physical environment, high-quality services and innovation conditions for the production and innovative development of enterprises should be developed, as they will allow businesses to focus their resources on productive activities. Currently, utilisation of industrial parks is low in the North Great Plain region, and they do not represent an attractive investment environment for working capital due to the low supply of infrastructure and standard of services

A proper incubation environment must be created for strengthening the start-up SMEs or those operating at a low efficiency primarily in the backward regions. There is a low number of incubator houses or business and technological incubation services available for the SME sector in the region.

Furthermore, in line with the objective of the regional innovation strategy, small and medium-sized enterprises should be helped in learning about innovation developments, services, new technologies, and technological achievements, to obtain information and consulting services required for their development, and they should be able to use such information and services to contribute to increasing their productivity. Efficient consulting, innovation, bridging, and technology transfer institutions and their network exist in the region only to a limited extent, so knowledge transfer services need to be developed.

Another fundamental condition for strengthening the SME sector is to modernise businesses technologically, which helps to improve the efficiency of production in businesses. This condition is provided for by implementing the specific objectives of the economic development operational programme.

In order to make use of the opportunities offered by corporate co-operation, the emergence of clusters should be encouraged (except for the innovation cluster supported by the Economic Development OP), which will improve the operation and productivity of companies; the emergence of supplier networks should also be encouraged, which will create an attractive investment environment in the region along with the development of the business environment. Currently, there is only a limited collaboration between companies, as indicated by the extremely low number of functioning clusters. Co-operation between businesses and vocational training institutions should also be strengthened to ensure that the labour force has qualifications that correspond to market demand. Use of the experience that can be gained in international co-operation may further strengthen the region's competitiveness.

The priority axis relates to the guideline 1.2 of the CSG "Improving knowledge and innovation for growth" and to the following guidelines of the National Reform Programme (NRP): 7,8,10,14 and 15, moreover it contributes to the guidelines of the NRP concerning improvement of employment.

Description:

The business infrastructure that is absolutely necessary for efficient operation is called for in order to strengthen the SME sector. In order to do this, the physical infrastructure of primarily the existing industrial parks and areas that accommodate production activities should be

developed, and the standard of services offered by these facilities should be developed to enable new common business to use the services required for their production at the site, which will contribute to increasing the degree of building in industrial parks and areas as well as job creation. In each intervention efforts must be made to use environment friendly technologies. New industrial areas can be developed only in particularly justified cases if there is a very significant corporate intention to get established, if this intention cannot be realised in a brownfield investment.

In order to develop an efficient business infrastructure, it will be possible to realise developments for incubation purposes and to improve the standard of infrastructure and services for such developments, which will serve to strengthen new start up businesses as well as those that cerate with a low efficiency.

In order to create an appropriate business environment, it is absolutely necessary to provide the information and services required for the efficient operation of enterprises, strengthening their market position, improving the standard of their production and required for their development. The priority axis supports business and innovation consulting activities provided to the SME sector, and it will also be possible to support innovation and technological services and to develop such services provided of businesses by technology transfer institutions. The priority axis supports the implementation of innovative pilot projects connected to the region's specific features in the framework of 'experimentation action'.

A condition for strengthening small and medium-sized enterprises is to utilise the opportunities inherent in corporate co-operation, which will improve productivity of businesses and the attraction that the region's business environment has to offer. In order for this, the priority supports the creation of corporate co-operation, clusters ((except for the innovation cluster supported by the Economic Development OP) and supplier networks and the realisation of common projects, programmes, or investments.

To ensure availability of a labour force that complies with regional economic needs and to improve employment, the priority supports the emergence of co-operation between the region's businesses and its vocation training institutions, as well as the creation for the conditions for practical training.

In order to learn about and make use of the international achievements in economic development, market experience, and education, and to ensure efficient operation of the institutions concerned, inter-regional co-operation organised with the region's counterparts abroad should be promoted primarily in the field of exchange of experience and promoting common investments.

Territorial preferences:

The total area of the region is the beneficiary for this priority Geographic preference shall be given to areas in geographic categories 1., 2., and 3.1 for developing business infrastructure and the backward and most backward micro-regions from the regional development prospective for incubation developments based on Government Decree no. 64/2004 (IV.15.).

Operational objectives of the priority:

- Establishment of a favourable infrastructural environment.

The priority aims at the needs-based expansion and the improvement of the quality of the business infrastructure needed for the setting-up and efficient operation of businesses in order for existing capacities to be better utilised, for enterprises to be strengthened and for working capital to settle.

- Promotion of regional co-operation

In the interest of higher productivity and the achievement of a better market position, the priority intends to encourage co-operation between businesses and make such co-operation and the utilisation of the opportunities offered by co-ordinated production capacities, as well as to create co-operation between business and education to create a labour force with qualifications that correspond to market needs. Another goal is to promote international collaboration to utilise experience that can be obtained in the regional economy.

- Improvement of the availability of information for and innovation potential of economic players

In order for SME's to develop and their market position to be improved, the priority intends to support the better and easier availability of the information and innovation services needed for daily operation and development.

Indicators:

- ♦ Increase in the net extent to which assisted industrial parks and estates are built in (%)
- ♦ Increase in the sales revenue of businesses participating in clusters and supported co-operation (%)

Main target groups and beneficiaries:

Sole proprietors, micro-enterprises, SME's, co-operatives, NGO's engaged in economy and enterprise development, research institutes, training and education institutions, local governments, association of local governments, public bodies. In the region special attention must be paid to combating poverty that exceeds the average especially in disadvantaged regions and that is closely related to a low level of education and social backwardness. Thus, the launch and the setting up of enterprises that employ unskilled labour or a high proportion of the Roma as well as the strengthening and an increase in the number of enterprises launched by the Roma must be encouraged.

An indicative list of operation groups:

1.1. Infrastructure development of the regional business environment

- Development of the infrastructure supply in existing industrial areas to create an attractive business environment and to increase the degree of built-in areas
- Building infrastructure for new industrial areas only in the event of a special intention of establishment (at least 40% degree of building in) if brown-field development is out of the question
- Increasing the quantity and improving the quality of services promoting production and operation to enhance the competitive standard of services in industrial parks and areas including the development of innovative services and technologies within the industrial parks
- Establishment of incubator houses and development of high-standard incubation services to increase entrepreneurial activity and strengthen start-up or inefficient enterprises
- Support for preparing projects connected to each operation

1.2. Promotion of regional and inter-regional co-operation

- Development of information, training, and management activities and services linked to the promotion of emerging industrial clusters, corporate co-operations and supplier networks at regional level
- Support for the joint projects and programmes of clusters and corporate co-operations primarily in the field of production, product development, capital expenditure, marketing, control technologies, market survey, and event organisation
- Support for realising co-operation and infrastructural conditions for practice oriented trainings by the business sector and training and education institutions to develop a labour force having qualifications that comply with market demand
- Identification and elaboration of co-operation and international projects with a regional impact to be implemented together with partner regions abroad, exchange of experience with the participation of regional operators in line with the region's foreign policy to improve regional competitiveness

1.3. Development of information and innovation services

- Development of research centres, bridging and technology transfer institutes (technological incubators, innovation centres) accommodating innovation and technological services and their services primarily in the medium-sized and large towns of the region, which are not parts of the pole programme.
- In the framework of 'Experimentation action', implementation of innovative pilot projects that allow for testing and comparing *new methods, programmes and projects*. Such experimental development is aimed at the novel utilisation of regional *specialities* (*thermal water, nature values, tourism, agriculture*) defined in the region's Strategic Programme.
- Provision of basic and advanced business and innovation consulting and business services for fundamental operation and particularly for progress and development of local enterprises. (Support for pro-active investment promotion services and those related to reaching foreign markets as well as consulting connected to the JEREMIE-type financial programmes is a task for the EDOP.)

Expected outcomes of the priority axis:

As a result of implementing the priority axis, the competitiveness of the region's economy will increase; the higher-standard business environment will promote the establishment and strengthening of businesses; the SME sector's productivity will improve as a result of corporate co-operations; the market role of innovation-oriented companies will become more important; the GDP generated by the region will increase and investment value will increase as a result of developments, which will result in increased employment in addition to increased competitiveness.

Demarcation with the EARDF and the EFF:

The OP does not support

- projects related to producing, processing, and marketing of **agricultural products listed in Annex I** of the Treaty establishing the European Community (consolidated version, 1997) (in the case that the processing of the product results in a product listed in Annex I)..

- businesses in which **over 50% of** the net sales revenue – or for individual entrepreneurs, of the income that is included in the tax base – comes from **agricultural activities** (TEÁOR number: 01.11-05.02.).
- micro-enterprises requesting **capital assistance for projects in a village** fulfilling one of the following conditions:
 - population density less than 100/km²,
 - permanent population less than 5000 persons.

Programmes to be financed based by the **National Fisheries Strategic Plan** will not finance activities that overlap the operational programmes of the NHDP.

Financial flexibility

In the course of realising this priority axis, we intend to make use of the flexible financing defined in Article 34(2) of Regulation 1083/2006/EC up to no more than 10% of the funds for the given priority axis. Project owners may exercise transparency between funds – if this is provided for by the call for applications – only if the ESF-type activities are directly related to the implementation of a project based on ERDF, and these activities are required for the successful implementation of the project or are aimed specifically at solving a particular local problem.

3.2. PRIORITY AXIS 2: TOURISM DEVELOPMENT

Rationale:

In the region, the condition for increasing the income-generating ability of tourism is the extension of areas frequented by tourists and the extension of the tourist season. This can be achieved by developing attractions and offering programmes and services that rely on the region's given features, encourage tourists to spend a longer time in the target area and contribute to extending the tourist season and, on the other hand, encourage tourist spending. According to the Social Settlement Matrix model, demand for tourism generates extremely strong effects that are carried on, meaning that tourism brings a significant boost to the economy.

Relying on the region's given features, in line with the National Tourism Development Strategy, tourism investments focus on the attractions that constitute the major appeal of the region. Out of the tourism products given special treatment at national level as well, given the region's characteristics, favourable opportunities are available primarily in health tourism (spa and thermal tourism, wellness), eco-tourism, and active tourism (particularly water, angling and bicycle tourism), cultural, heritage, and event tourism (such as sports or gastronomy), and rural tourism. In the period of 2007-2013 we pay special attention to health tourism which is an outstanding asset for both Hungary and the region. However, the level of infrastructure for tourist attractions and the supply of services that provide the basis for quality tourism shows considerably shortfalls. The supported attractions should serve tourists on a high standard therefore it is important to favour high quality developments primarily among the most important tourist assets of the region. Sustainability also in the economic sense is an important aspect for all developments and the objectiveness for the investments to mobilise additional business capital.

Currently, tourist attractions are concentrated geographically along the river Tisza, the Tisza Lake, certain settlements in Hortobágy and around some larger spa towns. Additional opportunities for regional tourism are offered by developing the attractions of areas around the special tourist attractions that are currently not exploited, which will contribute the convergence of backward areas in the region.

The basic conditions for extending the tourist season and developing quality tourism is to ensure a supply of accommodation that is aligned to tourist attractions and destinations and are of a high quality, because such accommodation can urge tourists to stay longer if they offer appropriate services. The region's supply of accommodation focuses primarily on the special tourist attractions where the problem is the lack of a supply of accommodations with high quality services, while the increase in guest traffic is prevented by the absence of accommodation in the areas where the tourism potential is yet to be exploited. However, as long as the number of visits to the target destinations remains below a certain critical level, private capital will take part in developing accommodation only to a limited extent, which reduces the number of visits to the destinations. Therefore to act as a catalyser quality developments or in justified cases establishment of accommodation are necessary from community funds. In case of commercial accommodation developments our aim is to support quality developments in order to enhance the popularity and the revenue-generating ability of tourist attractions. Furthermore our aim is to involve private capital in a growing manner and to decrease the proportion of support. Therefore, we defines a lower maximum intensity of support for commercial accommodation developments as it is determined in the regional aid map. We do not support the development of 5 star classification accommodation facilities.

The region's system of tourism institutions consists of diverse organisations working alongside each other, dealing with the various segments of tourism (municipalities, municipality's

institutions, civil associations, etc.), while co-ordinating bodies that co-ordinate the complex development and single marketing of the tourist destination are currently missing.

The priority axis relates to Guideline 1.3 of the CSG, “More and better jobs” and to the guidelines of the NRP concerning the improvement of employment.

Description:

Existing tourist attractions as well as new tourist attractions that increase awareness of the other areas and zones of the region will play a special role in increasing competitiveness of the region; they will allow for complying a range of supply that is attractive for the tourist visiting the region. In order to extend the tourist season, based on the region’s characteristics, the priority axis supports the infrastructure development of the existing spas and thermal baths in the field of health tourism, together with the expansion of the range of healing and wellness services, which ensures a high added value. Development of the services based on the spas and thermal waters in the region will contribute to improving the health of the region’s population as well as the tourists visiting the area. This way, the developments to be implemented will supplement the infrastructure development for health care and particularly for rehabilitation care to be supported under the priority axes Development of human infrastructure.

Furthermore, the priority axis supports the preservation of the region’s cultural values, architectural and historical heritage, infrastructure development, and ensuring that such values can be visited in order to increase their tourist attraction. In order to increase the income-generating ability and to reduce seasonality, the priority axis pays special attention to developing the infrastructure conditions for conference tourism, characterised by high specific spending, and event tourism, primarily for cultural, religious, art and business events, which have several years of tradition and a higher number of visitors, as well as the part of event tourism that allows for realising sports events of national and international importance. The region’s natural and environmental values favour the development of the conditions for ecotourism, active and water tourism relying on nature, primarily in the area of the Lake Tisza, the River Tisza and its tributaries as well as in Hortobágy. Rural, angling, and agricultural tourism, the conditions for which are also good, is supported by the New Hungary Rural Development Programme.

In the course of developing tourist attractions – particularly in the fields of thermal and nature tourism – it is possible to support innovative and sustainable tourism developments that take into account the extent to which the natural and social environment can be burdened and do not prompt harmful and irreversible processes in nature.

In the framework of this priority axis, it will be possible to develop commercial accommodation as well as services provided at such accommodation. As regards commercial accommodation, the priority supports primarily the quality development, category increase of existing accommodation, and gives support to building new, higher-quality accommodation – only in the vicinity of attractions – only secondarily, taking into consideration the proven demand, without leading to over-supply.

In order to successfully perform a complex development of tourism, it will be possible to support the development of destination management organisations and the provision of special targeted further training for people employed in the sector under this priority axis, mainly to ensure quality services.

Territorial preferences:

Within the priority the entire territory of the region is eligible for assistance. Geographic preference is given to the Tisza Lake, the River Tisza and its tributaries, and the area of

Hortobágy. As regards developing conference and event tourism, preference will be given to settlements in spatial categories 1 and 2.

The operational objectives of the priority axis:

- Extending the tourist season

This priority is aimed at the extension of the tourist season, and the promotion of a more balanced distribution of revenues collected from tourism over the year. As a result of longer seasons, tourism proceeds will increase.

- Increasing the area of tourism destinations

The priority targets the involvement of areas near the existing attractions, which have a tourism potential but are yet unexploited in the region's tourism supply, as well as the exploration and development of new tourism attractions and areas.

Indicators:

- Increase in the number of guest nights per 1,000 persons spent in commercial accommodation (number)
- Increase of the capacity efficiency of commercial accommodation (%)
- Relative distribution of the monthly percentage of guest nights spent at commercial accommodation (%)
- The relative spread of the number of guest nights per 1,000 residents at a settlement level at the settlements concerned with commercial accommodation (%)

Main target groups and beneficiaries:

Local governments, municipality associations, institutions in local government ownership, business organisations, non-profit organisations, directorates of national parks, State Trusteeship of Historical Monuments, water management associations, management organisations for tourist destinations, institutions of secondary and tertiary institutions.

An indicative list of operation groups

2.1. Development of tourism products and attractions

- Infrastructure development of existing thermal and medicinal spas, expansion of the range of their services, infrastructure development of rehabilitation centres to promote medicinal tourism.
- Exploitation of the natural and environmental assets of the region for the purposes of tourism, expansion of the bicycle path network and improvement of the infrastructure conditions for water tourism, protection and propagation of natural assets.
- Development of the cultural, religious, architectural and historic monuments of the region for tourism purposes, creation of thematic routes.
- Creation and improvement of the infrastructure background of events with international, national or regional appeal, establishment of conference and function facilities as well as the development of infrastructure for national and international sports events.
- Marketing activities relating to developments.
- Support to project preparation in the context of the various operations.

2.2. Development of commercial accommodations

- Upgrading and capacity expansion of existing commercial accommodation facilities in the vicinity of tourist attractions.
- In case of attractions of outstanding importance, establishment of commercial accommodation facilities providing high quality services.
- Development of services to promote the capacity utilisation of commercial accommodations, expansion of the range of services offered.
- Marketing activities relating to developments.
- Support to project preparation in the context of the various operations.

2.3. Development of destination management

- Establishment and improvement of the organisation system for tourism destination management along uniform criteria across the country.
- **Preparing complex strategies in order to bring the region's destinations to the market, to strengthen their position, to promote them and to develop human resources etc.**
- Discipline-specific re-training or further training of professionals employed in tourism.
- Support to project preparation in the context of the various operations.

Expected outcomes of the priority axis:

Tourism is a sector of strategic importance for the development of the region. The upgrading of existing tourist attractions and the creation of new ones will bring a greater number of visitors to the region, resulting in longer stays and an extended tourist season. In turn, the diverse programmes on offer and the longer tourist season will boost the tourism income of the region. By creating and supporting new tourism products, areas with currently unexploited tourist potentials will be added to existing popular, frequented locations, which will facilitate their convergence and the improvement of the living standards of the local population. Jobs created by accommodation and tourist facilities and the vocational training of the local population will be conducive to retaining the population and employment growth in the region.

The economic stimulation effects of coordinated development projects relying on the outstanding tourism potentials of the region and its beneficial impacts on other sectors will facilitate the convergence of disadvantaged areas of the region and their greater competitiveness.

Demarcation from EAFRD and EFF

The North Great Plain supports:

- facilities meeting the legal definition of “**commercial accommodation**”,
- **tourism services** except agro-tourism services as defined in the NHDP, i.e.:
 - occasional village and agro-tourism service activities defined in section 59 of Act CXVII of 1995 on Income Tax,
 - services closely related to basic agricultural activities in villages eligible under this action (population under 5000 or population density under 100/km²), such as horse riding, fishing, hunting and forestry tourism.
- **attractions** and associated infrastructure development: comprehensively,
- **tourism destination management centres and services**: full assistance for area coordination purposes, irrespective of size of town and type of service provider,
- **wine-tourism** in case of projects above 100.000 euro support demand. (Under 100 000 euro demand they will be supported by the New Hungary Rural Development Programme).

The programme financed under the **National Fishing Strategic Plan** does not fund activities overlapping with the operational programmes of the NHDP.

Financial flexibility

In the course of the implementation of the priority axis, we wish to make use of the flexible financing set out in Section 2 of Article 34 of Regulation 1083/2006/EC, up to 10% of the funds of the priority axis concerned. The project owners may make use of the mobility between funds (if that is provided in the call for applications) exclusively if the ESF-type operations are directly linked to the implementation of the ERDF-based project, and such operations are necessary for the successful implementation of the project or they specifically target a special local problem.

3.3. PRIORITY AXIS 3: IMPROVING TRANSPORT CONDITIONS

Rationale:

One of the first preconditions for increasing the mobility of the population is the improvement of public transport conditions, ensuring access to the region. By means of improving the public transport facilities, the peripheral regions can be more involved in the regional economy and the regional centres will become more readily and quickly accessible.

In the settlements of the region, especially in the backward, low-performing regions still waiting to emerge, there are serious problems with the quality of the public roads. The surface and paving and the load bearing hardness of the roads here are amongst the worst in the whole country.

The communal traffic of the region cannot efficiently solve the accessibility of the region's dynamic economic centres for those commuting from the settlements daily. Another problem is that the communal traffic systems are not harmonised, and, especially in the peripheral areas, there is a low number of transport services on given routes, putting a special load on the transport connections both on local and district routes. Yet another problem is caused by the low standard of the services and of the infrastructure of the service facilities of communal public transport; contributing to a tendency of reduction in the number of people using communal transport.

The vehicle fleets of communal transport are old and physically worn, the operational facilities deteriorated; all slowing the traffic and making the quality of services substandard. Due to these problems, the number of people using the communal transport is continuously decreasing.

The low number of roads maintained for cyclists and the lack of a cycle road network hinder the spreading of the bicycle as a healthy alternative of public transport.

In order to improve accessibility between settlements as well as between the different parts within the regional centres, the local and micro-regional public road network, the infrastructure of the maintainable communal transport, as well as the conditions for maintaining of the infrastructure conditions of different maintainable transport means. The transport connections to the services in the regions and settlement centres must be established; such as to provide transport access to educational institutes, significant places of employment, and to the industrial parks or areas outside the settlement centres.

More than 50% of the funds allocated to transport in NHDP will be spent for sustainable transport developments. The North Great Plain OP contributes to this commitment in such a way, that according to the thematic categorization of the OP the planned share of sustainable transport (categories 24., 52.) developments will be 42,37 %.

The priority axis relates to the “Expand and improve transport infrastructures” objective of Guideline 1.1 of CSG and it contributes to the improvement of accessibility through the development of infrastructure of local importance and integrated transport systems.

Description:

In the efforts made in order to promote the mobility of the population, the improvement of lower grade public road traffic network, the roads marked with 4 or 5 digits and of the roads owned by the local governments play a specially important part; the missing links should also be established in justified cases, focussing primarily on those in backward, low-performing regions, to provide those settlement a chance to catch up with the rest of the region. The public road development should functionally concentrate on serving the regional and micro-regional centres; and providing access within, to the institutes providing services and employment of

education, training, health service, and public administration, and also to the targeted centres of tourism as well as to the industrial areas taking significant part of local employment. The 1, 2, and 3-digit marked roads ensuring access to the region and within the region are going to be developed, under the specific objectives of the Transport OP, namely the improvement of accessing the regions.

For the purpose of developing of the maintainable transport means, it will be possible, within the framework of the priority axis, to establish bicycle lanes suitable for commuting, thus creating the conditions for safe bicycle road transport.

For the purpose of improving regional access and of reducing the differences between different areas within, the priority axis supports the development of environmentally friendly, maintainable communal transport; within which, the development of the transport means buses, equally important in local as well as inter-settlement traffic. This branch of transport means is flexible enough to meet the regional demands, the access to the regional centres, therefore, investments into the modernisation of its routes, infrastructure, its service facilities, into its traffic control and information technology could make significant contributions towards the improvement in the proportion of the environmentally friendly, maintainable communal transport. The Transport OP supports the development of fixed-track transport systems.

Territorial preferences:

Under the priority axis, the entire area of the region is a beneficiary. Within the framework of the priority Axis, the low-performing and most backward micro-regions in relation to regional development will be given preference on the basis of Government Decree no. 64/2004. (IV.15.)

The operational objectives of the priority axis:

- Improvement of access to regional centres; to educational and service centres

This priority axis aims to establish faster and safer access to the micro-regional service and economy centres, to industrial areas, tourist attractions by means of improving the transport conditions achieve the above objective.

- Stopping the deterioration of the proportion of communal transport within the whole of public transport

This priority axis aims to reduce or eradicate the worsening of communal transport suffered in recent years, thus to contribute towards the reduction of damaging impact of the ever-increasing motorisation.

Indicators:

- Increase in the number of people using communal transport (number)
- Increase in the number of people reaching micro-regional centre within 15/20/30 minutes by public road and by communal transport (number)

Main target groups and beneficiaries:

Public road management of public benefit organisations, local governments, transport associations, communal transport companies operating under public service contracts, non-profit micro-regional associations, trading companies.

An indicative list of operation groups

3.1. Infrastructure development of public road and transport

- Renovation of the road surface of lower-order public road network (roads marked by 4 and 5 digits), safety technology development.
- Building of missing sections, primarily for the purpose of discontinuation of the cul-de-sac nature of certain settlements and for the purpose of creating access shortcuts between neighbouring settlements.
- Renovation of the surfaces, widening, building of local government-maintained roads, safety technology development.
- Building of roads connecting settlement parts but bypassing the settlement centre, building of traffic relieving sections in the central areas of settlements.
- Building of bicycle lanes for commuting, not for tourist purpose of use.
- Development of roads providing access to human public services, tourist attractions, industrial areas, places of employment.
- Projects preparation support associated with the individual interventions.

3.2. Development of communal transport systems

- Establishment of transport associations.
- Control technology developments associated with the modernisation of local and district communal transport (bus bays, bus lanes, waiting rooms, shelters).
- Developments serving the improvement of the quality of services (passenger information systems, tickets sale and reservation systems associated with passenger traffic services).
- Implementation of developments aiming to harmonise routes and timetables.
- Project preparation support associated with the individual operations.

Expected outcomes of the priority axis

As a result of the developments, access to backward, low-performing regions will improve, and the residents of those regions will reach their place of employment faster and more comfortably, and will also be able to benefit of the public services organised regionally. Due to the improving transport connections, the peripheral regions can also be more involved in the regional economy, working capital flow to the region will accelerate, and the new jobs created as a result of investments will improve the employment in these regions.

The harmonisation of local, district, town, suburban and local city communal transport systems, and integrated development will provide healthier, more comfortable, more rational and – hopefully – safer travelling facilities for the hundreds of thousands of commuters, whilst improve the quality of life, state, and accessibility of the regions concerned.

Demarcation with the EAFRD and EFF

There are no associated activities.

Financing flexibility

Not planned.

3.4. PRIORITY AXIS 4: DEVELOPMENT OF HUMAN INFRASTRUCTURE

Rationale:

The population of the region, especially where disadvantages and a high rate of unemployment characterises the region, cannot become involved in the regional economic processes at all, or with a very limited extent, if any. High amongst the reasons for it is the low level education or not marketable qualification of the population made worse by the unfavourable state of general health. The human resources development requires consistent education of the appropriate standards, starting from the nursery schools. In harmony with the departmental development aims, special attention must be paid to the integrated education of children burdened with disadvantages or learning difficulties; and to the creation of the right circumstances leading to the acquisition of the essential ICT literacy.

The significant differences in the access to quality education present problems in the field of the infrastructure of human public services provided by educational institutes. The problems arising in regards of the maintaining and operating of the institutes is worsened by reducing number of children in the region that, in turn, requires the regional-based rationalisation, in harmony with the educational developments. The school qualification of the Roma population is significantly backward; therefore, the infrastructure development of educational institutions is extremely important in areas with a high rate of Roma population.

The state of health of the region's population, where the Roma are overrepresented, is strikingly poor even in national comparison, which jeopardises the expansion of a healthy and active labour force that forms the foundation of the region's economic development and, hence, higher employment. The development of the healthcare system, the territorial distribution and the quality of which are rather uneven and heterogeneous respectively is also vital in the interest of improving the population's state of health and economic activity. Similarly to education and healthcare, disparities in the quality as well as the rather uneven distribution of basic social care mainly hits backward regions and settlements of small size. Therefore, it stands to reason that within the framework of the priority, institutions providing human public services should be streamlined and developed.

Due to the shortcomings in equal opportunities and in order to ensure equal access to the public administration services it will be necessary to provide accessibility to every institution fulfilling local government tasks as well as the establishment and development of electronic client service facilities.

The priority axis relates mainly to Guideline 1.3 of CSG "More and better jobs" and it contributes to the guidelines concerning employment of NRP.

Description:

Regarding the issue of human resources development, regional optimisation and development of public services of personal nature will play a special role. Within the framework of this, the playgroups, primary schools, and secondary education institutes fundamentally determining the training level of the local population; the buildings accommodating those institutions shall be physically and energy-efficiently refurbished, the conditions, the necessary equipment, and the service facilities of the training-educational activities shall be developed. The priority axis prefers to support the development of nursery and the lower forms of primary education near the home, whilst its preference regarding the upper forms of primary and secondary school education would be the development of streamlined micro-regional education centres, in line with the features of the structure characterising the given area.

In the public education field, special attention must be paid to the development of skills, competencies, and of computer literacy. Social Infrastructure OP shall provide the necessary information technology hardware equipment to the public educational institutes. Social Renewal OP will be in charge of the development of other fields in education, elaboration of programs of pedagogy, curriculum development and further training of teachers within the priority axis', whilst the regional vocational training centres (according to the Hungarian acronym: TISZK) and the higher education infrastructural development will be subjects of the Social Infrastructure OP's priority axis'.

Along with the training qualification, another factor determining employability is the state of health; the improvement of which could be supported within the framework of the priority axis; the infrastructural development of certain elements of basic healthcare to be provided locally and out-patient care to be organised regionally and also of rehabilitation health care. Social Infrastructure OP supports the establishment of hospitals and the creation of the infrastructural conditions by green-field investments for the out-patient care in micro-regions where no such service is available in line with the health care reform program.

Beyond the above, the development of social care development also contributes towards the human resources development aiming to improve employability, within the activities of which the priority supports the basic social and day care. All these activities are supplemented by the infrastructural development of community and recreational institutions, contributing to the useful spending of the population's leisure time, to the recreation of human energy for work.

It is important to note that the public services optimised on a regional basis are only capable of fulfilling their role if accompanied by an improvement of the access to, and distribution of, the services; thus this priority is in strong synergy with the transport developments to be implemented within the framework of NOGPOP priority axis 3.

The priority axis contributes toward the accessibility to the services, it supports the establishment of accessibility to every institution fulfilling local government tasks, thanks to which, and everybody will have an equal opportunity to access the services. The priority axis will also help to establish the electronic processing of the local government administration, leading to a more efficient operation of the local administration and also to the provision of fast and customer-friendly services.

Territorial preferences:

Within the framework of the priority axis, the entire area of the region is a beneficiary.

The operational objectives of the priority axis:

- Development of the educational and healthcare infrastructure

The objective of the priority axis is to ensure the infrastructural conditions appropriate to a regionally balanced training-educational and healthcare services system that is essential in determining the employability of the region's population.

- Improvement of the quality of public services in the settlements of the region

The objective of the priority is to allow for the possibility that the population can arrange daily issues needed for work, office administration and the use of public services quickly and efficiently and to a satisfactory standard. To a large extent the improvement of the quality of public services determines the quality of life offered by the settlements in the region.

Indicators:

- Reduction of the proportion of students failing to meet the minimum curricular criteria in the schools where this proportion is over 50% at present (%)
- Number of students studying in the developed training-educational institutes (number)
- Increase in the number of children receiving nursery school education (%)
- Increase in the number of receiving quality services in out-patient care affected by development (number)
- Increase in the number reached with social care (number)

Main target groups and beneficiaries:

Local governments, associations of local governments, institutions in the ownership of local governments and non-profit organisations, health care service providers, social institutions and their operators, sport organisations, economic companies, civil organisations, churches, religious institutions.

An indicative list of operation groups

4.1. Development of the infrastructure of human public services

- Infrastructural development of public educational institutes or the construction of new buildings if justified.
- Procurement of regional school buses designated to serve public education.
- Establishment and infrastructural development of the background conditions for a modern health care system (rehabilitation, institutional development of region-based integrated basic health care, modernisation of the existing out-patient care surgeries of micro-regions not having hospitals).
- Infrastructural development of institutions providing near-family and near-home day care and social services, under the social and child benefit funds.
- The infrastructural development for the creation of multifunctional community space and recreational institutions to serve an active lifestyle of sports and physical activities.
- Infrastructural development of information points and remote communication centres.
- Infrastructural development of kitchens and dining rooms serving more than one institution at the time.
- Project preparation support associated with the individual interventions.

4.2. Improvement of equal accessibility to public services

- Development of disabled access to institutions performing local government tasks.
- Creation of the conditions for connecting to the local governments' service providing centres to be established with the help of the Electronic Public Administration OP.
- Project preparation support associated with the individual interventions.

Expected outcomes of the priority axis

As a result of the developments, the population of the region will have access to public services of satisfactory quality, whereby territorial imbalances decrease in number, which, in turn, contributes to the convergence of peripheral regions.

Demarcation with the EAFRD and EFF

The NOGPOP supports

- infrastructural development of public services provided under mandatory obligation, such as: public education, health and social fixed-line infrastructure (road, precipitation water discharge etc.) base services,
- the infrastructure conditions of other, non-mandatory local public services in the towns (or settlements with a population of over 5,000 and 100 people/km² and the associated agglomerations) except the suburb of the cities, towns and above defined settlements,
- the development of community and service places fulfilling non-mandatory one- or multi-purpose local government or public administration functions implemented in **towns** or in settlements with a population of over 5,000 and 100 people/km².

The program to be funded by the **National Fisheries Strategic Plan** shall not provide assistance to activities also covered by the OP's of the NHDP.

Financing flexibility

In the course of implementing this priority, we wish to exercise the flexible financing option laid down in Paragraph 2 of Article 34 of Regulation No 1083/2006/EC of the European Council, up to a maximum of 10% of the sources of the given Priority Axis. The owners of the projects may only utilise different funds – assuming that the applications include such – if their ESF-like activities have a direct link to the implementation of a ERDF-based project, and if those activities are necessary for the successful implementation of the project, and/or they are associated with the solution of explicitly a special local problem.

3.5. PRIORITY AXIS 5: URBAN AND REGIONAL DEVELOPMENT

Rationale:

The system of settlements in the North Great Plain Region is characterised by a large degree of differentiation. The three dynamic county towns are in regions with small towns with few functions and low performance and with rural areas offering only rudimentary conditions for living; there are only a few medium-size and small towns, truly rich in functions. Towns with few functions cannot organise and provide the necessary supplies for their regions and population or fulfil their central role in job creation, public administration, business activity, education, and culture. Furthermore, several towns face the problem of rundown areas with low social prestige (characterised by poverty, unemployment, a high proportion of Roma population, low economic activity, old dwellings, and rundown neighbourhood) that are in need of physical and social rejuvenation. The physical condition of the towns are further deteriorated by the out-of use brownfield areas loaded with environmental pollution that could be integrated into the settlements' structure by means of changes in functions and physical rehabilitation. The physical and social renovation, the functional extension of the town areas will promote the improvement of the built environment; the development of a dynamic network of towns, the reduction of internal differences within the region thanks to the implementation of a balanced regional structure, contributing towards the improvement of the region's competitiveness, in line with the Lisbon Objectives.

For the purpose of creating a safe and uninjured natural environment, it is necessary to eradicate, in line with the Gothenburg Strategy, the environmentally damaging processes common in a significant proportion of the settlements. At the moment, a large number of the settlements in the North Great Plain Region face an environmental problem due to their obsolete existing waste disposal dumps and due to lack of modern wastewater treatment; therefore, the rehabilitation of the natural environment necessitates, beyond the solution of wastewater treatment, the re-cultivation of the environment-damaging, obsolete and often abandoned waste disposal dumps too. The problem of noise and air pollution, mostly experience in larger towns or cities and along the main roads, must be solved by means of establishing the appropriate protection.

In order to ensure the conditions for the safe environment in the North Great Plain Region, protection must be provided against flood and excess ground water, which presents risks to the living environment, as well as hazards hindering the safety of production. A significant proportion of the region's settlements face the risk of flooding along the banks of the River Tisza and of its tributaries. Due to the fact that the ground water draining systems are inappropriate, the settlements in areas under the threat of rising excess ground water have to face the inundation of ground waters nearly every year, that may damage the homes and public buildings in the settlements, and the significant costs of remedy of the damages burden the population as well as the budget of the local and central governments alike. Environment and Energy OP priority assists the development of flood protection as a part of the "Vásárhelyi Plan Further Development" programme, while the appropriate harmonisation with the New Hungary Rural Development Programme's excess ground water priority will be necessary.

The long-term objectives of towns can only be achieved by establishing a dynamic network of towns that is also subject to the complex development of the areas surrounding the towns. Beyond the environmental developments, the New Hungary Rural Development Programme contributes towards the complex development of the rural regions by means of the renovation of villages, of diversification of the rural economies. The development of the local social structure of the urban and rural population must be enabled primarily by means of promoting

the social and labour market integration of disadvantaged communities. The civic sector can play a crucial role in this, which is equipped with the ability of solving these tasks more efficiently than the traditional institutional and administration facilities. At present, the community-shaping role of civil organisations is low or the participation of the organisations is not present at all in assuming local government tasks, resulting in the contribution towards the migration of the population due to the limited number of available jobs together with the level of rurality local services. The high rate of the Roma amongst the population and the lack of their social integration have led to social problems in numerous settlements of the region. Therefore programs are needed that promote the social integration, the improvement of training and employment of the disadvantaged groups, especially those of the Roma, mainly with the involvement of the NGO's.

In compliance with the territorial dimension of CSG, the priority axis makes urban areas suitable for supporting growth and facilitating the economic diversification of rural regions. It contributes to the implementation of macro and micro economic objectives by developing the competitiveness of urban and rural regions.

Description:

For the purpose of establishing the dynamic network of liveable towns with a plethora of functions, the priority axis supports the physical renovation of the town areas and town centre; the establishment of town centre areas if the towns are poor in functions in order to extend the functions and to attract economic activity to the towns. Only integrated rehabilitation actions may be implemented regarding the town centre developments; the developments along with the renewal of the physical townscape, must focus on the resources of the communities affected as well as on the involvement of enterprises operating in the action area.

The priority offers opportunities for the revitalisation by means of changing the function of urban unused or under-utilised sites, physically rundown usually brownfield areas typically heavily loaded by environmental pollution.

The Priority Axis supports the implementation of such integrated settlement rehabilitation actions in run down or gradually deteriorating towns of larger populations, that will create the involvement of these town districts in the town's development by means of joint management of the physical environment and the social problems simultaneously; that, with the communal developments, help the re-integration of people living in segregated settlement-parts and contribute towards the halting and reversing of the deteriorating processes in the given action areas. Within the framework of the actions, there will be opportunities for the physical and energy efficient renovation of rundown multi-flat houses and housing estates, for the development of their environment, and for the increase of green fields within the settlements. We wish to achieve that the interventions are fully integrated by means of observing and applying the form and criteria of URBAN II Community Initiative, since the URBAN program was conceived explicitly for the purpose of relieving some of the typically town-problems arising from urbanisation; offering integrated, complex renovation of economically and socially low performing, rundown town parts (action areas) in physically unambiguously bordered uniform district action areas. The programs are organically built on the recognition of local standards, the mapping of local problems and on the cooperation of the local administration organs, local residents, and civil organisations and of the actors of economy.

The sustainable urban development actions shall be implemented within the framework of integrated urban development strategies ensuring coherence between the developments in different action areas with the town's strategic objectives. Pursuant to Article 7(2) of Regulation (EC) No 1080/2006: "... Expenditure on housing shall be eligible ... in the following circumstances: (a) expenditure shall be programmed within the framework of an

integrated urban development operation or priority axis for areas experiencing or threatened by physical deterioration and social exclusion ...".

The action areas shall be assigned primarily in accordance with the criteria laid down in Article 47 of Regulation 1828/2006/EC regulating the conditions for renovation of housing buildings or blocks. Pursuant to this regulation areas experiencing or threatened by physical deterioration and social exclusion where investment in housing may be eligible for housing operations from EU funds. The degree of deterioration of a eligible area shall be demonstrated with a set of selection criteria. The ten (10) criteria enumerated under Article 47(1) are applicable, the eligible areas shall comply with at least three of such criteria (two of which must fall within those listed pursuant).

Among the ten (10) criteria enumerated, the application of three criteria – a), b) and f) – can be ensured throughout the 2007-2013 programming period. In order to focus interventions, the action plan may apply additional three to four of the remaining seven criteria depending on the availability of nation-wide and relevant data for their measurement. The benchmarking values for each criterion shall be determined in partnership with the European Commission.⁴

Areas eligible for social urban rehabilitation support are divided into two groups, both having their respective sets of criteria. (Pre-fabricated housing estates and traditional urban areas). The application of separate sets of criteria is justified by the substantial deviation in the population structure and building stock of such areas.

In case the eligible area designated for social urban rehabilitation contains both housing estates and traditional urban areas, then the set of criteria characterising over 50% of the housing stock of the eligible area. Indicators characterising housing estates are applicable if the area eligible for social rehabilitation essentially qualifies for the definition of housing estates by the Hungarian Central Statistical Office (CSO):

- constructed mostly by using industrialised technology after 1945, and
- comprise medium- and high-rise residential housing, towns of housing distinctive from the surroundings.

The sums that can be spent on renovation of housing buildings are limited at project level, partly by means of strict adherence to the internal financial proportions of the projects, and partly, in coherence with Article 7 (b) of Regulation No 1080/2006/EC., **housing expenditure summarized for all OPs concerned shall be a maximum of 2 % of the total ERDF allocation..**

In the interventions aiming to invigorate economic activity and to create income, the mobilisation of private capital, the application of developments with a return of investment play an important role, therefore, there are opportunities for the application of EIB JESSICA financing construction associated with the intervention.

In order to improve the quality of the settlement environment, the priority provides financial assistance to settlements with a RE below 2,000 in order for them to tackle the issue of wastewater management. (The Environment and Energy OP supports actions to eliminate damages from polluted areas that are subject to the sphere of responsibility of the state, and agglomeration based sewage investments that are, pursuant to Govt. Decree 25/2002. (II. 27.), over the equivalent of 2,000 residents and receive EU derogation.)

⁴ For benchmarking values and criterions regarding the North Great Plain region see Annex 6.

For the sake of the establishment of a healthy living environment, this priority axis shall implement primarily the larger traffic carrier public road network, and the protection against air and noise pollution in towns, and, generally, it shall reduce the damaging environment impact by means of re-cultivating of solid waste and also liquid waste and carcass pits under the management of the local governments

For the sake of the safe settlement environment, this priority axis supports the system-level interventions of the most serious excess ground water bays of the region, the physical development of the excess ground water protection infrastructure both inside and outside the settlements; in harmony with the ground water draining interventions from agricultural lands within the framework of New Hungary Rural Development Programme.

Within the framework of the priority axis are programmes encouraging co-operation between and the involvement of NGO's and local communities, the development of community services and the participation of these organisations in programmes that greatly improve the quality of life of the population, encourage the strengthening of cohesion in rural societies, the social integration of the Roma, increase public safety and security, and help find solutions to employment issues as well as provision to meet the needs of households locally or provide easy access civil organisations.

Territorial preferences:

Under the priority axis, the entire area of the region is a beneficiary. The social type urban developments will primarily concentrate to the settlements of larger population, the micro-regional and regional centres will be preferred amongst urban centre developments.

Developments of protection against excess ground water shall be implemented in excess water bay areas specified in harmony with the New Hungary Rural Development Programme.

The operational objectives of the priority axis:

- Improvement of the quality of the built environment

The objective of the priority axis is to provide an attractive settlement environment for the population of the Region establishing a healthy and safe work and residential environment even in European terms. The objective is to create a settlement environment that meets the needs of the population and holds a satisfactory appeal for economic players and tourists.

- Protection and development of the natural environment

The priority axis intends to help protect the natural environment of the settlements and improve their condition, and to eradicate the pollution of the natural environment in order to establish an unspoilt and natural home environment.

- Strengthening the social role of non-governmental, civil organisations

This priority intends to encourage a stronger involvement of non-governmental, civil organisations in the provision of social services (e.g. the provision of social care) and promote a more intense involvement of the civic sphere in the social and economic integration of the disadvantaged population in the settlements.

Indicators:

- Closing up the rehabilitated area's complex activity indicator to the settlements average (expressed in the percentage of averages)

- The increase in the number of enterprises having a site in the area affected by the assistance (number)
- Number of residents of rehabilitated settlement-parts affected by the assistance (number)
- The number of residents who, as a result of the assisted projects, are serviced by sewage treatment meeting the standards of EU criteria (number).

Main target groups and beneficiaries:

Local governments, associations of local governments, non-profit organisations, economic organisations, National Park Directorates, budgetary organs and their institutions, environmental and water management directorates, condominiums and tenant associations, churches.

An indicative list of operation groups

5.1. Urban development

- Renovation of the buildings situated in the action area for the purpose of urban function development, establishment of public spaces, green belts and reduced traffic zones, transport developments associated with the action area, modernisation of infrastructural networks of the action area, developments associated with the improvement of public safety.
- Development, for the purposes of community and public function, of communal facilities and services, refurbishment of the buildings accommodating the provision of public functions, preservation of the built heritage.
- Developments targeted to strengthen the economic functions, investments into commerce and tourism.
- Renovation of the common parts of multiple occupied houses (condominiums or blocks of social flats using industrialised building technologies) in run-down urban districts designated under centrally specified criteria, in order to improve their physical condition as well as their energy efficiency.
- Arrangement of deteriorated, run-down town areas.
- Field preparation of urban action areas for rehabilitation.
- Implementation of activities promoting the local acceptance and successful implementation of urban rehabilitation actions (local partnership, communication, exchange of experience).
- Implementing of programs helping run-down urban districts towards their involvement in labour and market; provision of family aid services.
- Revitalisation, change of function of urban brown-field sites (e.g. given-up or unused military bases, former industrial, economic sites, railway areas, agricultural fields and other buildings) and the promotion of reclaiming those for involving them in the settlement's life.
- Stripping of refurbished buildings from asbestos and establishment of disabled access.
- Preparation of integrated urban development strategies.

5.2. Regional and settlement-level nature and environmental protection developments

- Protective development aiming to reduce air and noise pollution establishment of protective tree lines and protective walls.
- Development of solid waste dumps for the settlements, local level closing, and re-cultivation of liquid waste disposal trenches and carcass pits, reducing their damaging environmental impact. (In the area of re-cultivation cross-region projects in excess of HUF 650 million value are earmarked in Environment and Energy OP, whilst NGPOP covers the solid waste disposal sites not coming under this category. A large proportion of these (80%) are the re-cultivation parts of the already approved ISPA and Cohesion Fund projects in progress, or the re-cultivation parts of such large projects, the preparation of which are already at an advance stage.)
- The treatment of sewage in the settlements of less than 2000 RE population by means of mixed technical solutions utilising near-nature wastewater purification and the establishment of small facilities of technically expert methods of local sewage disposal.
- Developments for the purpose of protecting the quality and quantity of waters; development of excess ground water and precipitation water discharging systems in the towns as well as outside the settlements; development of technical facilities capable of discharging and temporary storage of ground waters rising to the surface.
- Project preparation of the infrastructural interventions.

5.3. Increased social involvement of and co-operation between NGO's and religious organisations in the region

- Cooperation programs between non-governmental sector and the region's local governments for the purpose of the more efficient fulfilment of local government tasks.
- Implementation of programs aiming to improve the social and labour market integration of disadvantaged population, especially of the Roma.
- Establishment of mobile human information supply services for the purpose of the social integration of disadvantaged population.
- Implementation of local community programs.

Expected outcomes of the priority axis

The developments are envisaged to result in a territorially balanced urban network with a wide variety of functions; one that is attractive both socially and economically and able to utilise space; they are further envisaged to improve the economic attraction of cities/towns and prevent rundown districts from further falling behind, while facilitating their reintegration into urban life. The population of the region will have access to public services of satisfactory quality, whereby territorial imbalances decrease in number, which, in turn, contributes to the convergence of peripheral regions. As a result of the developments, there will be fewer settlements endangered by excess ground water; piped sewage disposal will be available in a larger number of small settlements, which contributes to the emergence of a safe and healthy living environment. The social involvement of NGO's will be stronger primarily in rural settlements, contributing to the self-empowerment and the development of local communities. Overall, there will emerge a settlement network in the Region, urban settlements can perform regional and central service providing functions for their broader environs; access to good quality public services will be resolved; residents will live and work in a healthy and safe settlement environment, where conditions for co-operation, self-empowerment and social involvement are available for local communities.

Demarcation with the EARDF and EFF:

NGPOP supports the towns or settlements with a population of over 5,000 and 100 people/km², except the outskirts of the cities, towns and these settlements.

The program to be funded by the **National Fisheries Strategic Plan** shall not provide assistance to activities also covered by the OP's of the NHDP.

Financing flexibility

In the course of implementing this priority, we wish to exercise the flexible financing option laid down in Paragraph 2 of Article 34 of Regulation No 1083/2006/EC of the European Council, up to a maximum of 10% of the sources of the given Priority Axis. The owners of the projects may only utilise different funds – assuming that the applications include such – if their ESZA-like activities have a direct link to the implementation of a ERFA-based project, and if those activities are necessary for the successful implementation of the project, and/or they are associated with the solution of explicitly a special local problem.

3.6. PRIORITY AXIS 6: FINANCING THE IMPLEMENTATION OF THE NORTH GREAT PLAIN OPERATIONAL PROGRAMME (TECHNICAL ASSISTANCE)

Technical Assistance in the NHDP

Pursuant to Article 46 of the General Regulation, the Funds may contribute to the financing of the preparation, management, monitoring, evaluation, information and controlling activities of the operational programmes, together with the reinforcement of the administration capacities required for the utilisation of Funds.

In the programming period 2007-2013, resources for Technical Assistance (TA) will appear in two places: in the Technical Assistance priority axes of the operational programmes and in the horizontal Implementation Operational Programme (IOP).

The demarcation between the TA priority axes and the IOP corresponds to the structure of the institutional system of the NHDP: the separation of TA activities has been defined with a view to

- the division of tasks among the different levels of institutions
- the distribution of costs resulting from the functioning of the organisations concerned.

On the basis of the above:

- The Technical assistance priority axes of the operational programmes support the technical-operational implementation of each programme, primarily the project-related activities of OPs,
- The IOP Priority Axes are meant to support strategic activities at system level in relation to the implementation of the NHDP and all Operational Programmes.

The breakdown of the available TA resources is as follows:

TA resources in NHDP	Share of TA (as a percentage of NHDP)
IOP	1,3%
TA priorities in OPs, altogether	2,6%
Altogether	3,9%

Technical Assistance activities carried out under the North Great Plain Operational Programme

1. Technical-administrative implementation of the OP (tasks of the intermediate bodies)

The intermediate bodies (IBs) carry out – based on the assignment and guidance of the managing authority – the technical implementation of one or more OP Priority Axes, among others the following:

- Participation in the preparation of calls for applications and sample support contracts,
- Admission and assessment of project proposals,

- Preparation and signature of the grant contract, accountancy of each contract,
- Monitoring of project implementation,
- Payments to the beneficiaries, carrying out tasks regarding closing of projects,
- Carrying out checks, reporting irregularities,
- Targeted communication activities connected to the specific OP or OP Priority Axis, based on the Communication Plan adopted by the NDA.

(For the list of the detailed tasks of Intermediate Bodies see the Implementing Provisions chapter.)

The tasks of the IBs will be specified in the agreement between the Managing Authority and the Intermediate Body. Financing their tasks in relation to the OP will be based on the **completed activities and on performance basis**, in the framework of the TA Priority Axis.

The main experience from the programming period 2004-2006 was that financing IBs was only carried out by costs incurred which did not inspire motivation for improving cost-effectiveness. To change this, the IBs in the programming period 2007-2013 will be financed exclusively on the basis of performance, through task assignment contracts. Where possible, financing is based on unit costs (e.g. number of project proposals evaluated, number of payments transferred, etc.)
(For the detailed financing method of IBs see Implementing Provisions chapter).

2. Other tasks related to the implementation of operational programme

Besides the previously described activities carried out by IBs, the following activities connected to the operational programme will be supported in the framework of TA Priority Axis:

- operation of the OP monitoring committees, including related secretarial tasks;
- annual implementation reports, studies, analyses; evaluations not included in the overall NHDP-level evaluation plan, including evaluations at the initiative of monitoring committees;

Objective of the priority axis: effective and efficient implementation of the OP's operations.

Indicator: Implementation rate of supported projects (ratio of approved projects and projects actually completed)

Target value (2015): 100%

3.7. INDICATIVE LIST OF MAJOR PROJECTS

The **North Great Plain** Operational Programme currently does not plan any major projects for the 2007-2013 period.

4. EXPECTED OUTCOMES AT PROGRAMME AND PRIORITY AXIS LEVEL AND QUANTIFIED INDICATORS

Overall, as a result of the implementation of the interventions identified within the framework of the programme, the competitiveness of the Region will increase, the economic and social inequalities between the Region’s developed and backward areas will be fewer and the scope and efficiency of the physical and human resources involved in income generation will grow. Moreover, the number of the enterprises is expected to rise, especially in the assisted areas. In addition to an increase in the number and operational efficiency of businesses, the programme will create new jobs to a smaller extent, which will contribute to a rise in the numbers employed. Interventions will improve access to disadvantaged areas in the Region and provide easier access to public services organised on a territorial basis; furthermore, better accessibility facilitates the inflow of working capital and the integration of backward regions into the regional economy. A further result of the developments is greater resident satisfaction in the assisted regions with their living conditions, which increases the ability of mainly such rural areas to retain their population that are outside the regional centre and regional subcentres. During the Programme, when projects are selected, the use of project evaluation criteria helps minimise pressure on the environment.

The table below determines the programme- and priority-level indicators and target values of the North Great Plain Operational Programme for the 2007-2013 period to be surveyed. The indicators are interlinked with the indicators identified in the New Hungary Development Plan and in the Action Plan.

Programme level indicators:

Type of objective	Type of indicator	Definition of indicator	Measurement	Initial value	Target value	Frequency	Source
<u>Overall objective:</u> “Based on the natural and social heritage and the characteristics of the settlement network of the North Great Plain Region, to strengthen regional competitiveness and redress territorial imbalances within the region.”	Impact	Increase of the GDP per capita in the region	%	100 (2004)	139 (2015)	Annually	CSO
	Impact	Employment rate (age group of 15 to 64 years) in the Region	%	51.1 (2006)	53.0 (2015)	Annually	CSO
	Core indicator	Number of new jobs created as a result of the programme (gross jobs created)	Number	0	1500 (2015)	Annually	MA
	Impact	Relative distribution of gross added value per capita on a micro-regional level	%	88.55 (2004)	85 (2015)	Annually	CSO
<u>Specific objective</u> “Strengthening the region’s SME sector”	Impact	Increase of the gross value added produced by the corporate sector generated by the programme	HUF billion	To be specified in 2007	To be specified in 2007	Annually	CSO

	Core indicator	Size of investments induced by assistance	HUF billion	0	27 (2015)	Annually	CSO
	Context	Number of SMEs established or with a new registered site in the region	Number	0	1000	Annually	CSO
	Impact	Proportion of SMEs categorised according to the number of employees and sales turnover ⁵	%	9.28 (2005)	15.00 (2015)	Annually	CSO
<u>Specific objective</u> “Improving the income-generating ability of tourism”	Impact	Increase of the gross added value generated in the hotel, hospitality and catering industry	%	To be specified in 2007	10% increase	Annually	CSO
<u>Specific objective</u> “Improving population’s mobility”	Impact	Number of those using community transport	Persons	Figure of 2006, to be specified in 2007	Keeping the 2006 figure (2015)	Annually	MA
<u>Specific objective</u> “Developing human resources”	Impact	Reduction of the proportion of students not complying with minimum knowledge criteria at schools where the proportion of such students exceeds 50%	%	To be specified in 2007	20 % decrease	Annually	MA
<u>Specific objective</u> “Improving the condition of the built and natural environment”	Result	Size of brown field areas utilized (ha)	Ha	0	50 (2015)	Annually	MA
Horizontal (Equal opportunities)	Core indicator	Number of new full-time jobs created in backward micro-regions as a result of the Programme	Number	0	200 (2015)	Annually	MA
	Core indicator	Number of women employed at new full-time jobs created as a result of the Programme	Persons	0	800 (2015)	Annually	MA
	Core indicator	Number of disadvantaged people employed at new full-time jobs created as a result of the Programme	Persons	0	400 (2015)	Annually	MA

⁵ The proportion of enterprises included in the category denoting 5-249 employees and a sales revenue from HUF 51 million to the ceiling of the sales revenue in the prevailing medium-size enterprise category (in 2005: HUF 4 billion)).

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	Result	Number of disadvantaged children studying at developed educational and training institutions	Persons	0	60,000 (2015)	Annually	MA
Horizontal (Sustainability)	Core indicator	Energy savings achieved as a result of projects assisted	TJ	0	To be specified in 2007 (2015)	Annually	MA
Horizontal (Territoriality)	Impact	Relative distribution of gross added value per person on a micro-regional level	%	88.55 (2004)	85 (2015)	Annually	CSO

Priority level indicators:

1. <u>Priority axis</u> “Regional economic development”	Result	Change in the net extent to which supported industrial parks and estates are built in as a result of the assistance	%	58	69 (2015)	Annually	MA
	Result	Increase in the turnover of companies involved in clusters and supported cooperation	%	0	7 % increase per year	Annually	MA
2. <u>Priority axis</u> “Tourism development”	Result	Increase of the capacity utilization of commercial accommodation	%	24.2 (2006)	28.0 (2015)	Annually	CSO
	Result	Increase in the number of guest nights per 1,000 inhabitants in commercial accommodation	%	1107 (2005)	1185	Annually	CSO
	Result	Relative spread of the monthly percentage distribution of the guest nights spent at commercial accommodation	%	52.96 (2005)	44.5 (2013)	Annually	CSO
	Result	The relative spread of the number of guest nights per 1,000 residents at a settlement level at the settlements concerned with commercial accommodation	%	417.9 (2005)	350.0 (2015)	Annually	CSO
3. <u>Priority axis</u> “Improving transport conditions”	Impact	Number of those using community transport	Persons	To be specified in 2007	Keeping the 2007 level (2015)	Annually	MA
	Result	Increase of the population having public road and community transport access to a micro-regional centre within 15/20/30 minutes	Persons	0	To be specified in 2007	Annually	NDA
4. <u>Priority axis</u> “Development of human infrastructure”	Impact	Reduction of the proportion of students not complying with minimum knowledge criteria at schools where the proportion of such students exceeds 50%	%	To be specified in 2007	Keeping the 2007 figure (2015)	Annually	MA

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	Result	Number of students studying at developed educational and training institutions	Persons	0	120,000 (2015)	Annually	MA
	Result	Increase in the share of children in nursery schools	%	88,3	91,8	Annually	CSO
	Result	Increase in the number of patients receiving outpatient care services for the specialist consultations concerned	persons	0	To be specified in 2007	Annually	NHF
	Result	Increase in the number of population having access to social care	Persons	2007 figure	To be specified in 2007	Annually	MA
5. <u>Priority axis</u> “Regional development”	Impact	Approximation of the complex activity indicator of rehabilitated area to the average (in percentage of the average figure)	%	2007 figure	75%	Annually	MA/CSO and local government
	Result	Increase in the number of ventures with sites in the area supported	Number	0	1,000	Annually	CSO / APEH
	Result	Number of residents affected by assistance in rehabilitated settlement parts	Persons	0	250,000 (2015)	Annually	MA
	Result	Number of residents with adequate waste water treatment in the framework of the projects to which aid has been granted	Persons	0	40,000 (2015)	Annually	MA
6. <u>Priority axis</u> : “Technical Assistance”	Result	Proportion of the implementation of assisted projects [the proportion of approved (positive decision on) developments and implemented developments (in completed projects)]	%	0	100 (2015)	Annually	MA

5. IMPLEMENTING PROVISIONS FOR THE OPERATIONAL PROGRAMME

The main aspects in terms of the establishment of the implementation system are to summarize the lessons of the period of 2004-2006, to establish a coordinated and effective system, to clearly separate tasks and liabilities, to avoid the overlapping of the different procedures, to ensure the transparency of the procedures, and simplify them, as well as to establish a client-friendly system. These fundamental aspects have to be monitored by all actors of the procedure, at all levels of the implementation system.

The following national legislation lays down the governing rules for implementation:

- Government decree 255/2006. (XII. 8.) on the fundamental rules and institutions in charge of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the programming period 2007-2013.
- MHPMO (Minister Heading the Prime Minister's Office)-MF (Minister of Finance) Joint Decree 16/2006 (XII. 28.) on general rules of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the programming period 2007-2013.
- Government Decree 281/2006 (XII.23.) on rules concerning establishing systems of financial management and controls in relation with receiving support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the programming period 2007-2013.

5.1 MANAGEMENT

5.1.1. Strategy and Coordination

Throughout programming and implementation the following **aspects of coordination** must be ensured:

- The coherence and consistency between development assistance financed from the Funds as well as from national resources;
- The co-ordination of programming and implementation between the different Funds – EAFRD, EFF, structural funds, Cohesion Fund;
- Full exploitation of synergies between operational programmes within the NSRF, as well as eliminating duplications and conflicting activities;
- Taking into account regional considerations in case of sectoral OPs through the continuous involvement of the regional development councils;
- Ensuring that sectoral policies are represented in regional operational programmes through the participation of line ministries;
- The programming and implementation of flagship programmes financed by several operational programmes at a time, including territorial development programmes covering more than one region;
- Ensuring the promotion and respect of horizontal objectives – gender mainstreaming, equality between men and women and prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation ensuring

accessibility for disabled persons with respect to Art. 16 of 1083/2006/EC as well as sustainability with respect to Art. 17 of 1083/2006/EC.

The guarantees for coordination equally cover the phases of planning, implementation, monitoring, evaluation and feedback. In order to provide for efficient cooperation of the organisations the principle processes of coordination are defined by the legal framework.

Institutional framework

The overall coherence of strategic planning is ensured by the Government. For this, **the Government** approves

- ◆ the National Strategic Reference Framework (hereinafter referred to as the New Hungary Development Plan, (NHDP) as well as the operational programmes before they are submitted to the European Commission;
- ◆ the action plans that describe the measures to be implemented by the operational programmes in full detail – the schedule, budget, objectives, target groups, of the planned measures as well as the list of projects to be implemented without a competitive procedure, including the list of major projects;
- ◆ any proposed amendments to the operational programmes – prior to their approval by the Monitoring Committees.

The Government evaluates the progress of the implementation of the NHDP and the operational programmes on a regular basis.

In order to facilitate the co-ordination of strategic planning tasks related to the NSRF and the OPs, the National Lisbon Action Programme, the National Strategy for Sustainable Development and the rural development plan, the Government established the **Development Policy Steering Committee (DPSC)**. The DPSC has the task of discussing proposals and reports to be submitted to the Government, including the delivery of an opinion on the OPs, the action plans, the content of the calls for proposals. (These functions are without prejudice to the functions of the Monitoring Committee.)

As a further, high-level advisory body to the Government, the **National Development Council (NDC)** was set up. The NDC's members are:

- the Prime Minister,
- representatives of the regional development councils,
- delegates of the Economic and Social Council,
- distinguished experts,
- the invited members of the DPSC.

The NDC evaluates the implementation of the development policy objectives, monitors the implementation of the objectives defined by the NSRF, and the enforcement of the development guidelines of the EU, and based on that, prepares recommendations for the Government. (These functions are without prejudice to the functions of the Monitoring Committee.)

The Government's agency charged with the planning and implementation of the National Strategic Reference Framework is **National Development Agency. The NDA** is responsible for:

- the coordination of the planning, programming, evaluation and implementation of the NHDP,
- the coordination of the planning, programming and implementation of the operational programmes,
- in accordance with the Council Regulation (EC) 1083/2006 Article 27 Paragraph 4.g) ensuring coordination between the support provided by the operational programmes, as well as – in co-operation with the Managing Authority of the New Hungary Rural Development Programme – those of the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF);
- the coordination of all above financial sources with the assistance received from the European Investment Bank and the European Investment Fund and other resources;
- liaising with the European Commission regarding the questions related to the NHDP and the other operational programmes;
- the elaboration of the general procedural requirements for the implementation of the NHDP and the OPs, including the development of a single operational manual;
- the setting up, the operation and the continuous development of the single monitoring and information system;
- the enforcement and promotion of Community policies and horizontal principles such as sustainability, equality and non-discrimination, public procurements and – in cooperation with the State Aid Monitoring Office of the Ministry of Finance (MoF SAMO) – the respect of state aid rules. In the frame of this for the elaboration of documents and guidelines etc., the enforcement of these in the calls for applications and grant facilities, and the monitoring of the fulfilment of these activities.
- the development of the unified communication strategy regarding the implementation of the NHDP, as well as the requirements related to providing information and publicity on the entire NHDP;
- the organisational development of the institutional system (i.e. providing training opportunities, development of curriculum, dissemination and promotion of best practices, ensuring coordination upon the regulations)
- setting up and operation of the unified client service for the NHDP.

Coordination processes

The coherence, complementarity and coordination of the content of the **operational programmes** is ensured through the definition of detailed demarcation principles in the OPs themselves.

The operational programmes are translated into concrete operations by the so-called **action plans**, prepared, on a biannual basis, for an OP or a priority axis thereof. The action plans spell out the objectives and content of the planned operations, their schedule and indicative financial allocations. Action Plans are also required to present a detailed justification for the planned measures through describing their:

- relationship to community policies (including CSG and Lisbon strategy), sectoral and/or regional strategies and programmes (including connections with flagship programmes);
- complementarity with developments financed from national resources;

The proposals for the actions plans are prepared by the Intermediate Bodies (IBs) and the line ministries and/or regions concerned with the guidance of the Managing Authority (MA) in the framework of a working group where all ministries and regions concerned are represented (**Operational Programme Programming Coordination Committee (OPPCC)**).

In the interest of ensuring the complementarity and avoid double funding with rural development and fisheries the representatives responsible for the implementation of the **EAFRD and EFF** are also taking part in the meetings of the OPPCC, and in the monitoring committee. Small regional advisory networks for the NHDP and EAFRD-EFF will operate in close co-operation.

As an extension of the partnership principle, but also in an effort to further strengthen co-ordination between programmes and measures, the NDA invites **comments from social partners and NGOs** not just during the preparation of the NHDP and the OPs, but also when elaborating the action plans and calls for proposals. Contributions by potential stakeholders – in writing or during dedicated consultation sessions – are then taken into account when finalising the detailed content of operations.

The application of the partnership principle on the different programming-implementing documents, as well as the fact that the relevant line ministry or – in case of the ROPs – the relevant Regional Development Council may be represented in the project selection committee also ensures the realisation of coordination aspects. As members of the monitoring committees regions also take part in the drawing up of project selection criteria.

5.1.2. Managing Authority (MA)

As of July 2006 the Managing Authority of all OPs operate as separate organisational units of the National Development Agency.

The concentration of the management of the implementation improves the effectiveness of the coordination between the implementation of the OPs, the exchange of experience, the transparency, the accountability as well as the rationalisation of management.

Designation of the Managing Authority

In line with Art. 59 paragraph (1) of regulation 1083/2006/EC, the tasks of the Managing Authority in case of the North Great Plain Operational Programme are carried out by the NDA's Directorate General Managing Authority for North Great Plain Programmes.

Tasks and Responsibilities

According to Article 60 of Council Regulation (EC) No 1083/2006 the Managing Authority is responsible for managing and implementing the operational programme in accordance with the principle of sound financial management, and in particular for:

- ♦ Coordination of the planning of the operational programmes and the related documents that are under its responsibility. In the framework of the above, it operates with the participation of the relevant ministries, regions and experts the Operational Programme Planning Coordination Committee as a sub-committee of the Planning Operational Committee;

- ◆ Ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;
- ◆ Ensuring that the system for recording and storing the accounting records for each operation of the operational programme in computerised form is fed with up-to-date data, and that the data on implementation necessary for financial management, monitoring, audits and evaluations are collected;
- ◆ Ensuring that beneficiaries and other bodies involved in the implementation of the operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- ◆ Approval of the calls for applications and the grant contract templates as well as the decisions on the project proposals;
- ◆ Receipt and control of the requests for funds prepared by the intermediate bodies, countersigns and forwards verification reports prepared by the IBs to the certifying authority;
- ◆ Ensuring that the evaluations of the operational programmes are carried out in accordance with the relevant Community legislation. Thereby, the MA will play a lead role in defining priorities and tasks for evaluation work, in consultation with the Monitoring Committee (*see also the chapter on evaluations*);
- ◆ Preparation and continuous update of the audit trail of the operational programme; setting up procedures to ensure that all documents regarding expenditure and controls required to ensure an adequate audit trail are held in accordance with the requirements of the relevant legislation;
- ◆ Ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to the expenditure for the purpose of certification;
- ◆ Operation of the Monitoring Committee and providing it with documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific objectives;
- ◆ Drawing up and, after approval by the Monitoring Committee submitting to the Commission the annual and final reports on implementation;
- ◆ Providing the Commission with information to allow it to appraise major projects;
- ◆ Elaborating proposals for the amendments to the operational programme;
- ◆ Ensuring the implementation of the OP in line with the decisions of the Monitoring Committee regarding the criteria for the selection of operations, implementation of the action plans, ensuring regularity and feasibility of all operations.
- ◆ Monitoring of the implementation of the programmes under its responsibility,
- ◆ Liaising with the competent directorates-general(s) of the European Commission regarding the operational programme,
- ◆ Participation or – where the function is delegated – supervision of the fulfilment of in tasks related to providing information and publicity on the entire NHDP, as well as the operational programme;

- ◆ Managing the technical assistance budget of the operational programme;
- ◆ Handling of the system level irregularities, making the necessary corrective steps;
- ◆ Prepares proposals for the Government regarding the identification of priority projects after consultation with the relevant ministers and regional development councils.

Further organisational units of the NDA – typically regarding the horizontal tasks, related to several OPs, e.g. communication, finance – participate in the fulfilment of the tasks of the OP MA.

With regard to the **Intermediate Bodies**, responsible for delegated administrative, financial and technical tasks of implementation, the MA:

- ◆ Provides professional supervision regarding the activities of the Intermediate Bodies related to the implementation of the OP;
- ◆ Approves the internal rules of the Intermediate Bodies related to the use of the OP resources;
- ◆ Prepares instructions and rules regarding the implementation of the OP for the IB.
- ◆ Controls and evaluates the activities of IB on a regular basis.

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The Intermediate Bodies provide the delegated tasks based on the task-order contracts that ensure that the Intermediate Bodies receive payment for their services based on their performance.

5.1.3. Intermediate Bodies

Intermediate Bodies fulfil in relation to one or more priorities especially the following tasks:

- ◆ Participation in the preparation of action plans falling in its competence.
- ◆ Preparation of the **annual work plan** based on the requirements of the Managing Authority. The plan shall contain the dates of the calls for applications as well as the annual targets for commitments, support contracts and payments.
- ◆ Participation in the **preparation of calls for applications** and sample support contracts in cooperation with the MA and the relevant ministries.
- ◆ **Admission and appraisal of project proposals**, and based on the agreements with the Managing Authority setting up and operation of Assessment Committees, in case this task has been delegated to the Intermediate Body.
- ◆ Concluding of and amendments to the **support contracts**.
- ◆ **Verifying** that the co-financed products and services are delivered and the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules;
- ◆ **Monitoring of project implementation**, payment of contributions, carrying out tasks regarding project closure, performing verification checks, tracking and reporting irregularities.
- ◆ **Recording of data** in the single monitoring information system on a continuous basis, providing an up-to-date and reliable database

- ◆ Preparation of **quarterly progress** reports on the implementation of the operational programme, the action plan that specifies the details of the implementation process, as well as the annual work plan, with the recommendations on the necessary measures.
- ◆ Preparation and up-dating of the **audit trail**.
- ◆ Fulfilment of tasks related to **information and publicity tasks**, based on the annual communication plan approved by the NDA.

Qualification, Selection and Financing of the IB

Intermediate Bodies contributing to the implementation of the operational programmes were **selected on the basis of a set of objective criteria** measuring their institutional capacity and technical competence. In order to receive the assignment, the prospective Intermediate Body needed to prove the existence of an appropriate, consolidated organisational structure, the availability of human and technical resources, as well as professional competence necessary. (*Further information is provided on the selection procedure under the administrative capacity chapter.*)

To ensure the effectiveness of the implementation, the performance of the **Intermediate Bodies will be evaluated on a regular basis**.

The Intermediate Bodies participating in the implementation of the OP – based on the result of the qualification process – were appointed through a joint **ministerial decree**. Details regarding the tasks, responsibilities, and financing of the IBs were fleshed out in dedicated **task assignment contracts**, signed by the NDA, the IB and – where applicable – the owner of the IB.

For the sake of effective implementation of the programme in case of certain support frameworks – based on an individual decision – non-governmental organisations or corporations, commercial banks, can also be involved (*e.g. as managers of indirect grants or capital funds*).

The **IBs will be financed** through the above mentioned task assignment contracts from the technical assistance priority of the OP. In order to ensure sound financial management, correctness and regularity of expenditure declared by the IBs in relation to their operational costs the contracts – among others – impose the following requirements:

- ◆ The IB has to **separate in full the costs** and incomes related to its activities concerning IB tasks in its financial records as well as in its analytical accounts. Unless unit prices are result of competition, incomes related to IB tasks cannot generate extra profit or finance losses related to other tasks of the organisation.
- ◆ The **MA is required to perform controls** of the IB concerning the implementation tasks delegated to it, including the correctness and regularity and effectiveness of expenditure and costs separated in its accounts related to its IB functions.

In case an irregularity is detected the **MA may suspend** the task concerned by the irregularity of the IB or in justified cases all tasks related to the task assignment contract of the IB.

The Intermediate Bodies of the North Great Plain Operational Programme

In case of the Operational Programme the following intermediate bodies were appointed as a result of the qualification procedure:

- North Great Plain Regional Development Agency Kht. (non-profit company)

The RDA has been working on regional development issues in the North Great Plain region since 1997. The agency has accumulated considerable implementation experience in the context of both Hungarian and Phare programmes. During the 2004-2006 period, it participated in the implementation of the Regional Operational Programme as an intermediate body; it was responsible for the preparation of project selection decisions and the dissemination of information to prospective applicants.

The organisation has extensive professional experience and highly skilled human resource capacities, its operation is sufficiently regulated and its organisation form allows for the independent discharge of IB functions.

- VÁTI Hungarian Non-Profit Company for Regional Development and Town Planning

The organisation has been working in urban and regional development since the 1950s, implementing Hungarian programmes and later Phare and other Community programmes in the field. In the 2004-2006 implementation period, it was responsible for the intermediate body functions of the Regional Operational Programme in conjunction with the RDAs; consequently, it has extensive practical experience in the implementation of both Hungarian regional development and EU cohesion policies. As an intermediate body, its main tasks include the signing of contracts, performing on-site inspections, verifying and authorising claims for payment as well as the monitoring of projects.

VÁTI has sufficient professional skills and capacities and extensive procedural experience to perform the intermediate body functions entrusted to it; its operation is adequately regulated. Considering that the company is 100% state owned, its main responsibility is to assure the incorporation of the regional aspects of sectoral strategies in the OP.

With regard to the conditions set out on Art. 10 of Govt. Decree No. 255/2006. (XII.8.) IBs may be subject to change.

In order to eliminate duplications or overlaps in tasks – as experienced during the 2004-2006 period – as a general rule, all IB tasks related to an operation shall be assumed by one Intermediate Body only. The applicant or beneficiary be in contact with only one organisation (IB) that is responsible for a grant facility during all stages of implementation.

5.1.4. Procedures in relation to the Implementation of the OP

In order to improve the efficiency and effectiveness of the implementation, as well to further encourage transparency it is necessary to standardize and simplify the implementation process.

Selection criteria need to ensure that operations / projects:

- ♦ contribute to the social-economic objectives of the NHDP, of the operational programmes, as well as the given priority;

- ◆ have objectives that are definite, measurable, and achievable;
- ◆ are cost-effective;
- ◆ are sustainable from a financial and organisational point of view;
- ◆ contribute to the enforcement of sustainable development, equal opportunities and the principle of non-discrimination;
- ◆ demonstrate the existence of all necessary pre-conditions for their successful implementation.

In each case, specific criteria for the selection of operations will be approved by the Operational Programme **Monitoring Committee**.

Decisions on projects will be made through one of the following procedures:

- ◆ **Major projects:** In line with the provisions of Art. 39-41 of 1083/2006/EC, operations financed by the ERDF or the Cohesion Fund comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which have clearly identified goals and whose total cost exceeds EUR 50 million (in case of environment exceeds EUR 25 million). In those cases where major projects are foreseen the indicative list of these projects will be part of the operational programme and the action plan and thus it is subject to public consultation.
- ◆ **Key projects:** Projects that can be supported without a call for applications. These too will be carefully appraised in an assessment procedure, first before pre-selected in an action plan (based on preliminary project proposal), and second before approved for implementation (based on detailed project proposal). Partnership approach will be ensured in both stages, as action plans will be subject to public consultation, and NGOs will delegate members to the project selection committees. Such projects have key importance from the economy and the society point of view. Their beneficiaries are usually – but not exclusively – state or local government organisations. (e.g. *infrastructure projects of public benefit, state support of investments having priority employment effect*).
- ◆ **One-stage calls for proposals:** applied whenever – mainly due to the expected high number of applicants (i.e. private organisations) – it is reasonable to select beneficiaries on the basis of a fully competitive procedure.
- ◆ **Two-stage calls for proposals:** This procedure is applied mainly in cases where the size of the target group and the expected number of applications is more limited (typically: public investments), and projects to be financed are more complex. In such cases, projects are first pre-selected on the basis of preliminary (less detailed) proposals. Proposals successful in the first stage then receive assistance, through the IB, during their elaboration into fully fledged, fundable projects.
- ◆ **Indirect support:** cover two different procedures:
 - *Indirect grants* are used in case of proposals that are below a given value limit, and the allocation of the support, the monitoring of the implementation of the projects, whether they are in accordance with the regulations and the contracts – based on the contract concluded with the Managing Authority – will be fulfilled by professional management body – e.g. non-governmental organisations.

- *Financial support instruments:* (e.g. credit, capital, guarantee instruments) are procedures for which the project selection, monitoring of implementation, auditing and the payment of the support will be carried out by financial intermediaries (e.g. banks).

Project selection procedures regarding independent measures are set out in the detailed action plans.

5.1.5. Administrative capacity

The budget of the development plan – and, within that, the size of the EU’s contribution – has increased significantly compared to the previous period. Hungary is committed to the continued development of the institutional system, so that the full and continuous availability of appropriate institutional capacities is ensured, and EU support is used in an efficient, effective and timely manner.

In order to meet the challenges taking into account the experience of the 2004-2006 period Hungary has decided upon the structural reform of the institutional system. This comprehensive reform covers both the increasing of the efficiency of task assignment and operational management as well as in connection with that – based on preliminary measurement – the extension of administrative capacities.

Therefore:

- ◆ All managing authorities were concentrated in a single institution (the NDA). As a result of that:
 - The rules and procedures for programming and implementation are now standardised. This increases the transparency of the system and allows for better dissemination of best practices.
 - The common background functions of all MAs (i.e. finances, accounting, communication, legal matters) are to be carried out by horizontal units of the NDA for all the MAs. This allows for increased efficiency.
- ◆ The Government has revised the assignment of tasks related to programming and implementation between the MAs and IBs according to common principles. The MA will be responsible for the strategic tasks regarding the implementation of the OP while the IBs receive more autonomy and responsibility in the case of specific operational issues related to implementation. Therefore the duplication of tasks is to be eliminated, the possibility for mistakes can be reduced and the performance of all stakeholders will become unambiguously measurable and accountable.
- ◆ In autumn of 2006 in the frame of an independent institutional assessment the NDA – similarly to 2003 – has performed a qualification procedure on the potential IBs. The aim of the qualification assessment was to assess the competence of the institutions as regards IB functions, as well as to identify the areas in case of each body needed to be enhanced in order to perform the task (gap assessment). The main considerations of the assessment were:
 - whether or not the body is in possession of sufficient professional experience and skilled human resources;

- whether the form of organization allows for performance incentive of staff and whether it allows for autonomous performance of tasks of an IB during the 2007-13 period;
- whether the organizational functions and work is well defined and regulated;

As a result of the qualification process precise activity plans were prepared for institutional development for each of the IBs. The action plans established precise deadlines for the IBs that committed themselves to taking the measures necessary in the field of capacity and competences (which may if necessary for instance foresee the employment of additional staff required or the training of staff).

The gap assessment action plans form part of the NDA-IB task assignment contract and their execution is followed up by the MAs. It is therefore ensured that all IBs maintain adequate number of qualified and trained staff.

- ◆ A comprehensive performance measuring and incentive system is introduced both at organizational as well as staff level. Thus, all members of the institutional system became interested in the efficient and as regards the content effective implementation of the programmes.
- ◆ A predictable, performance-based system of financing has been introduced for the IB. Where possible, financing is based on unit costs (e.g. number of project proposals evaluated, number of payments transferred, etc.). The contract between the NDA and the IB ensures that the IB has financial interest in high standard, fast selection and management of the projects. It also ensures that the IB manages human and technical resources flexibly: they are free to increase or decrease capacities according to their mid-term tasks. Financial resources to cover the costs of the IB have been allocated to the technical assistance priority of the OP, based on a detailed assessment and calculation of the costs of the institutional system in the 2004-06 period.

Through the individual operational programmes, about two thirds of all TA resources available were earmarked for the financing of IB-level task and capacity needs.

5.2 MONITORING AND EVALUATION

5.2.1 Monitoring

Specific arrangements for convergence ROPs

In accordance with Article 63 of Council Regulation (EC) No 1083/2006 a Convergence Monitoring Committee is to be established for the 2007-13 Convergence Regional Operational Programmes. The Convergence Monitoring Committee allows regions to build on existing experience and share best practice while allowing a better and more efficient monitoring and decision making system. The Monitoring Committee will be composed of one Regional sub-committee for each operational programme based on the Regional Development Councils and ensuring the involvement of a wide range of regional partners. The Regional Sub-committees share the responsibility for programme implementation with the Convergence Monitoring Committee in line with Article 65 of the above Regulation.

Decisions of the Convergence MC will be taken separately for each of the programmes. Regional Committees will ensure supervision of programme implementation and will report and make any necessary proposals for modification to the Convergence Monitoring Committee.

The Convergence Monitoring Committee will decide on the basis of the proposals of the Regional Sub-committees.

Regional Sub-Committees are set up in order to take into account in their composition the principle of partnership as well as territorial specificities.

Convergence Monitoring Committee

Tasks and Competences:

The tasks within the competence of the Operational Programme Monitoring Committee – with special regard to the efficiency and quality of implementation– are specified in Article 65 of Council Regulation (EC) No 1083/2006 and Art. 14. of Government Decree No. 255/2006. (XII.8.). Accordingly, the Committee shall

- ◆ consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;
- ◆ periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority;
- ◆ examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations;
- ◆ consider and approve the annual and final reports on implementation, and the annually updated evaluation plans;
- ◆ be informed of the annual audit report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- ◆ propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives or to improve its management including its financial management;
- ◆ consider and approve any application to amend the content of the Commission decision on the contribution from the Funds.

In compliance with Article 63 Paragraph (1) of Council Regulation (EC) No 1083/2006 a Monitoring Committee may supervise the implementation of several operational programmes.

Composition:

The Managing Authorities are responsible for establishing the monitoring committees.

In compliance with Article 64 of Regulation (EC) No 1083/2006, the composition of the operational program Monitoring Committee will be as follows:

The Monitoring Committee according to Art. 64 (1) of 1083/2006/EC is chaired by the person appointed by the Member State, the prevailing member of the Development Policy Steering Committee responsible for the programme area concerned.

Members of the Monitoring Committee will be:

- ◆ the Managing Authority,
- ◆ a delegated representative of the line ministers concerned in the implementation of the operational programme,
- ◆ the Intermediate Bodies concerned in the implementation of the OP,
- ◆ the representative of the minister in charge of the state budget,
- ◆ delegated representatives of regional development councils concerned,
- ◆ at least one delegated representative of local government' associations,
- ◆ at least one delegated representative of the environmental protection NGOs,
- ◆ one representative of each of the employees' and employer's sides of the National Council for the Reconciliation of Interests,
- ◆ delegated representatives of non-governmental organisations – within that, at least one member representing an organisation active for 1.) the Roma people, 2.) disabled people and 3.) equal opportunities for men and women,
- ◆ one delegated representative of each of the professional and social organisations concerned.

Members attending in an advisory capacity:

- ◆ a representative of the European Commission at its own initiative or the request of the Monitoring Committee;
- ◆ the representative of MAs in charge of other OPs affected by the implementation of the OP;
- ◆ one representative each of the Certifying Authority and the Audit Authority, as well as the Central Harmonisation Unit;
- ◆ for operational programs with contributions from the EIB or EIF, one representative of each of the EIB and the EIF respectively;
- ◆ as permanent invitees, one representative each of the organisations responsible for the implementation of the EAFRD (European Agricultural Fund for Rural Development) and of the EFF (European Fisheries Fund).

Description of the Monitoring Information System – Indicators and Data Collection

Data supplied by applicants and by the beneficiaries will be entered in the monitoring information system - an upgraded version of the Single Monitoring Information System (EMIR) used for the period 2004-2006. Feeding the system with data is the responsibility of Intermediate Bodies; the NDA ensures continuous operation and upgrading of the system.

The system will ensure the collection, processing and forwarding of data, and the support of implementation, supporting the daily work of all authorities involved in the implementation of the NHDP, as well as the European Commission, and other national institutions.

It is a fundamental requirement in the programming period 2007-2013 that applicants and beneficiaries meet their data provision responsibilities, wherever possible, through electronic means. The system has been developed by considering these criteria.

The IT system delivers real-time data from each level of the implementation system, and serves as a means of electronic communication between the European Commission and Hungary.

In order to ensure transparency the system will also be used to monitor

- compliance with Article 34 paragraph 2 of Council Regulation 1083/2006/EC as regards complementary financing between the ERDF and ESF and respecting the ceilings thereof, including the special cases laid down in Regulation 1081/2006/EC of the European Parliament and of the Council Art. 3(7) and 1080/2006/EC Art. 8;
- the use of additional assistance to the Central Hungary Region pursuant to paragraph 15 Annex II of Council Regulation 1083/2006/EC.

5.2.2 Evaluation

Evaluation Plan

The evaluation of the operational programmes will take place based on the coordination specified in the New Hungary Development Plan in a systematic system in accordance with the evaluation plan. The evaluation plan enables the preparation for the evaluations, efficient management of the external and internal evaluation capacities, and utilising the opportunities of the harmonisation of evaluations.

The evaluation plan of the operational programme contains a 3-year forecast and is annually revised, as it is an ongoing evaluation system.

The evaluation plan of the OP will be submitted to the MA of the OP, – with the agreement of the organisational unit ensuring the New Hungary Development Plan level coordination of the evaluation – to the Operational Programme Monitoring Committee, which will annually approve it. (The Monitoring Committee will also have a right to initiate the carrying out of evaluations.) For the implementation period lasting until 2015, the evaluation plan contains forecasted evaluations, as well as evaluations selected annually in the system of ongoing evaluation.

The evaluation plan contains the evaluations described below:

- ◆ Mid-term revision of the operational programme strategy and implementation system (2009-2010);
- ◆ ex-post evaluation of the operational programme (2015-2016);
- ◆ annual operational evaluation of action plans (2008, 2010, 2012, 2014);
- ◆ ex-post evaluation of action plans (2009, 2011, 2013, 2015);
- ◆ ex-ante evaluation of the contribution of action plans, individual interventions and major projects to the implementation of the objectives of the operational programme, and to the enforcement of horizontal policies (2006, 2008, 2010);
- ◆ comprehensive evaluation of the operational programme regarding horizontal principles (for example: equality of opportunities, sustainability, etc.) (2008, 2010, 2012)

The evaluation will include the analysis of the impacts of the operational programme on climate change (as far as possible analysing the environmental, social and economic costs and benefits of climate change as well) to support different actions for climate change prevention, mitigation and adaptation. The rules for the potential use of evaluations (publication and availability of evaluation reports, presentation and distribution of results, monitoring the use of

recommendations) are laid down in the Operation Manual. These follow the recommendations of the Commission's Working documents on on-going evaluations.

Selection Process of Ongoing Evaluation

In addition to the preliminarily planned (comprehensive, strategic) evaluations the unified evaluation plan of the New Hungary Development Plan will from year to year be complemented with evaluations related to the action plans, for which the operational programme Managing Authority will make proposals in agreement with the Monitoring Committee. In the frames of the evaluation plan the evaluations will be made:

- ◆ in case of those operations of the action plan, for which during the implementation there was a significant difference between the indicator values specified in the implementation schedule;
- ◆ to summarize the findings in connection with the measure(s) related to the operations of the action plan, and implemented in the 1st National Hungarian Development Plan (NDP1);
- ◆ 2 years after the completion of operations having no innovative domestic implementation history in order to summarize the findings of the implementation, and to explore impact mechanisms;
- ◆ to assess the intended and non-intended impacts of at least one operation per priority annually as from 2009, by ex-post evaluation.

Irrespective of the evaluation plan, it is justified to launch ad-hoc evaluation on the basis of unforeseen needs arising in the implementation system (Intermediate Body, Managing Authority), and of the requirements of the Monitoring Committee.

Evaluation Management

The organisation unit ensuring the horizontal, NHDP-level coordination of the evaluation will:

- ◆ prepare and conduct the preliminarily planned, comprehensive strategic evaluations;
- ◆ provide resources for the regular evaluations conducted based on unified methodology and the enforcement of the evaluation plan;
- ◆ prepare and carry out the evaluations conducted in issues which concern more than one of the operational programmes;
- ◆ prepare and carry out the evaluation of operations having no innovative domestic history;
- ◆ ensure that evaluation reports are available to the public.

The Managing Authority will maintain sufficient capacity for the performance of evaluation-related management duties, and will:

- ◆ be responsible for the performance of duties related to the evaluation of the operational programme and the related action plans and operations, and for the implementation of those parts of the evaluation plan of the New Hungary Development Plan, which concern the operational programme;

- ◆ coordinate, develop and stimulate the operational programme-related evaluation activity;
- ◆ make proposal for the 3 year evaluation plan of the New Hungary Development Plan;
- ◆ ensure the incorporation of evaluation results into planning and implementation;
- ◆ generate the data of the indicators related to the evaluation of the operational programme and their storage in the monitoring information system;
- ◆ revise the target values of the priority level indicators of the operational programme every second year, upon closing the action plans;
- ◆ launch, in justified cases – e.g. at the initiative of the monitoring committee –, evaluations not included in the evaluation plan of the operational programme related to the operations, and support their implementation.

Planned resources for evaluation

As regards financial resources, NSRF-level evaluations as well as preparation of evaluation methodologies, coordination of evaluation activities and financing of evaluations included in the annual evaluation plan will be financed by the Implementation OP.

Further evaluations – e.g. at the initiative of the Monitoring Committee – may be financed from the Technical Assistance resources of this OP.

As regards human resources planned for evaluation purposes, besides the staff of 6 persons in the horizontal evaluation unit of the NDA, and appropriate dedicated human resources provided by the MA will be dealing with evaluations.

5.3 FINANCIAL MANAGEMENT AND CONTROL

5.3.1 The tasks of the Certifying Authority

The Certifying Authority for all operational programmes financed by the Structural Funds and the Cohesion Fund is a separate organizational unit of the Ministry of Finance. The activity of the Certifying Authority is based on the organisation and experience of the Paying Authority (Ministry of Finance, Office of the National Authorising Officer) of the programming period of 2004-2006.

The Certifying Authority will perform the **tasks** described below:

- ◆ receiving payments from the European Commission;
- ◆ transfer of EU contributions to the national financing account of National Development Agency;
- ◆ drawing up and submitting to Commission certified statements of expenditure and applications for payment;
- ◆ certifying that the statement of expenditure is accurate, results from reliable accounting systems, and is based on verifiable supporting documents, as well as the expenditure declared complies with applicable Community and national rules, and has been paid in respect of operations selected for funding in accordance with criteria applicable to the programme and complying with Community and national rules;

- ◆ taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
- ◆ in order to support certification carrying out desk-based fact finding assessments and paying fact finding visits on-the-spot at organisations participating in the financial implementation,
- ◆ keeping accounting records on the turnover of the treasury accounts used to receive transfers, on the receivables and liabilities;
- ◆ keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation;
- ◆ carrying out financial corrections due to administrative errors and irregularities in the course of the implementation of the operational programme, rendering accounts on Community contributions repaid to the European Commission; sending forecasts of the likely applications for payment for the current financial year and the subsequent financial year to the European Commission latest until the end of April each year.

5.3.2 Rules for Financial Management and Control

Responsibilities of the MA:

- ◆ The Managing Authority is responsible for the management and implementation of the Operational Programme in line with the principle of sound financial management.
- ◆ The Managing Authority delegates the reception, processing and control of the payment claims of the beneficiaries to the intermediate body – if there is an Intermediate Body.
- ◆ The MA monitors the fulfilment of delegated tasks.
- ◆ The Managing Authority ensures that for the purposes of certification the Certifying Authority receives sufficient information on procedures conducted in connection with the expenditure incurred in the course of the implementation of the operational programme, and declares to the Certifying Authority by counter-signing the verification report of the Intermediate Body that the procedures applied by the Intermediate Body performing the tasks delegated by it are in compliance with the Community and national regulations. The MA arranges for the submission of the verification report prepared by the IB to the certifying authority.
- ◆ The MA has to carry out on the spot checks based on risk-analysis at the IB over expenditure declared by the IB. In order to enhance effectiveness of this function the MA has the possibility to delegate one or more persons (treasurers) from the Hungarian Treasury to the IB to ensure the correctness and regularity of expenditure verified by the IB including correctness of data recording in the IT system.

Responsibility of the IB:

- ◆ The Intermediate Body is responsible for the performance of the tasks delegated by the Managing Authority in accordance with Community and national provisions.

- ◆ The Intermediate Body provides for the control of the implementation of projects approved in the frame of the operational programme in accordance with Community and national regulations.
- ◆ The Intermediate Body is responsible for the receiving, processing and performing administrative verification checks on the applications for reimbursement submitted by beneficiary, for carrying out of on-the-spot checks based on risk assessment, and for summarising the results of verifications carried out in verification report for the purpose of information supply to the Managing Authority and the Certifying Authority. The Intermediate Body is responsible for payments to the beneficiaries.

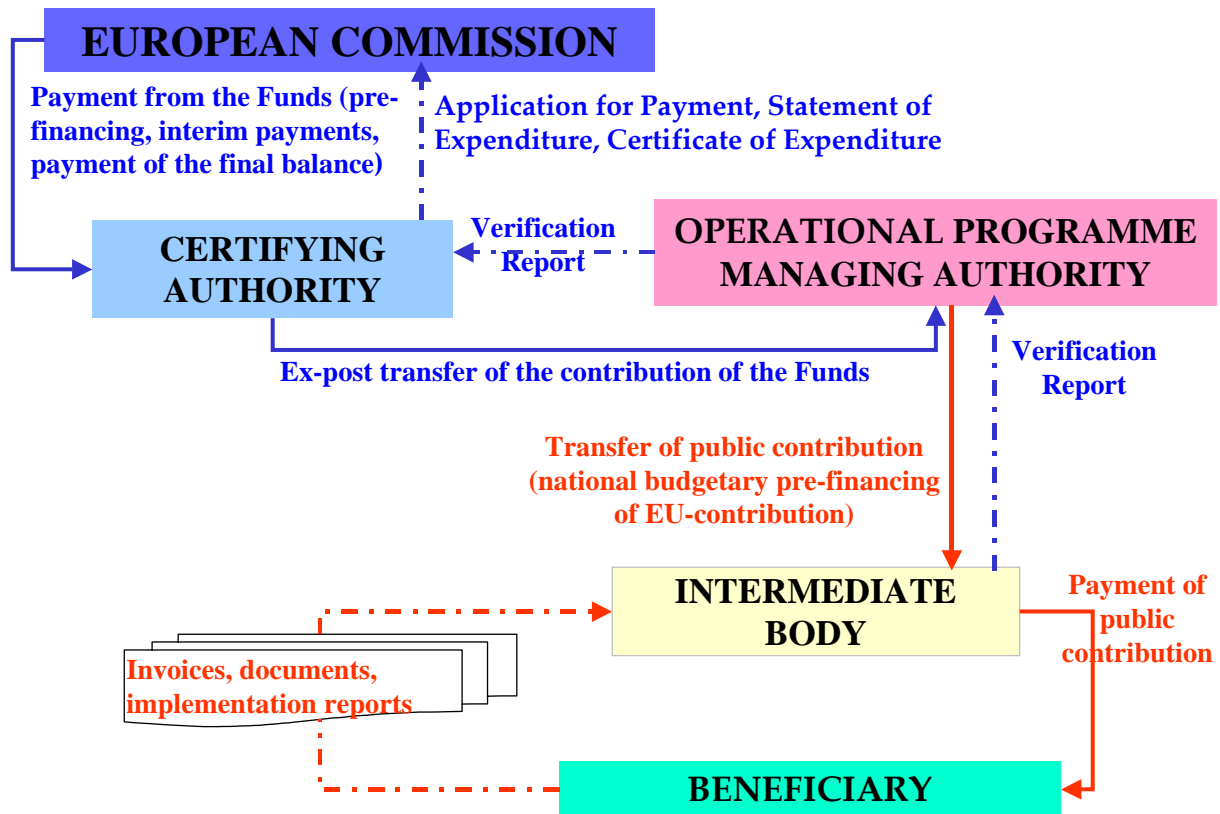
5.3.3 The Process of Payment to Beneficiaries

The beneficiaries will submit their invoices generated in the course of the implementation of the project to the Intermediate Body together with the progress reports, on a regular basis.

The Intermediate Body will perform verification checks on applications for reimbursements financially as well as their content and form, and may conduct on-the-spot checks in accordance with the audit plan prepared on the basis of risk assessment.

On the basis of the approved reimbursement claims the Intermediate Body is responsible for payments to the beneficiaries. It informs the Managing Authority on the results of the verifications conducted in the verification report.

The Managing Authority transfers the Community and the national contributions to the beneficiary from the central budget, which will be refunded to the Managing Authority by the Certifying Authority from the available pre-financing, and from subsequent interim payments.



5.3.4 Control of the European Union’s Contributions

Financial Management and Control

The Managing Authority, the Certifying Authority and the Intermediate Body establish and operate the financial management and control system. The financial management and control system shall ensure that the activity of the organisations is in line with the regulations and sufficiently regulated, economical, efficient and effective, the information is accurate, and available in due time. The planning, call for proposals, the financial transaction, accounting, control and monitoring duties are functionally separated, and it is necessary to provide for the adequate regulation of these duties also in the relevant internal regulations.

The Managing Authority, the Certifying Authority and the Intermediate Body are responsible for the elaboration of the audit trail, risk management and irregularity handling rules and the immediate entering up of the eventual changes.

In the course of the financial implementation, the Managing Authority, as well as the Intermediate Body are responsible for carrying out administrative verifications and risk assessment based on-the-spot checks prior to payments. In the frame of the above, it is necessary to control whether the physical and financial progress is corresponding with the programme, as well as the project support contracts, and whether the submitted invoices or documents of equivalent probative value are in accordance with the decision related to the application and the contracting terms, the fulfilment of the physical and performance indicators, and the Community and national rules on public procurement.

The chair of the National Development Agency, the head of the Intermediate Body, the Certifying Authority and the Audit Authority are in every year obliged to make a statement

concerning the proper operation of the management and control systems – with content and until a deadline as specified by the legislations.

The Minister of Finance executes its tasks concerning the regulation, co-ordination and harmonisation relating to the control of EU Funds through the Central Harmonisation Unit for Public Internal Financial Control (CHU for PIFC). Regarding EU Funds the CHU elaborates and regularly reviews methodological guidelines to be used in relation to internal controls and makes recommendations for drafting and adopting relevant legislation; through the harmonisation of the audit resources it ensures the fulfilment of an effective, efficient and not overlapping audit activity; and through quality assessment it monitors the execution of relevant regulations and guidelines in relation of the internal control systems.

The minister responsible for the public finance will set up and operate an audit committee involving organisations involved in the implementation of the EU funds, in order to strengthen the transparent use of Community contributions.

The Tasks of the Audit Authority

The Audit Authority is a body designated in line with the Community and national rules, responsible for auditing the effective functioning of the management and control systems, which is functionally independent from the Managing Authority, the Certifying Authority and the Intermediate Bodies. In Hungary, the same body performs the duties of the Audit Authority with regards to every operational programme. The tasks of the Audit Authority in line with the provisions of Government Decree 312/2006. (XII. 23.) on the Government Audit Office are performed by the Government Audit Office – a central office having chapter management rights – supervised by the Minister of Finance..

The tasks of the Audit Authority are:

- ◆ according to Article 71(2) of Regulation (EC) No 1083/2006, preparation of the compliance assessment criteria of the management and controls systems, to carry out the compliance assessment, and to prepare the report and opinion on the that;
- ◆ the preparation and fulfilment of the national audit strategy, and annual reporting obligations (annual audit reports and opinions) to the Commission;
- ◆ implementation of system audits and sample checks;
- ◆ implementation of audits at the request of the European Commission;
- ◆ follow-up of the findings of the audit reports and the schedule related to the measures;
- ◆ preparation of declarations on partial closure, and closure declarations and the underpinning audit reports;
- ◆ participation in preparing member state responses to audits carried out by the European Commission, as well as in the required negotiations;
- ◆ participation in the cooperation with the European Commission according to Article 73 of Regulation (EC) No 1083/2006 in order to coordinate audit plans and exchange the results of the audits.

5.4 PROVISIONS RELATED TO INFORMATION SUPPLY AND PUBLICITY

In compliance with national and Community legislation requirements, the NDA (National Development Agency) will be responsible for the tasks related to the communication and publicity of the New Hungary Development Plan and the operational programmes, with special regard to the following:

- ◆ Communication to the potential beneficiaries, economic and social partners on the opportunities related to the contributions. Within this, special role will be given to the efficient mobilisation of the prospective applicants, to well-founded project generating activity and information on available calls for applications.
- ◆ Communication to the public on the role played by the European Union in the implementation of the developments. In the course of the above the communication will focus on the introduction of the results of activities implemented with Community co-financing.

The realisation of activities related to information and publicity involves liabilities on the part of both the actors of the institutional system (NDA, Intermediate Bodies) and on the part of the beneficiaries. It is necessary to coordinate the general communications activities related to the entire New Hungary Development Plan, as well as operational programme-related communications activities and partnership actions at central level. The Intermediate Bodies will participate in the performance of other communications tasks related to the introduction of the support possibilities (organisation of professional and information days, forums for the prospective applicants on the programmes at national, regional, county and micro region level), in promoting the communication activities of the beneficiaries, as well as they also carry out data collection and data provision.

On the basis of the information and publicity guidelines prepared by NDA, the beneficiaries have to introduce their own project to the widest public.

Concerning the implementation of tasks related to information and publicity, in accordance with the regulations, NDA (National Development Agency) will prepare a uniform communication strategy for the entire New Hungary Development Plan, which will define the objectives and message of the relevant measures, the strategy and content of their implementation, the targeted social and economic groups, the criteria measuring the efficiency of the measures, the proposed budget of the measures, their estimated time schedules, as well as the administrative units responsible for implementation, and their liabilities. The communications plan will be prepared annually on the basis of the communications strategy. The task of the Intermediate Body will be to prepare and submit to NDA (National Development Agency) the communication plan related to the operational programme managed and/or to the entirety of the priorities, for approval.

Main areas:

- ◆ Introduction of support possibilities, efficient mobilisation of applicants, project generation

For the successful and effective use of the development resources it is indispensable to efficiently mobilise the potential beneficiaries, and to introduce the support possibilities. This area requires especially active, efficient and concentrated communication focusing on identifiable target groups (various segments of the range of potential beneficiaries). In the frame of this special attention shall be given to providing direct information and help with project generation and in case it is necessary through implementation to organizations representing the most disadvantaged groups.

- ◆ *Introduction of the results of development programmes realised through co-financing*
The introduction of the realised projects show the success of the domestic use of the structural funds, and reinforces the image of a rapidly and dynamically developing Hungary in the public, strengthens the image of the European Union, and inspires prospective applicants – setting a positive example.
- ◆ *Partnership*
The performance of methodological tasks related to the application of the principle of partnership – such as partnership strategy, partnership actions, partnership reports – in connection with social partnership process, keeping contacts with the preferred partners, involving of partners in professional cooperation, and the preparation of a strategy and reports related to the application of the principle of partnership are of extraordinary importance for the Hungarian government and for the European Commission. Partnership activities are carried for each OP and action plan separately. In line with the terms of delegation of tasks for regional OPs RDAs carry out partnership activities, financed by the TA priority of the OP. Costs of the monitoring committee will be financed by the TA priority of the OP.
- ◆ *Client-service*
A special responsibility of the institutional system is the maintenance of relations with potential and winning applicants. From the aspect of the strengthening of the service provision character of the institutional system, and from the aspect of transparency, this is an important area. Accordingly, the performance of the client communication and information supply task in a unified system is necessary at central and also at local level. The main elements of the unified client-information system are: applicant-information site on the Internet, operation of online and telephone-based client services (*Contact Centre*), coordination of the information activity of the Intermediate Bodies, setting up and operation of an internal information system coordinating the flow of information.

5.5 COMMUNITY POLICIES AND HORIZONTAL PRINCIPLES – SUSTAINABILITY, EQUAL OPPORTUNITIES AND PARTNERSHIP, STATE AID, PUBLIC PROCUREMENT

5.5.1 Sustainability, equal opportunities and non-discrimination, partnership

In the course of the planning and implementation process, all along, criteria of sustainability (with special attention to the environmental aspects of sustainability) must be fully met taking into account the provisions of Articles 16-17 of 1083/2006/EC. To this end, an environmental assessment was completed in the case of the NSRF and all operational programmes. The NSRF and the operational programmes were submitted to the National Council for Environment Protection.

Appropriate management arrangements shall ensure at all levels of programme implementation, that possible effects which are unsustainable or unfavourable to environment, especially as concerns impacts on climate change, the maintaining of biodiversity and ecosystems, and the drawing on natural resources, are avoided or kept as low as possible, so that the environmental charges of the OP in total, will in the end be climate- and resource-neutral. The OPs positive effects and potentials for synergies in the sense of optimising its contribution to an environmentally sustainable development, shall be exploited at best and, wherever possible, be strengthened.

The single Operational Manual to be implemented by all Managing Authorities provides guidance for the due adherence to sustainability considerations in the course of the public procurement procedures (so called “green public procurement”).

In the course of the consultations on the NSRF and the operational programmes with the social partners a great number of non-governmental organisations specialised in different aspects of environment protection, or equal opportunities expressed their views which if possible, we took into account while working out the final draft of the abovementioned documents. We also extended the practice of consultations with the social partners to the action plans and calls for proposals.

Equality between men and women and integration of the gender perspective will be promoted during the various stages of the implementation of the NSRF and all operational programmes. Respect of the principle of non-discrimination (prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) will also be ensured during all phases of the implementation, in particular in relation to access to funding. Accessibility for disabled persons is a particular criteria being observed when defining the operations of the various operational programmes and being taken into account during the various stages of implementation as well.

The Managing Authority responsible for co-ordination shall develop guidelines and compile an Operational Manual in order to ensure the full respect of the horizontal principles of equal opportunities, and non-discrimination both at all stages of programme implementation as well as with regard to the institutional system. These guidelines will be specialized by the OP MA taking into account the specificities of the Fund, the programme and potential beneficiaries and target groups. Also the Managing Authority supports and disseminates good practices, ensures the possibility of counselling for beneficiaries regarding practical application of horizontal principles during project implementation. Special attention is also given to monitoring the progress made towards equal opportunities targets on programme level.

In the course of the selection process of the projects – as minimum criteria – the full respect of environmental sustainability and that of the principles of equal opportunities, and of non-discrimination are mandatory by the law. In order to ensure full compliance with the above requirements – we have introduced as a novelty – the procedure of the two level evaluations of proposals. In the course of this selection procedure the acceptance of any proposal is subject to the compliance with the horizontal criteria.

It is mandatory to include into the Monitoring Committees at least one representative of a non-governmental organisation specialised in environment protection. Also, at least one representative each of an organisation for Roma people, for persons living with disability, and dedicated to the equality between men and women should be invited to participate in the Monitoring Committees.

Special reports on the compliance with the principles of sustainability and non-discrimination will be compiled, and submitted, on a regular basis to the Government, the Monitoring Committees, the Steering Committee on Development Policy, the National Development Council and Parliament.

On an annual basis, the National Council for Environment Protection shall be informed on the environmental impact of the NHDP and on the compliance with the horizontal aspects of sustainability.

In the course of implementation particular attention should be devoted to

- the monitoring of the gender equality (in particular in view of collecting data broken down by gender);
- the partnership mechanism;
- and to the effective participation of the disadvantaged groups (with special attention to the Roma minority) in the programme.

Therefore in the course of operations a widely accessible information and customer service will be put in place. It will include provision of targeted information and support services for the disadvantaged groups. The employees of this customer service will undergo specific training courses tailored to the needs of these target groups. For the sake of providing appropriate information to the different handicapped groups, we plan to offer full access to our websites. Applicants from disadvantaged regions will have access to on-site information through branches of the national orientation service established in all micro regions.

National advisory network will provide help with project preparation for potential beneficiaries in all micro-regions. Special support by Roma experts is also provided for Roma beneficiaries.

The implementation system is fully committed towards the ensuring of the horizontal principles of sustainability as well as the promotion of equality between men and women and non-discrimination, therefore the introduction of the EMAS is foreseen for the NDA. Furthermore measures will be taken in order to provide for a family-friendly work-environment.

Partnership also prevails at all stages of implementation:

- members of non-governmental organisations take part in the project selection committees (including for preparatory activities) as full members (with voting right);
- half the members of the Monitoring Committee are delegated by non-governmental organizations;
- in the frame of environmental impact assessment public consultation is mandatory for projects

5.5.2 State Aid

The NDA takes into account to their full extent legislation in force regarding state aid. To ensure compliance with state aid regulations the **State Aid Monitoring Office (SAMO)** of the Ministry of Finance participates in the preparation of the programmes and action plans (see further on). Furthermore, it examines, in each case, the relevance of the state aid rules with respect to the activity to be co-financed. The Managing Authority (MA) bears responsibility for the compliance of the operational programme with state aid rules and the SAMO ensures professional control over this compliance. Therefore all support schemes shall be pre-assessed by the SAMO.

5.5.3 Public procurement

Hungary has a Public Procurement Act which was adopted by the Parliament in 2003. More than 10 regulations (“secondary legislation”) lays down some detailed rules of public procurements e.g. templates of call for applications, the way of publishing call for applications, special rules related to construction procurements, design contests, etc.

Intermediate bodies are responsible for ex post controls related to public procurements conducted by beneficiaries. The National Development Agency has set up a unit for ensuring regularity during public procurement procedures. The role of the Unit for Public Procurement and Control (UPPC) is to provide management control during public procurement procedures.

The rules concerning management control and ex post control are laid down in a regulation which was issued by the minister who is responsible for developments and by the minister of finance (16/2006.(XII. 28.) MEHVM-PM).

5.6 PROVISIONS RELATED TO ELECTRONIC DATA COMMUNICATION BETWEEN THE COMMISSION AND THE MEMBER STATE

The SFC2007 system of the European Commission under development will operate on the basis of electronic data provision according to the expectations of the Commission. The IT system is accessible for the institutions of the member states in two different ways (through the website – Web Application, as well as directly through electronic connections with the member state system – Web Service). It is possible to get connected to the system either using one of the methods, or by combining the two methods. The data that have to be submitted in accordance with the annexes of the regulations will be displayed up to the level of the operational programme components.

In the case of those data, which are included in the Single Monitoring Information System (EMIR), data loading will be ensured according to the specifications supplied by the Commission. Those data, which do not have to be recorded in the Single Monitoring Information System (EMIR) (to avoid duplication of data), will be entered in SFC directly by the key users of the responsible central institutions (such as central coordination, Certifying Authority and Audit Authority).

The Member State Organisation - MSO, responsible for tasks related to the system will be NDA (National Development Agency) in accordance with to domestic regulations, so the Member State Liaison, as well as the 'MS System Owner', the executive of the member state organisation responsible for technical issues will be designated also from the members of the staff of NDA (National Development Agency).

Regulations on Data Provision

Concerning the given data, the method of data provision depends on the way of connection the designated institutions use for data provision purposes out of the two options:

- ◆ if they upload the data to the SFC2007 system through the website, the authorised key users of the above assigned institutions (central coordination, Certifying Authority and Audit Authority), enter data to the tables within the competence of their organisation in the requested form, as well as verify them.
- ◆ if the member state system sends the data to the SFC2007 system through direct electronic contact, the authorised key users of the above assigned institutions (central coordination, Certifying Authority and Audit Authority) load the data into the member state system, verify and send them to SFC2007.

Irrespective of the way of data recording, – the task of the assigned institutions (central coordination, Certifying Authority and Audit Authority) is the direct and perfect loading of the data into the system(s) keeping the deadlines, so that the data provision by other institutions related to their report can also be carried out within the deadline.

The documents will be supplied upon upload into the system. The documents will deem to have been sent to the Commission, only if they have been validated by the authorised persons.

If the system is permanently inaccessible, especially if the deadline for the data delivery is endangered, the member state will deliver the information to the Commission in the form of paper-based document specified in the relevant regulations. If the access problem has been

solved, the member state, or the designated competent organisation will subsequently carry out the loading of the information to the system (SFC2007). In such cases the official date for sending the documents will be the date of the sending of the paper-based documents.

6. FINANCIAL ALLOCATIONS

In its budget for 2007-2013, the European Union approved a financial allocation of EUR 22,395 million (at 2004 prices) for the implementation of development policy objectives for Hungary. The allocation of the NHDP funds takes into account the implementation of the EU's Lisbon Strategy and the attainment of the objectives of growth and employment as key considerations. A further key consideration concerning the North Great Plain Region is the achievement of the objectives set in the Strategic Programme of the North Great Plain Region, the indicative financing requirement thereof and the allocation of funds to the individual areas of intervention.

6.1. GENERAL CRITERIA FOR ESTABLISHING THE RATIO OF THE ALLOCATION OF FUNDS

In allocating the funds, we took into consideration the following region-specific general regional development aspects:

- In order for developments to be **efficient** and the competitiveness of the Region to be, in actuality, improved, internal and external funds available for development must be **concentrated** in a manner that best suits the characteristics of the region and allocated to competitive areas.
- We accorded high priority to the **outer environment** of the region, within this, trends in and the overall objectives of the regional and sectoral policies of the European Union and Hungary. We also accommodated the socio-economic processes of globalisation and the challenges posed by them.
- While allocating funds, we placed emphasis on the territorial and sectoral **characteristics of the region**. We strove to compile a **specific development mix** for regions with diverse characteristics. In assigning weight to the individual measures, we also took into account their likely impacts.
- One of our aims in the allocation of funds was prioritising such measures that facilitate the elimination of current uncompetitive sectoral and territorial structures and represent **structural changes**. Strengthening competitiveness was a key consideration in the case of all target sectors and areas.
- Naturally, in determining the individual amounts, we had to allow for **the nature and cost implications of the eligible activities** determined within the framework of the measures.
- The bottom-up development programmes upholding the principle of partnership cannot ignore development ideas that surfaced in the given region. Bearing this aspect in mind, we rely on the **projects** devised in the Region in the past few years and **the sectoral and territorial distribution** thereof.
- Finally, it should also be noted that the content of the NGROP constitutes an integral part of the developments set out in the Region's strategic programme. Given the fact that **the distribution between the sectoral and regional operational programmes of the content elements** that form complete unity in the strategy **varies from one subject matter to the next**, there are areas of development that are exclusively linked up with the regional operational programmes, we find sectoral and territorial disproportions in the budget of the programme be justifiable.

6.2. FINANCIAL TABLES

The New Hungary Development Plan was approved by the Hungarian Government on 25 October 2006. The NHDP allocates the following funds to the North Great Plain Operational Programme for 2007-2013.

The reference number of the operational programme (CCI): 2007HU161PO009

Breakdown by priorities

At current prices, EUR

Priority axis	Fund	Manner of calculation of co-financing*	EU financing (a)	National financing (b)=(c)+(d)	National indicative allocation		Total financing (e)=(a)+(b)	Share of co-financing (f)=(a)/(e)	Indicative data	
					Public (c)	Private (d)			Other financial instruments	EIB loans
Regional economic development	ERDF	Public expenditure	140 242 688	24 748 710	24 748 710		164 991 398	85.0%	n.a.	n.a.
Tourism development	ERDF	Public expenditure	177 183 290	31 267 639	31 267 639		208 450 929	85.0%	n.a.	n.a.
Improving transport conditions	ERDF	Public expenditure	169 945 563	29 990 394	29 990 941		199 935 957	85.0%	n.a.	n.a.
Development of human infrastructure	ERDF	Public expenditure	200 776 395	35 431 129	35 431 129		236 207 524	85.0%	n.a.	n.a.
Urban and regional development	ERDF	Public expenditure	251 816 463	44 438 199	44 438 199		296 254 662	85.0%	n.a.	n.a.
Technical assistance	ERDF	Public expenditure	35 105 787	6 195 139	6 195 139		41 300 926	85.0%	n.a.	n.a.
Total			975 070 186	172 071 210	172 071 210		1 147 141 396	85.0%	n.a.	n.a.

* Pursuant to Article 53 (1) of Council Regulation (EC) No 1083/2006 a) total amount of eligible expenses, including public and private expenditure b) amount of eligible public expenditure

Breakdown by years

At current prices, EUR

Year		ERDF (1)	Cohesion Fund (2)	European Union total (3)=(1)+(2)
2007	In regions not assisted transitionally	137,099,147		137,099,147
	In regions assisted transitionally			
	Subtotal	137,099,147		137,099,147
2008	In regions not assisted transitionally	133,078,045		133,078,045
	In regions assisted transitionally			
	Subtotal	133,078,045		133,078,045
2009	In regions not assisted transitionally	126,803,690		126,803,690
	In regions assisted transitionally			
	Subtotal	126,803,690		126,803,690
2010	In regions not assisted transitionally	131,374,869		131,374,869
	In regions assisted transitionally			
	Subtotal	131,374,869		131,374,869
2011	In regions not assisted transitionally	149,147,929		149,147,929
	In regions assisted transitionally			
	Subtotal	149,147,929		149,147,929
2012	In regions not assisted transitionally	144,562,012		144,562,012
	In regions assisted transitionally			
	Subtotal	144,562,012		144,562,012
2013	In regions not assisted transitionally	153,004,494		153,004,494
	In regions assisted transitionally			
	Subtotal	153,004,494		153,004,494
Total	In regions not assisted transitionally	975,070,186		975,070,186
	In regions assisted transitionally			
	Total	975,070,186		975,070,186

The contribution by category of financial resources from Community funds to the Operational Programme can be found in Annex 4.

7. NOGPOP PARTNERSHIP PROCESS

The North Great Plain Operational Programme was developed by the North Great Plain Regional Development Agency Public Benefit Company (hereinafter: NOGPRDA PBC) and drafted and approved by the North Great Plain Regional Development Council (hereinafter: NOGPRDC)

The NOGPRDA PBC deemed the utilisation of the expertise of the regional trade associations and social and economic partners in the planning process justified and necessary. Therefore, in the autumn of 2004, bearing in mind the national planning process that was underway at the time, it set up a “Virtual Network of Planning”, within the framework of which close to 120 experts provided assistance with planning, participated in the preparation of working documents and provided expert opinion on planning documents. The “Virtual Network of Planning” operated through 8 Thematic Working Groups (TWG). Work was based on a dedicated planning interface on the Agency’s website and TWG meetings adjusted to the work at hand.

In line with Government Decree No 1076/2004, a Regional Working Group (RWG) was also set up in the Region, which, through the involvement of the Region’s social and economic partners and the representatives of various disciplines of sciences, ensured that partnership processes had been integrated into the process of planning. Prior to the meetings of the council, the RWG expressed expert opinion on the documents prepared.

The first step of the planning process was the preparation of an assessment and a SWOT analysis of the Region’s situation. Simultaneously, in compliance with national requirements and scheduling, the preparation of a strategic programme started. The strategic programme defined the direction of interventions aimed at the resolution of all the problems identified in the comprehensive assessment of the Region. Subsequently, as a result of regular sectoral partnership process, the content elements of the North Great Plain Operational Programme and the allocation of funds granted to and a system of indicators applicable to the programme were defined and clarified.

Based on the authorisation of the North Great Plain Regional Development Council, the NOGPRDA PBC was responsible for the conduct of public and professional debates concerning the North Great Plain Operational Programme. In order to secure social internalisation of the planning documents (situation analysis, strategic programme and the NOGPOP), it initiated broad-based on-going partnership co-operation in the region. This meant, in addition to the involvement of TWGs and RWG in planning, the organisation of consultation fora in 27 micro-regions and 3 county towns (hosting a wide spectrum of invitees including local governments, micro-regional associations, business organisations, private individuals and trade associations, etc.), the conduct of sectoral partnership process (thematic talks with sectoral organisations and institutions) and debates with private individuals. Partnership consultations talks were held at regular intervals. The NOGPRDA PBC invited the opinion of regional actors on all the discussion drafts of the planning documents.

In what follows we describe, as part of a series of partnership consultations, the process of securing social internalisation of the NOGPOP.

- The working document of the NOGPOP was sent to the professional and social players concerned in the first half of April 2006. The deadline for the submission of written opinions and proposals was 15 May 2006.

- Simultaneously, regional partnership process began in April and May, within the framework of which regional players expressed their opinion on and put forward in connection with the NOGPOP on 27 micro-regional and 3 county fora.
- Professional and sectoral consultations were conducted in April and May 2006, within the framework of which the representatives of the various sectors opined the regional operational programme in accordance with the topics (e.g. economy development, tourism, agriculture and health care, etc.) included in the programme.
- From May 2006, there were on-going consultations with SEA experts and those performing ex-ante evaluation; their proposals and opinions were integrated into the NOGPOP.
- In July and September 2006, delegates from the North Great Plain Region and of the Commission of the EU met on two occasions to discuss the content of the NOGPOP.
- In October 2006, sectoral opinion on and proposals concerning the NOGPOP were expressed and incorporated in the programme.
- There were on-going regional and sectoral consultations in connection with the delimitation of the individual activities.
- The working documents of the NOGPOP were made available, for the purpose of a broad-based public debate, on the website of the North Great Plain Region. The opinions submitted were processed in an on-going manner.

The social reception of the North Great Plain Operational Programme was covered in the April 2006 issue of the Regional Newsletter of the North Great Plain Region, in 3 county dailys and in local newspapers. There were three interviews broadcast in “Kapocs” (“Link”), a regional news programme in April and May 2006. The interviews were broadcast in all three counties of the Region on two occasions. Local television stations also covered the events organised in connection with the Programme.

Information on the social internalisation of the NOGPOP and the venues of the various events was available on the website of the North Great Plain Region. It was also communicated as an electronic press release to all county, micro-regional and local media in the Region. Consultants for the programme called “The NDA meets you in the home” provided publicity for events and documents through information provision and continued communication with micro-regions.

In addition to the social debates organised by the NOGPRDA PBC, the NDA, too, launched a national public debate in connection with the operational programmes of the NHDP.

The National Development Agency submitted the operational programmes to a social debate on 16 October 2006, while making all the 15 programmes available on its website www.nfh.hu. Except for the Implementation Programme, all the operational programmes were submitted to public debate. The deadline for the submission of opinions to the NDA was 8 November.

The methodology of partnership consultations was based on the methods used during the debate on the New Hungary Development Plan. The NFA requested approximately 4,000 partner organisations, including trade associations, organisations of interest representation and NGOs, as well as the representatives of the business and scientific community, directly in surface or e-mail, to participate in the partnership process. It was an open debate, since anybody could download the operational programmes and the related questionnaire surveys from the NDA’s website and send their opinions to the e-mail addresses assigned to the individual operational programmes.

Consultations were based on structured electronic questionnaire surveys, which facilitated the processing of the incoming opinion and their integration into the programmes. Close to a total of 1,350 organisations sent their opinions either by returning the electronic questionnaire surveys or in the form of an essay, which were, for the sake of transparency, all made available on the website. Most opinions (close to 350) concerned the Social Renewal Operational Programme, while 150 were to do with the Transport Operational Programme.

In addition to what was discussed above, the NDA organised a series of consultation fora for the sectoral and regional operational programmes to be discussed. Participants included representatives from the ministries concerned and the competent members of the Development Policy Steering Body. The data on the organisations invited to attend the fora were obtained from a database that contain the data of close to 4,000 partner organisations, i.e. the partners of all the planning units (ministries, authorities with national competence and regional development councils). Approximately 20 to 25 social, trade, scientific and NGOs, all opinion leaders in the relevant area, were invited to each forum of sectoral debate. The dates of the consultation fora were available on the website. Application from organisations that had not been invited was also accepted. Debates were envisaged to last approximately 2 hours. A memorandum was prepared of each and made available on the NDA's website. The operational programmes were also put on the agenda of key macro-fora, including the National Collective Conciliation Council – with the National Development Committee of which, responsible for the preparation of decisions, the NDA holds regular meetings –, the Economic and Social Council, the Hungarian Academy of Sciences, the National Environmental Protection Council, the National Regional Development Council and the National Development Council set up on 5 September 2006. Regional operational programmes were discussed at the meetings of the regional development councils at regional centres. Voice recording was made of the opinions expressed and the proposals put forward, and the minutes of the meetings could be downloaded from the website. In addition to the availability of the sectoral, regional and macro fora, the Development Policy Steering Body also conducted on-going consultations on the content elements of the operational programmes.

The NDA processed all the opinions submitted before the relevant deadline in a table format in accordance with the structure of the given operational programme. The planning units, each in charge of a given subject matter, prepared their draft responses to the proposals included in the tables thus prepared, indicating whether a given proposal had been approved, rejected or partially approved. Each proposal, in the case of both sectoral and regional operational programmes, was discussed by Inter-ministerial Committees for the Co-ordination of the Operational Programmes. Final decision was made by the Planning Operational Committee.

Following the evaluation of the opinions and proposals submitted each organisation that had submitted an opinion or a proposal was sent a reply letter.

We systematically evaluated the opinions expressed during the public debates and saw whether they proposed modifications that were justified from a professional perspective. If they were, and they did not run counter to any statutory regulation, requirement or agreement made in the course of sectoral delimitation, they were incorporated into the relevant programme. If proposals were rejected, the reason for doing so was provided.

Based on the opinions expressed during the public debates, objectives were revised and the allocation of funds was modified in a manner that benefited the economy development priority. Furthermore, areas of intervention, especially in the area of tourism, the development of the economy and environmental protection, were also modified.

The opinions expressed during the public debates and subsequently processed were, in the form of a council proposal, submitted to the North Great Plain Regional Development Council for approval.

In addition to the incorporation of the findings of the ex-ante and SEA evaluation into the programme, in response to the opinions received during social internalisation, the following major changes have occurred in the operational programme:

- remedial measures addressing the problem of ground waters in inner areas, the infrastructural development of community space serving an active way of life encouraging physical exercise and the construction and infrastructural development of crèches have been included in the intervention supported by the operational programme;
- having taken into account the opinions received, the NOGPRDC, at its meeting of 17 November 2006, modified the allocation of funds, allocating an additional 2% to priority called “Improvement in the operational conditions of the economy”;
- the system of indicators for the NOGPOP has been further clarified.

Based on the above, it is safe to say that the final version of the programme has been the result of the broad-based co-operation of the region’s professional and social actors, which ensures the legitimacy of the operational programme.

8. EVALUATION OF THE NOGPOP

8.1. THE EX-ANTE EVALUATION OF THE NOGPOP

Background and objective of the ex-ante evaluation

The Regulation of the Council of the European Union on the general provisions for the European Regional Development Fund, the European Social Fund and the Cohesion Fund (1083/2006) stipulates that membership perform an ex-ante, mid-term and ex-post evaluation of the operative programmes under way.

According to the regulation, “the objective of the ex-ante evaluation is the optimisation of the allocation of budgetary funds to the operational programmes and improving the quality of programming.” The evaluation needs to identify inequalities, gaps and development potential, while setting the objectives to be achieved and outlining the envisaged results. It further needs to check the consistency of the strategy proposed, the community added value, the extent to which community priorities are taken into account, the lessons of earlier programming and the quality of the implementation, monitoring, evaluation and financial managing procedures.

In order for these statutory obligations to be discharged, an ex-ante evaluation of the North Great Plain Operational Programme was commenced on 15 May 2006. The National Development Agency, responsible for evaluation, commissioned the MEGAKOM Strategic Consultancy Firm, selected through a public procurement procedure, to perform the said ex-ante evaluation.

In the course of the evaluation, applying the set of criteria laid down in the regulation, experts reviewed the operational programme that was fine-tuned in an on-going manner. One of the most important characteristics of the evaluation process was that evaluators and those engineering the programme worked in close co-operation and held regular consultations. As a result of the adoption of this working method, as planning progressed, the majority of the proposals put forward by the evaluators were incorporated into the operational programme.

This section intends to present the most important remarks made by the evaluators.

Determinants of programming

It should be noted in advance that the evaluation of the operational programme cannot disregard the specific context in which the programme is prepared.

Such a context means the strategy of the North Great Plain Region, which is a comprehensive strategy that serves as the foundation of all the developments to be implemented in the Region between 2007 and 2013.

It further means a bargaining process which influenced the content of the operational programme strongly or perhaps profoundly, and which led to the identification of the activities that can be financed within the framework of the regional operational programmes.

Despite the best efforts of those engineering (or evaluating) the programme, no OP strategy with all of its components forming a consistent unit could emerge, since, although several such interventions were identified that should be made under the Region’s strategy, they could not be incorporated into the programme due to the limitations attributable to the bargaining process.

Planners’ remark: during the modification of the OP we tried to eliminate any coherence caused by limitations and reflected them in the text of the OP, where the actions required for the achievement of the goals are supported by a sectoral OP, which ensures synergy between the OP-s and interventions at NHDP level.

Remarks on situation analysis

Earlier versions of the chapter presenting the socio-economic situation of the North Great Plain Region presented the situation of the Region thematically, separately studying the individual areas in the traditional structure, where the incomplete presentation and an occasionally unreasonable order of the individual subject matters failed to serve as a solid enough basis for forming strategic conclusions. In response to the proposals made by the evaluators, those engineering the programme materially transformed the content and structure of the situation analysis. As a result, there has emerged an innovative analysis which takes Community Strategic Directives to the greatest possible extent, and which forms a better basis for the strategy determining the operational programme than did the earlier versions. Nevertheless, it still fails to provide a comprehensive overview of the causal link between the individual factors and of likely trends. It further fails to fully take into consideration the impact of a few large-scale developments currently under way.

The assessment heavily relies on statistics, and mostly employs satisfactorily specific context indicators, which, though static, provides a proper description of the given thematic areas

Offering specific findings, the SWOT analysis, finalised after a series of changes, is an appropriate link between the situation and the strategic assessment.

A particular component of the situation analysis is the description of spatial categories in the Region; although this is an important component, the assessment fails to reveal whether the Region will use such spatial categories, and if so, in what ways. (For the largest possible degree of territorial concentration.)

Planners' remark: we tried to include the cause and effect connections during the modification of the OP (e.g., economic activity employment, etc. areas) but due to the limitations in scope, it was not always possible. The special category system helps to identify the individual settlement types and different development options and potentials. In the call for proposals the settlements of the number one special category will enjoy and advantage in the evaluation of development projects in relation to the territorial focus.

Major findings concerning internal consistency and the relevance of objectives

For an outsider, the evaluation of the hierarchy of objectives presented in the document was, for a long time, rather difficult, owing to the already referenced fact, i.e. that there were two strategies underlying the North Great Plain Programme: Neither the Region's comprehensive strategy, serving as a basis for all developments, nor the narrower strategy underlying the ROP interventions, nor the document was able to uncover how the two were interrelated.

Evaluators, therefore, proposed that the entire strategic chapter be reconsidered and that the way the two documents were interconnected be explained. This has led to the emergence of a much more consistent and more reasonable strategy.

The objectives of the programme, too, have undergone significant transformation. Initially, both comprehensive and specific objectives were too ambitious relative to the time and funds available for the implementation of the programme. In the wake of the proposals put forward by the evaluators, the objectives have undergone material transformation, as a result of which specific objectives are now truly specific. The objectives set are now much more realistic than they used to be and coherence between them has also improved.

As regards internal coherence, it is important to note that the reasoning offered for the selection of priority axes was not adequate, as it did not justify the priorities of the programme to a satisfactory extent. During consultations conducted with experts reasoning was overhauled, as a result of which coherence between objectives and priority axes became obvious.

Planners' remark: we have changed the target structure and priority axes in accordance with the discussions under the regular ex-ante consultation. Thus, the objectives became more specific and the introduction of the priority axis helps understand the logic of the envisaged interventions and describes the conditions of achievement of the objectives, to which the intervention envisaged in the framework of the priority axis have been adjusted.

Remarks on the concentration of the programme

In terms of concentration, the strategy is of dual nature: the low number of priorities and the indicative activities within the individual priority axes suggest a concentrated approach. A more detailed analysis of the content of the individual priority axes suggests that the principle of concentration is not fully observed.

Major identified problems can be summarised as follows:

- a partial absence of the territorial focus is evident in the case of practically all priorities;
- in the case of interventions related to the economy and enterprises, sectoral concentration features only in according high priority to tourism;
- the wording of most indicative activities is, in its current form, too vague, failing to identify the focus of intervention.

The problems identified in connection with concentration are likely to only partially reflect the inadequate level of concentration, which is attributable, in part, to the fact that, pursuant to the applicable statutory regulations, an operative programme is a document of a significantly more strategic nature than it used to be and with fewer concrete issues than previously.

Planners' remark: the OP is more strategic than its previous version. There is a stronger territorial focus in the action plan and calls for proposals. During the modification of the OP we tried to integrate the aspects of territorial focus for the interventions wherever it was possible (ground water flows in the worst situation and to be defined in the action plan, accessibility of regional centres, industrial areas and target tourist spots for road development, busy public roads and larger cities with regard to air pollution, disadvantaged regions with low economic activity primarily in relation to development for incubation purposes, etc.)

The preliminary evaluation of priority axes

There have been considerable changes to priority axes: while in the earlier versions of the operational programme the reasoning offered for priorities failed to act as a link between situation analysis and interventions, it does now, as the description of the individual priority axes offers justification for interventions. At the same time, however, a major deficiency is that the way in which the individual interventions are interconnected is not described satisfactorily. Thus, it is not clear how they reinforce each other. Nor does the description offer at least a glimpse into the likely impacts of the interventions.

Most priority axes fail to accord proper importance to territorial focus; in terms of content the priorities are focussed, except Priority 4 where the internal consistency can be called into question from a number of perspectives.

Planners' remark: During the modification of the OP we tried to integrate the relation between the priority axes (e.g., transport development provides accessibility to the target areas of economic development tourism and public services). The former no. 4 urban and regional development priority axis was divided based on its rather complex contents and weak

coherence, thus human infrastructure and regional development are contained in separate priority axes.

Comments made in the course of the review of the indicators

As objectives changed, indicators were modified; in the earlier versions of the programme they had a key role in the clarification and content of the objectives and served as major inputs for the transformation of the objectives (with the assumption that the chances that the programme would be able to achieve the objectives were slim) The majority of the indicators are now suitable for measuring the realisation of the objectives set, satisfactorily specific and easy to measure.

Planners' remark: the indicators were heavily devised resulting in a more consistent indicator system with fewer indicators to support comparability of the progress of individual ROP-s, which is more in line with the set targets.

Conclusion

Overall, the operational programme, despite the limitations mentioned, have, in several respects, changed considerably and undergone significant development, in the course of which those in charge of engineering the programme took into consideration the evaluators' proposals to the largest possible extent. Changes brought about an operational programme which, except for a few minor weaknesses, serves as an excellent basis for the intervention conducive to the achievement of the objectives set.

8.2. OFFICIAL STATEMENT ON THE STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) OF THE NOGPOP

This section sums up the conclusions of the Strategic Environmental Assessment of the OP, with regard to how environmental considerations have been integrated into the North Great Plain OP, how the environmental report was prepared, the opinions expressed and how the results of evaluating potential transboundary effects were taken into account, and the reasons for choosing the programme as adopted, in the light of the other reasonable alternatives dealt with. Moreover, this section summarises the measures decided upon for monitoring significant environmental impact.

This section is the **official statement of the Hungarian Government** related to the operational programme adopted, based on article 11 of Hungarian Government Decree 2/2005 (I.11.) "The environmental assessment of certain plans and programs" and based on Article 9 of the Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment.

The process of the strategic environmental assessment for the OP

In order to facilitate the application of the sustainability and environmental aspects, as well as to comply with legal regulations (Directive 2001/42/EC – hereafter Directive – and its national adaptation, Hungarian Government Decree 2/2005 (I.11.) – hereafter Government Decree), strategic environmental assessments (SEA) for the operational programmes have been commissioned by the National Development Office (predecessor organisation of the National Development Agency, hereafter NDA). The objective of the environmental assessment was to encourage in cooperation with the ex-ante evaluators and the social partners, the integration and application of environmental and complex sustainability aspects during the preparation process for the NHDP's operational programmes.

During the SEA process, special emphasis was put on consultation, communication with partners and presenting partners' ideas to planners.

The NDA, being responsible for drawing up Operational Programmes, selected a consortium through open public procurement to carry out the SEA procedure;⁶ this consortium was led by Respect Kft.

The methodology of the SEA report, based on Annex 4 of the Government Decree, and Annex 1 of the Directive was available to be viewed by official and social partners (according to Article 7 of the Government Decree), and was discussed at a partnership forum on 19 June 2006. Official bodies (stipulated by Annex 3 of the Government Decree), representatives invited from NGOs and scientific organizations, as well as government bodies participated at the forum, some of whom also submitted their opinion in writing.

In line with approved methodology, the preparation of the SEA has been supported by documented reconciliation with the planners.

The preparation of the North Great Plain Operational Programme yielded several opportunities for official, state and social partners to put forward their opinion, especially on environmental and sustainability issues, as follows⁷:

- During the first partnership of the NOGPOP (between 18 October 2006 and 8 November 2006, social partners were notified by post about the implementation of,

⁶ Other members of the consortium were: Corvinus University of Budapest (Department of Environmental Management and Technology, as well as the Department of Landscape Planning and Regional Development), Environment Awareness Corporate Management Association and BFH Európa Kft.

⁷ The process also provided the opportunity to mediate discussions between the SEA evaluators and the planners.

among others, their environmental comments between 14 February 2007 and 31 May 2007).

- In the process of the ex-ante evaluation (with the inclusion of the official and state governing parties)
- In the process of the SEA evaluation (the conductors of the SEA were in contact with several civil organizations).
- The consultation of the SEA Report and the OP (between 15 November 2006 and 14 December) was open to any social stakeholder, and specific invitations were sent to the main environmental authorities and NGOs.

The above processes were based on the same draft of the OP (16 October version). The text of the OP was completed while incorporating the findings of all of the consultations.

During SEA consultations (15 November – 14 December 2006), open for all, where relevant environmental NGO's and state organizations were directly addressed. In accordance with Article 8 of the Government Decree and Article 6 of the Directive, the SEA report was subject to consultation from 15 November 2006 for a 30-day period. The consultation was made available to the general public on the NDA website and in a national newspaper.

During SEA consultation, the NDA provided a multi-channel option for receiving partners' comments: partly on the website of the NDA and partly through a web interface. In case of the NOGPOP, two forums were held: on 30 November 2006 in Budapest together with the other regional OPs and on 28 November in Debrecen, with the participation of the organisations defined by the Government Decree.

The comments on the SEA of the NOGPOP reconfirmed most of the findings of the SEA, and suggested some further issues. After amending the SEA report in accordance with the consultation, the SEA team discussed the new version with the planners. Following these negotiations, final versions of Operational Programmes were handed over to the Commission. Following the submission of the programme, the NDA published the final SEA report and a summary, which are available at the www.nfu.gov.hu website. The final SEA report clearly shows how the comments and responses have influenced the OP.

Summary on how environmental considerations have been integrated into the programme⁸

A detailed and comprehensive evaluation on the development of the NOGPOP as a result of the SEA can be found in the following report: "Az Észak-alföldi Operatív Program környezeti vizsgálata - 2. jelentés". This document can be downloaded from the website of the NDA.

The main conclusions of the SEA and the position of the planners

Proposition	Responses Reasons for choosing the programme as adopted, in the light of the other reasonable alternatives considered ⁹
<p>In the course of situation assessment, spatial location and extent of NATURA 2000 and brownfield areas, due to the justification of intervention and expected results. As regards regions, the following should be specified more accurately: balancing, efforts for catching up, population retention ability of regions as well as the civic sector activities in the various regions.</p>	<p>Although several responses regarding the handling of detailed proposals issued in the course of SEA were included in the NOGPOP text, but for the reason of individual, detailed handling methods – due to the strategic nature of the OP – their more accurate and specific determination is necessary. Among others, such elements are the following: application of BAT (Best Available Techniques) for the sake of material-, energy-saving and environmentally friendly solutions, accurate selection of target areas based on the criteria of sustainable urban development, practical implementation of the protection of NATURA 2000 and other ecologically valuable areas in the practice of development policy. Thus, environmental and natural considerations will be strongly manifested not only in the case of intervention areas (community and bicycle traffic, environmental and nature-related developments, improvement of the environment of urban and brown-field areas, etc.) but also in the case of selection criteria at the action plan levels, where material- and energy saving developments, projects applying BAT and increasing urban green areas receive excess scores in the evaluation, and developments damaging NATURA 2000 and other ecologically valuable areas will be excluded.</p>
<p>In the course of economic developments and other infrastructure developments, the goal must be to prefer eco-innovative solutions aimed at low waste emission and the application of Best Available Techniques, as</p>	<p>See above.</p>

⁸ According to Article 11(b) of the Government Decree, and Article 9.1.b. of the Directive

⁹ According to Article 11(b) of the Government Decree, and Article 9.1.b. of the Directive.

<p>well as the application of BAT in the widest possible extent and frequency, thereby contributing increased public awareness and propagation related to BAT, as well as the reduction of environmental burden.</p>	
<p>The risk of negative environmental effects of the OP can be reduced by integrating the environmental aspect in all priorities in the required depth and detail.</p>	<p>The integration of environmental considerations in the priorities can be ensured by a consistent application of the horizontal principle of sustainability, the relevant requirement has been issued. They are implemented in both the action plans and upon determining the relevant schemes.</p>
<p>In the course of development planning, the effects on NATURA 2000 should be taken into consideration to a greater degree.</p>	<p>Implementation of the protection of NATURA 2000 and other ecologically valuable areas in the practice of development policy is a prominent consideration. Thus, environmental and natural considerations will be strongly manifested not only in the case of intervention areas (community and bicycle traffic, environmental and nature-related developments, improvement of the environment of urban and brown-field areas, etc.) but also in the case of selection criteria at the action plan levels.</p>

According to a SEA recommendation, the NOGPOP sustainability policy has been clarified; this can be found in the OP section 2.5.2.

The social partners' and national authorities' main comments

Proposition	Responses
<p>The program supports the objectives of Hungarian environmental policy in several items and regarding many objectives, namely, the development of bicycle, eco- and natural tourism, reinforcement of the civic sector, developments related to nature and environmental protection, developments of brown-field areas, etc. In the event that the presence of the environmental consideration can be achieved in the other items, as well, there is a good overall chance to achieve the general objective put forward in the OP, namely, implementation of sustainable development relying on environmental resources and characteristics of the region. However, in the absence of the latter, the impacts burdening the environment may be</p>	<p>Reasons for choosing the programme as adopted, in the light of the other reasonable alternatives considered¹⁰</p> <p>By a consistent implementation of the horizontal consideration of sustainability, the implementation of environmental considerations is achieved. According to this, the planners have included in the implementation section of the NOGPOP the requirements concerning the evaluation of horizontal policies – including sustainability – and the conditions of applying the conditions of minimum sustainability criteria. As a result of the SEA, the planners have included in the NOGPOP in several dimensions and with an increased emphasis the indicators supporting the measurability of environmental considerations while integrating them in the OP monitoring system, as well, but at the same time, while considering the realistic</p>

¹⁰ According to Article 11(b) of the Government Decree, and Article 9.1.b. of the Directive.

<p>stronger than positive effects, which may give an overall result of an increasing distance from national goals.</p>	<p>number of measuring numbers, they have only indicated those indicators at the OP levels that were most important from a strategic point of view.</p>
<p>In the course of adapting action plans to the OP, maximum effort is required to validate horizontal considerations, such as sustainable development. This is especially true for detailing principles in the action plans within budget priority and specifying detailed indicators (beyond the considerations of project selection), it must be manifest with the same emphasis as economic and societal considerations.</p>	<p>For tracking and reinforcing implementation of the SEA, the preliminary evaluation assessment of the contribution of action plans and individual interventions, major projects to horizontal objectives – among others, sustainability – was published in the OP (2006, 2008, 2010) as well as a comprehensive evaluation of the achievement of horizontal goals of the operational program (including sustainability) (2008, 2010, 2012). The SEA requirement for action plans (domestic legislative requirement) and the horizontal requirement for ensuring sustainability can be the strongest guarantee to ensure that only those out of the project will be implemented which will have more favorable effects on their environments and that projects damaging the environment will be excluded.</p>
<p>Civic sector participation in monitoring and supporting implementation.</p>	<p>The following representatives must be invited to the Monitoring Committees: at least one environmental civic organization, as well as the representatives of one civic organization each representing the Roma community, the disabled and an organization for equal opportunities of men and women. The achievement of sustainability, equal opportunities and non-discrimination is reported separately in the evaluations on program implementation and in reports for the Government, Monitoring Committees, FIT (Development Policy Steering Committee), NFT (National Development Council) and the Parliament. The NDA provides information to the National Environmental Council on an annual basis concerning the environmental effects of the NHDP and the implementation of horizontal considerations of sustainability.</p>
<p>Working out proper follow-up measures from environmental and sustainability aspects</p>	<p>Evaluation of horizontal policies – including sustainability – and guarantee conditions of applying minimum sustainability criteria are included here, according to the following</p>

	<p>scheme:</p> <p>For tracking and reinforcing implementation of the SEA, the preliminary evaluation assessment of the contribution of action plans and individual interventions, major projects to horizontal objectives – among others, sustainability – was published in the OP as well as a comprehensive evaluation of the achievement of horizontal goals of the operational programme (including sustainability).</p>
<p>Based on the principles formulated in the section discussing horizontal policies, determination of minimum sustainability (or horizontal) criteria which are manifest as a basic condition of tender submission.</p>	<p>Guidelines will be prepared in order to achieve horizontal implementation of sustainability, equal opportunities and non-discrimination and in the course of implementation of the OP, the NDA will continuously search for, reward and disseminate the best practices.</p>

Transboundary effects¹¹

With regard to the strategic character of the OP and its detailed information content, it has been analysed in the course of the SEA process whether transboundary effects could be detected. It has been found that – according to the text of the OP – the territorial character of the planned strategic measures, and their implementation’s influence on environment could not be identified by lack of specification, thus information on specific territorial effects – including transboundary effects – is not available.

The SEA pointed out that according to Article 4, Section 3 of the Directive, within the hierarchy of strategic documents primarily those sectoral strategic programmes, concepts should be analysed from this point of view, which had been prepared before the OP. However, lower than OP level documents (action plans, tenders) should also be investigated regarding transboundary effects, when relevant data become available. With the above considered, the Hungarian Government presented the NHDP-level plans – as a strategic frame above the OPs – at bilateral meetings with neighbouring countries’ governments. Beyond this, a consultation document has been prepared on transboundary effects in the course of the SEA process of the OP’s 2007–2008 Action Plans, which document has been sent to the environmental authorities of all neighbouring countries. We commit ourselves to investigate cross-border effects on the Action Plan level in the whole 2007–2013 planning period.

Monitoring measures¹²

NOGPOP planners agree with the SEA that an unavoidable problem is posed at OP planning level, by the fact that certain objectives may act in contrary to each other. Therefore, the individual environmental effect of the application cannot be assessed based on the general text in agreement with SEA recommendations in NOGPOP action plans and during the implementation. This means that at further Operational Programme planning levels (action plans, calls for applications), sustainability aspects of possible alternative support solutions

¹¹ According to 9. § of the Government Decree, and Article 7 of the Directive.

¹² According to 12.§ of the Government Decree and Article 10. of the Directive.

shall have to be considered on an individual basis. Therefore, relevant guarantees were introduced in the implementation section of the NOGPOP, with special regard to:

- sustainability criteria (minimum criteria for the acceptance of applications),
- the Sustainability Guide assisting the principle of sustainability,
- environmental organisation membership delegated to Monitoring Committees,
- evaluations targeted at sustainability and strategic environmental examinations for actions plans, as set forth by law.

Horizontal indicators, including environmental ones, will be regularly assessed as part of the OP monitoring and evaluation process.

These monitoring elements were built into the existing monitoring and management system of the NOGPOP to avoid duplication of monitoring.

ANNEXES**ANNEX 1: FIGURES AND TABLES USED IN THE SITUATION ANALYSIS OF THE NORTH GREAT PLAIN OPERATIONAL PROJECT**

Table M1: Value of GDP per employee in Hungary's planning-statistical regions as a percentage of national value (1997-2004)

	1997	1998	1999	2000	2001	2002	2003	2004
Central Hungary Region	136.4	138.0	140.7	142.6	144.2	148.4	146.2	141.7
Central Transdanubia Region	92.9	94.1	89.2	92.2	88.0	82.5	83.7	90.1
West Transdanubia Region	92.3	95.5	100.2	100.0	92.3	90.8	98.1	95.1
South Transdanubia Region	81.4	79.8	81.1	78.1	80.5	79.2	76.4	76.9
North Hungary Region	78.2	78.5	76.4	73.5	75.4	72.9	72.7	75.9
North Great Plain Region	81.4	78.4	73.4	73.3	76.2	74.6	73.5	74.5
South Great Plain Region	77.0	75.9	75.2	73.0	73.3	72.5	74.0	74.0

Source: Statistical yearbooks of the years concerned

Table M2: Major 2001-2004 data of capital investments in the Hungarian regions (annual averages, computed at 2001 prices based on the capital investment price index)

	A	B	C	D	E	F
Central Hungary Region	334,544	134.1	130.9	216.3	106.0	112.8
Central Transdanubia Region	288,285	115.6	124.5	44.7	106.4	62.5
West Transdanubia Region	288,288	115.6	125.5	50.3	95.7	71.5
South Transdanubia Region	210,185	84.3	82.5	60.8	95.7	236.7
North Hungary Region	221,484	88.8	91.1	39.2	104.0	101.4
North Great Plain Region	165,600	66.4	62.9	68.9	87.2	76.3
Hajdú-Bihar County	190,755	76.5	76.4	82.0	75.1	60.8
Jász-Nagykun-Szolnok County	177,928	71.3	67.9	45.4	104.2	132.1
Szabolcs-Szatmár-Bereg County	133,159	53.4	46.5	73.3	86.5	51.2
South Great Plain Region	162,188	65.0	60.4	61.2	99.3	51.9
Hungary	249,400	100.0	100.0	100.0	100.0	100.0

A – value of total capital investments per capita (HUF/persons), B – ratio of the total capital investments per capita to the national value (%), C – ratio of the value of the total capital investments by businesses per capita to the national value (%), D – ratio of the value of the total capital investments by the central budget per capita to the national value (%), E – ratio of the value of the total capital investments by local governments and minority local governments per capita to the national value (%), F – ratio of the value of the total capital investments by NGO's per capita to the national value (%)

Source: the Regional Statistical Yearbooks of the years concerned

Table M3: Capacity of and frequency of visits to the most frequented settlements of the North Great Plain Region from the perspective of tourism in 2005 (settlements, hotels and private places of accommodation ranking 1 to 6 on the basis of guest nights,(aggregated); data on foreigner visitors in brackets)

	Number of accommodation	Number of guests	Number of guest nights
Hajdúszoboszló	17,159	200,921 (59,252)	870,985 (359,246)
Debrecen	6,873	112,960 (23,878)	318,463 (96,431)
Nyíregyháza	3,294	53,043 (13,901)	118,225 (43,196)
Berekfürdő	2,439	28,276 (4,644)	101,389 (28,845)
Cserkeszölő	1,207	22,281 (3,388)	88,673 (33,170)
Szolnok	1,112	35,509 (9,567)	73,569 (19,389)
Share in the regional value	59.2%	71.5% (75.6%)	76.0 (83.6%)

Source: statistical yearbooks of the counties concerned

Table M4: Quality indicators of the national public road network in the individual regions (1 January 2005, regional data aggregated from public road managing county authorities)

	A		B		C	
	D	E	D	E	D	E
Central Hungary Region	2.15	2.11	4.56	3.37	3.82	3.00
Central Transdanubia Region	2.08	2.02	4.61	3.58	3.95	2.71
West Transdanubia Region	1.99	1.71	4.55	3.12	4.08	2.49
South Transdanubia Region	2.37	2.20	4.25	3.76	3.84	2.22
North Hungary Region	2.06	1.96	4.06	3.15	3.83	2.56
North Great Plain Region	2.09	1.88	4.15	3.12	3.98	2.59
Hajdú-Bihar County	2.41	2.01	3.79	3.01	3.77	2.49
Jász-Nagykun-Szolnok County	1.72	1.61	4.29	2.94	4.02	2.65
Szabolcs-Szatmár-Bereg County	2.08	1.93	4.30	3.28	4.10	2.62
South Great Plain Region	2.19	2.11	4.30	3.16	3.97	2.59
Hungary	2.13	1.97	4.32	3.14	3.90	2.54

A – physical condition of surface, B – loadability of the road structure, C – surface unevenness, D – main road network, E – minor road network,

1 – poor, 2 – inadequate, 3 – moderate, 4 – satisfactory, 5 – good

Source: <http://web.kozut.hu> (website of the Magyar Közút Állami Közútkezelő Fejlesztő Műszaki és Információs Kht. (Hungarian Public Road State Public Road Managing, Developing and Information Public Benefit Company))

Table M5: Changes in the share of R&D expenditure in the GDP in the Hungarian regions between 1997 and 2004 (%)

	1997	1998	1999	2000	2001	2002	2003	2004
Central Hungary Region	1.21	1.15	1.09	1.28	1.43	1.50	1.39	1.28
Central Transdanubia Region	0.44	0.33	0.29	0.37	0.53	0.67	0.54	0.50
West Transdanubia Region	0.26	0.27	0.25	0.20	0.44	0.30	0.29	0.39
South Transdanubia Region	0.29	0.27	0.29	0.41	0.45	0.51	0.40	0.41
North Hungary Region	0.19	0.28	0.18	0.23	0.21	0.27	0.27	0.28
North Great Plain Region	0.60	0.71	0.59	0.64	0.61	0.67	0.69	0.72
South Great Plain Region	0.56	0.56	0.63	0.65	0.70	0.83	0.77	0.63
Hungary	0.74	0.72	0.68	0.79	0.91	0.98	0.89	0.89

Source: TEIR, statistical yearbooks of the counties concerned

Table M6: Changes in the numbers employed in R&D per 1,000 employees in the Hungarian regions between 1997 and 2005 (%)

	1997	2000	2001	2002	2003	2004	2005
Central Hungary Region	28.5	29.1	27.8	28.4	29.0	27.2	27.6
Central Transdanubia Region	6.4	8.5	8.3	8.8	9.3	8.8	8.8
West Transdanubia Region	7.3	7.1	7.8	7.7	7.7	7.5	8.1
South Transdanubia Region	11.6	13.1	14.1	13.7	14.2	20.8	19.5
North Hungary Region	6.9	6.7	7.5	8.9	8.7	8.8	8.1
North Great Plain Region	15.3	12.7	12.5	13.1	13.8	14.2	14.6
South Great Plain Region	18.0	13.6	16.2	19.0	18.7	17.3	18.3
Hungary	17.0	16.8	16.9	17.8	18.0	18.0	18.2

Source: TEIR, statistical yearbooks of the counties concerned

Table M7: Changes in the number of registered enterprises in the North Great Plain Region between 2000 and 2006 (number, at the end of the individual years)

	2000	2001	2002	2003	2004	2005	2006
Hajdú-Bihar County	43,925	45,545	47,387	49,254	50,389	50,842	49,816
Jász-Nagykun-Szolnok County	29,957	31,182	32,226	32,842	32,893	32,443	31,447
Szabolcs-Szatmár-Bereg County	40,559	42,501	44,378	46,231	47,477	48,076	46,759
North Great Plain Region	114,441	119,228	123,991	128,327	130,759	131,361	128,052
Hungary	1,093,848	1,124,142	1,151,520	1,176,194	1,197,723	1,207,573	1,183,953

A – total number of enterprises, B – partnerships

Source: TEIR

Table M8: Major characteristics of the financial intermediation sector in the Hungarian regions in 2004

	A	B
Central Hungary Region	5.07	3.05
Central Transdanubia Region	1.67	1.10
West Transdanubia Region	1.96	1.28
South Transdanubia Region	2.30	1.42
North Hungary Region	1.95	1.27
North Great Plain Region	1.93	1.15
Hajdú-Bihar County	2.01	1.29
Jász-Nagykun-Szolnok County	1.94	1.13
Szabolcs-Szatmár-Bereg County	1.80	1.03
South Great Plain Region	2.25	1.39
Hungary	3.36	1.91

A – share of the financial intermediation sector in the GDP (%), B – share of those employed in the financial intermediation sector in the total number of employees (%)

Source: Regional Statistical Yearbook, 2004

Table M9: Employment in the Hungarian Regions in 2005

	Per 100 employees		Per 100 female employees	
	Inactive earners	Dependants	Inactive female earners	Female dependants
Central Hungary Region	68	57	93	61
Central Transdanubia Region	70	64	99	72
West Transdanubia Region	71	61	99	69
South Transdanubia Region	90	75	121	82
North Hungary Region	100	89	139	98
North Great Plain Region	93	93	130	108
Hajdú-Bihar County	83	90	116	106
Jász-Nagykun-Szolnok County	94	80	129	90
Szabolcs-Szatmár-Bereg County	103	106	146	124
South Great Plain Region	90	75	124	85
Hungary	80	70	110	78

Source: www.ksh.hu, 2005 micro-census data

Table M10: Educational level of the population in the Hungarian regions in 2005 (%)

	A	B	C
Central Hungary Region	94.7	56.0	22.6
Central Transdanubia Region	92.4	38.5	12.2
West Transdanubia Region	92.6	40.7	12.2
South Transdanubia Region	91.0	35.4	11.1
North Hungary Region	89.2	37.5	10.8
North Great Plain Region	88.6	35.2	11.3
Hajdú-Bihar County	89.5	37.7	12.8
Jász-Nagykun-Szolnok County	88.3	34.0	10.5
Szabolcs-Szatmár-Bereg County	87.9	33.7	10.4
South Great Plain Region	89.9	37.0	11.3
Hungary	91.6	42.6	14.7

A – at least primary education in the age group of 15 and 15+, B – at least a certificate of secondary education in the age group of 18 and 18+, C – degree-holder in the age group of 25 and 25+

Source: www.ksh.hu, 2005 micro-census data

Table M11: Method for the classification of the settlements in the individual spatial categories

Spatial category 1.3	Settlements lie at most 25 km from county seat; based on the 2001 census data, the proportion of commuters exceeds 10% (which suggests strong links with the centres); the change in the number of the population and migration differential was positive between 1990 and 2001.
Spatial category 2	When defining economic weight, an estimate of the GDP of the given settlement – conferred from county data based on the number of operating businesses, local tax revenue and the size of taxable income (2003) and local employment (2001) – were taken into consideration. Computed from the above data, the value of the complex indicator ¹³ of the settlement included in this category is higher than the average of the Region’s rural towns. Settlements have a daytime population of at least 10,000. ¹⁴ The level of the development of the institutions in towns was quantified on the basis of the statistics of TEIR. The settlements in this category have at least 5 of the 19 institutions ¹⁵ (the most developed have as many as 11 or 12).

Importance of the settlements included in the individual spatial categories

Spatial categories	Share in the Region’s population (%)	Share in the Region’s enterprises (%)
1.1.	13.25	20.67
1.2.	12.50	22.57
1.3.	15.50	10.55
2.	20.56	21.94
3.1.	16.19	11.56
3.2.	22.01	12.71

¹³ The complex indicator was computed with the “Bennett method”: we provided the GDP and employment data for all the cities and towns as a percentage of the corresponding data for Debrecen, then we computed the arithmetic mean of the two values in each settlement surveyed. (Thus, both two factors were accorded identical weight).

¹⁴ Based on the 2001 census data. The settlements below this threshold have been included in this category based on a NOGPRDC decision dated 7 June 2006.

¹⁵ Micro-regional centre, guardianship office, labour office, police station, city/town court and the Public Prosecutor’s Office, district land registry office, document office, construction authority of the first instance, militia representative office, forestry directorate, fire brigades, regional chief architect’s office, Hungarian Geological Services, mining authority, zoo- and phytosanitary service, tax authority, public health office.

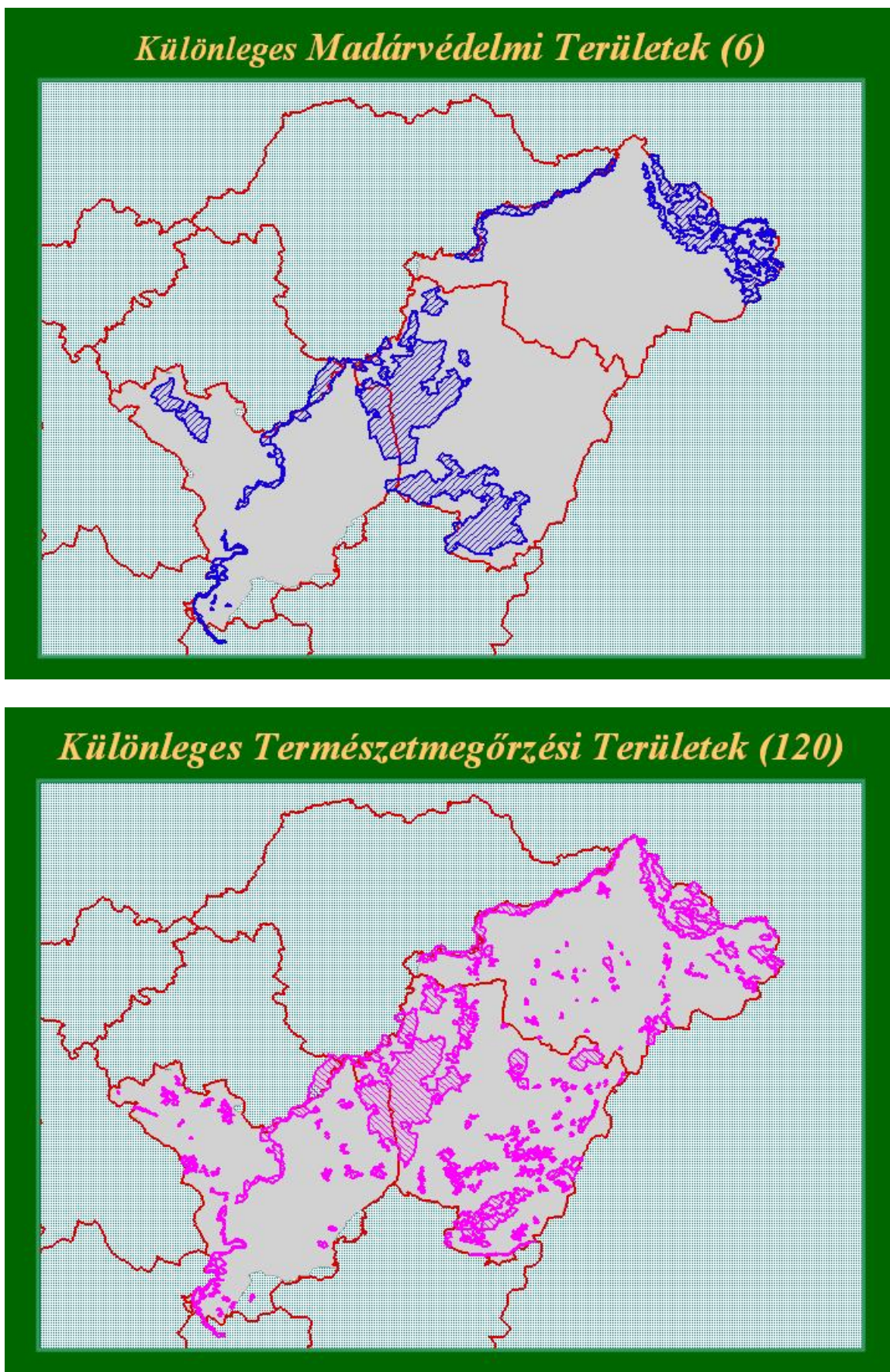


Figure M1: Natura 2000 areas in the North Great Plain Region (Special bird sanctuaries (6))
Special nature conservation areas (120)

Figure M2: Total size of brownfield military bases and industrial buildings in the settlements concerned

Map 4
Unutilised brownfield sites

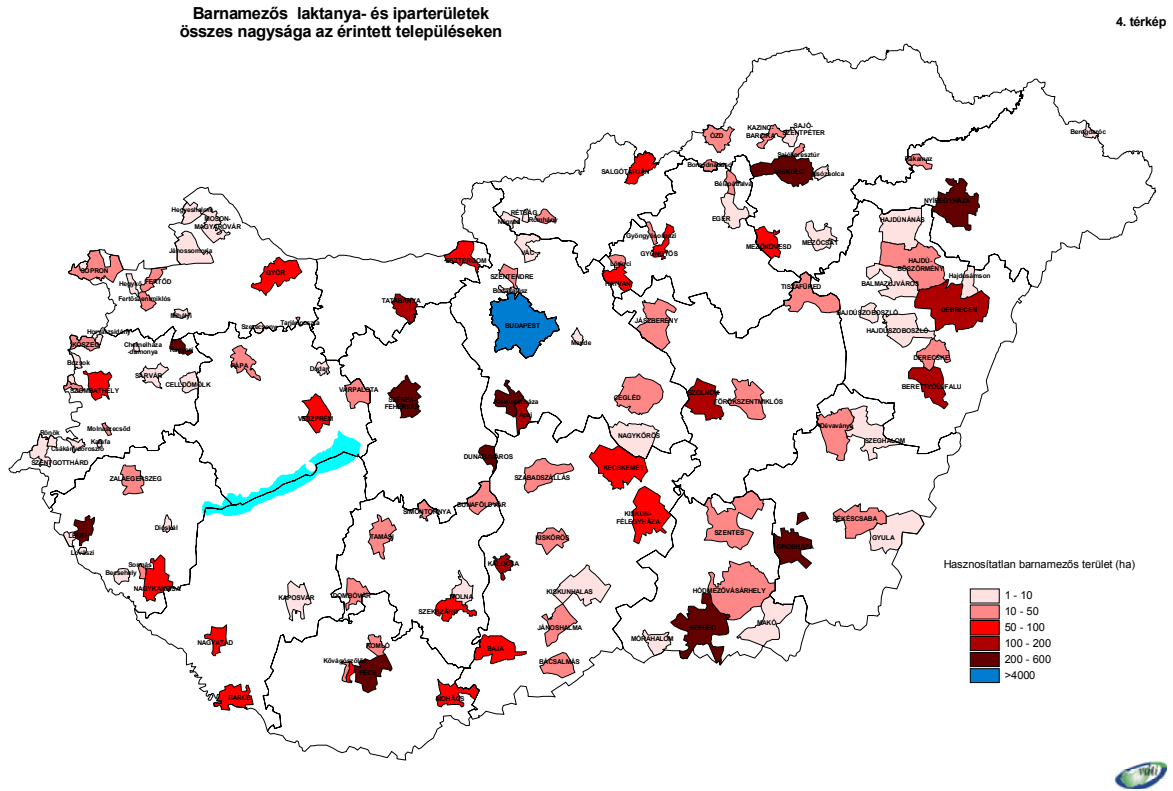
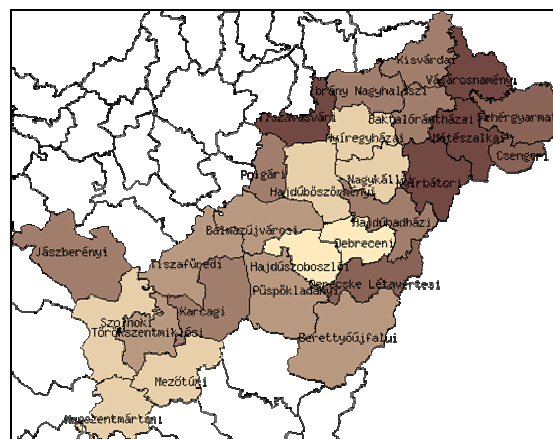


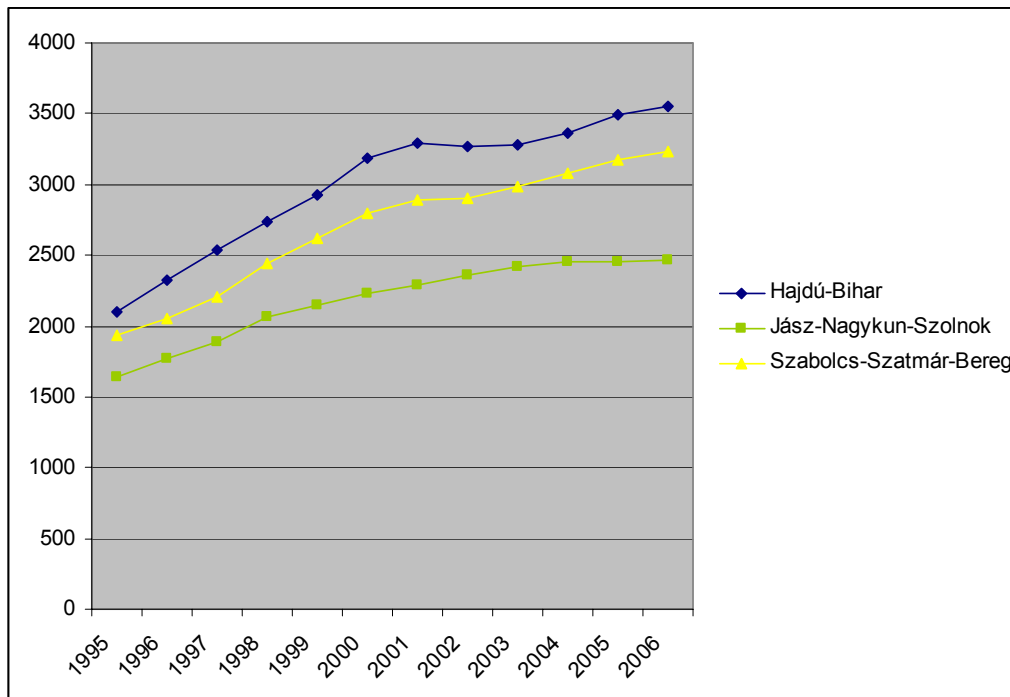
Figure M3: Proportion of the Roma population in the population of the region in a breakdown by micro-regions



Source: CSO census, TeIR (Regional Development and Territorial planning Information System)

(Experts claim that the actual number of the Roma population differs significantly from these data.)

Figure M4: Changes in the number of NGOs in the counties of the North Great Plain Region between 1995 and 2006



Source: Quarterly bulletins of the CSO's County Directorates 2002-2006

ANNEX 2: THE OBJECTIVES OF THE NORTH GREAT PLAIN STRATEGIC PROGRAMME

The overall objective of the North Great Plain Strategic Programme

The centrepiece of the Region's development strategy is to promote sustainable development; accordingly, the overall objective is **to promote the development of the North Great Plain Region, based on its endogenous potential, in a manner that is economically, ecologically and socially sustainable**, and that ensures, through the preservation and development of the environmental heritage, the Region's competitiveness and the elimination of territorial imbalances.

“By establishing, on an ecological basis, interrelationship between water resource management, environment management and land use and by developing a competitive economy and competitive human resources based on such interrelationship, the Region will become one of East Central Europe's high-quality life, health and recreation centres.”

Based on the main thrust of the North Great Plain Region's development, regional competitiveness and the general components of redressing territorial imbalances are centred round the Region's endogenous potential.

The overall objective also includes **the handling, management and development, through an ecological approach**, of the Region's **environmental resources** (surface and subsurface water reserves, nature, landscape, soil and arable, anthropogenic areas and the wildlife thereof).

Ecologically sustainable development set as an objective will contribute to the preservation and development of the North Great Plain Region's unique natural and environmental heritage, the establishment of healthy and sound environmental conditions and the optimisation and environmental sustainability of the developments relying on natural resources.

The **development of a competitive economy and competitive human resources** based on the ecologically sustainable interrelationship between water resource management, environment management and land use will guarantee **the Region's territorial competitiveness**.

A competitive economy based on the ecologically optimal use of internal and external resources and well-trained or trainable human resources provides a sustainable basis for **the Region's becoming one of East Central Europe's high-quality life, health and recreational centres**.

For the purpose of strengthening social cohesion, the convergence of backward regions and the most disadvantaged social groups, such regional circumstances must be provided that ensure, in the long term, that the highest possible number of social groups, ready to act, can be involved in social and economic matters. Also that members of the society can be socially and geographically mobile and that there are no communication or physical hindrances. Social stability and the ability of the society to operate include the provision of basic social and health care and education; it further includes social values such as the recognition of cultural diversity (integration of national and ethnic minorities and migrants) and equal opportunities for persons with disabilities and the equal treatment of men and women.

The provision of the conditions of social cohesion is crucial to economic competitiveness as well as the protection and development of a liveable environment. Discouraging investors and tourists, the falling behind and pauperisation of certain social groups reduces the quality of life

and lessens the chances of those living there and hinders economic growth. (There emerges a group of the permanently unemployed, who increase the size of the underclass).

It is important to note that in order for convergence to materialise, interventions, also providing a way out for the region, must be made in a manner that they contribute, in the long run, to the improved competitiveness of the region; this, in turn, provides for the possibility that the results of dynamically developing regions are internalised and successfully adopted elsewhere.

Specific objectives and priorities of the Strategic Programme of the North Great Plain Region

1. Further development of a competitive, market-induced and innovation-orientated economy based on the strategic position and human resource of the region (“*Dynamic region*”)

Priority 1/1: Development of the economic potential of the region

Priority 1/2: Development of interregional connections ensuring the accessibility of the region

Priority 1/3: Development of competitive tourist products and networks

Priority 1/4: Establishment and development of the cultural and community innovations of the region

2. Establishment, conservation and sustainable use of the natural and environmental systems of the region, their management as environmental values (“*Eco-region*”)

Priority 2/1: Protection and sustainable development of the Region’s natural condition; creation of a safe environment

Priority 2/2: Environmentally sustainable development sustainable of economic activities based on environmental attributes

3. Provision of possibilities for a healthy way of life and utilisation of related endogenous potential (“*A healthy region*”)

Priority 3/1: Improvement of the state of health of the population

Priority 3/2: Establishment of a complex health vertical based on the potential and endowments of the region

4. Establishment of a market led and innovation-oriented agricultural vertically based on the competitive advantages of the region (“*Agricultural region*”)

Priority 4/1: Development of agriculture and the food industry in a manner that takes regional attributes and market demand into consideration

Priority 4/2: Promotion of the spread of agricultural production other than for the purpose of the food industry

Priority 4/3: Improvement of the ability of agricultural areas to provide a livelihood and the strengthening of their role in regional development

Priority 4/4: Promotion of the utilisation of R&D results in the agricultural economy

5. Abatement of the regional differences in the region and strengthening of the social cohesion, increase of the employment (“*Chance Improving and Emerging Region*”)

Priority 5/1: Strengthening of the Region’s territorial cohesion

Priority 5/2: Promotion of the social integration and re-integration of the socially disadvantaged

Priority 5/3: Improvement of the quality of life in rural societies

Priority 5/4: Development of settlements infrastructure

ANNEX 3: A LIST OF THE SETTLEMENTS INCLUDED IN THE CATEGORIES OF REGIONAL PLANNING

1. Regional development poles and sub-centres

This category comprises those settlements in the region that may become the primary scene of growth. The designations “pole” and “sub-centres” denote not only the three major cities of the Region, but also a much wider space that comprises several settlements and forms agglomeration around a centre with intricate socio-economic relations.

1.1. The Debrecen regional development pole

The second largest city in Hungary and the largest in the Great Plain, Debrecen has been performing an exceptionally high number of functions for decades now. As a regional centre, its power and urban impacts on the entire region are undisputed. Data on its share in the region are almost identical to that of Budapest in the country. It comprises 13.3% of the population and close to 21% of all businesses in the Region. 23% of all the white collar workers live in Debrecen, and 45% of the Region’s students enrolled at institutions of higher education go to Debrecen University.

Settlements: Debrecen

1.2. The Nyíregyháza and Szolnok regional development sub-centres

The agglomeration of the two cities covers the size of a county. In this regard, Szolnok is in a special situation, since the agglomeration around it stretches beyond the county of which it is the seat and peripheries seem to have stronger links with other centres. Although their R&D potential is less favourable, conditions favour industrial operations. The combined weight of the two sub-centres approximates that of Debrecen, comprising 12.5% of the population and close to 23% of enterprises.

Settlements: Nyíregyháza and Szolnok.

1.3. Regions in the agglomeration of regional poles and their sub-centres

Over the past few years there has emerged a region forming agglomeration around Debrecen, Nyíregyháza and Szolnok; it was the primary target area first of the population moving from the county towns, and later of businesses. The settlements included in this category are at most 25 km away from the county towns; based on the 2001 census data, the proportion of those who commute is over 10% (which suggests strong links with the centres); the change in the number of the population and migration differential was positive between 1990 and 2001. These regions and their centres constitute a single economic and labour market space. Close to 16% of the population and 11% of the enterprises in the Region live and operate respectively here.

Settlements in the agglomeration of Debrecen: Balmazújváros, Bocskai kert, Ebes, Hajdúbagos, Hajdúhadház, Hajdúsámson, Hosszúpályi, Konyár, Létavértes, Mikepércs, Monostorpályi, Nagyhegyes, Nyírmártonfalva, Sáránd, Téglás, Újléta, Vámospércs.

Total number of settlements: 17

Settlements in the agglomeration of Nyíregyháza: Apagy, Balkány, Besenyőd, Biri, Bököny, Demecser, Érpatak, Geszteréd, Kállósemjén, Kálmánháza, Kótaj, Levelek, Magy, Nyírkálló, Napkor, Nyírbogdány, Nyíribrony, Nyírpazony, Nyírtelek, Nyírtura, Ófehértó,

Paszab, Ramocsaháza, Sényő, Szakoly, Székely, Tiszanagyfalu, Tiszarád, Újfehértó, Vasmegyer.

Total number of settlements: 30

Settlements in the agglomeration of Szolnok: Besenyszög, Martfű, Rákóczi falva, Rákócziújfalva, Szajol, Szászberek, Tiszajenő, Tiszapüspöki, Tiszatenyő, Tiszavárkony, Tószeg, Újszász, Zagyvarékas.

Total number of settlements: 13

2. Dynamic regional centres and regional centres that can be dynamised

These are the centres of small and medium-size towns in a fundamentally rural space outside the agglomeration of the three county towns. They are situated along major transport axes, i.e. primary or secondary main roads, with a sizeable population (a daytime population of at least 10,000)¹⁶; they represent a significant economic weight and have a developed institutional system.

When defining economic weight, an estimate of the GDP of the settlement – conferred from county data based on the number of operating businesses, local tax revenue and the size of taxable income (2003) and local employment (2001) were taken into consideration. Computed from the above data, the value of the complex indicator¹⁷ of the settlement included in this category is higher than the average of the Region's rural towns.

The level of the development of the institutions in towns was quantified on the basis of the statistics of TEIR. The settlements in this category have at least 5 of the 19 institutions¹⁸ included in the database (the most developed have as many as 11 or 12). Overall, this settlement group comprises over 20% of the population and close to 22 % of the enterprises.

Settlements in Hajdú-Bihar County: Berettyóújfalva, Hajdúböszörmény, Hajdúnánás, Hajdúszoboszló, Püspökladány.

Settlements in Jász-Nagykun-Szolnok County: Jászárokszállás, Jászberény, Jászfényszaru, Karcag, Kisújszállás, Mezőtúr, Tiszafüred, Törökszentmiklós.

Settlements in Szabolcs-Szatmár-Bereg County: Fehérgyarmat, Kisvárda, Mátészalka, Nyírbátor, Tiszavasvári, Vásárosnamény.

Total number of settlements: 19

¹⁶ Based on 2001 census data

¹⁷ The complex indicator was computed with the "Bennett method": we provided the GDP and employment data for all the cities and towns as a percentage of the corresponding data for Debrecen, then we computed the arithmetic mean of the two values in each settlement surveyed. (Thus, both two factors were accorded identical weight.)

¹⁸ Small Micro-regional centre, guardianship office, labour office, police station, city/town court and the Public Prosecutor's Office, district land registry office, document office, construction authority of the first instance, militia representative office, forestry directorate, fire brigades, regional chief architect's office, Hungarian Geological Services, mining authority, zoo- and phytosanitary service, tax authority, public health office

3. Regions awaiting convergence

These are settlements that are economically and socially disadvantaged and/or lie in a traffic shadow on the inner or outer periphery. Part of the group are major settlements within smaller regions; they have either a certain number of institutions serving the population of other settlements and qualifying as urban functions or some dedicated functions (e.g. tourist destinations, frontier stations). The rest provide only basic supply (wholly or in part) for their population.

3.3. Settlements serving as micro-regional centres for those living in the vicinity

Part of this settlement group is comprised of those towns that are not included in any of the above groups; those settlements with a non-urban legal status that, concerning the functions that they perform and the services that they provide for the population of the neighbouring settlements, are the centre of a given region must be included in this group. The settlements that perform dedicated functions (e.g. tourist destinations, frontier stations) are also included in this category. This settlement group comprises over 17% of the population and 12% of the operating enterprises.

Settlements in Hajdú-Bihar County: Ártánd, Biharkeresztes, Derecske, Egyek, Földes, Hajdúdorog, Hortobágy, Kaba, Komádi, Nádudvar, Nyírábrány, Nyíracsaád, Nyíradony, Polgár, Tiszacsege (15).

Settlements in Jász-Nagykun-Szolnok County: Abádszalók, Berekfürdő, Cibakháza, Cserkeszőlő, Fegyvernek, Jászapáti, Jászkisér, Jászládány, Kenderes, Kengyel, Kunhegyes, Kunmadaras, Kunszentmárton, Tiszaföldvár, Túrkeve (15).

Settlements in Szabolcs-Szatmár-Bereg County: Baktalórántháza, Barabás, Beregsurány, Csenger, Dombbrád, Ibrány, Kemece, Mándok, Máriapócs, Nagyecsed, Nagyhalász, Nyírlugos, Nyírmada, Rakamaz, Tiszabecs, Tiszalök, Vállaj, Záhony (18).

Total number of settlements: 48

3.4. Potential spaces of the utilisation of rural resources

This group includes the settlements that constitute the agglomeration of any of the centres of the previous groups and are situated outside the regions that undergo agglomeration around county towns. Their community and economy mostly stagnate or decline. This is the most populous planning category: although close to 22% of the population live here, only approximately 11.6% of the operating enterprises can be found in these settlements.

Settlements in Hajdú-Bihar County: Álmosd, Bagamér, Bakonszeg, Báránd, Bedő, Berekböszörmény, Bihardancsháza, Biharnagybajom, Bihartorda, Bojt, Csökmő, Darvas, Esztár, Folyás, Furta, Fülöp, Gáborján, Görbeháza, Hajdúszovát, Hencida, Kismarja, Kokad, Körösszakál, Körösszegapáti, Magyarhomorog, Mezőpeterd, Mezősas, Nagykeréki, Nagyrábé, Pocsaj, Sáp, Sárrétudvari, Szentpéterszeg, Szerep, Tépe, Tetétlen, Tiszagyulaháza, Told, Újiráz, Újszentmargita, Újtikos, Váncsod, Vekerd, Zsáka (44).

Settlements in Jász-Nagykun-Szolnok County: Alattyán, Csataszög, Csépa, Hunyadfalva, Jánoshida, Jászsalsószentgyörgy, Jászágó, Jászboldogháza, Jászdózsa, Jászfelsőszentgyörgy, Jászivány, Jászfákóhalma, Jászszentandrás, Jásztelek, Kétpó, Kőtelek, Kuncsorba, Mesterszállás, Mezőhék, Nagyiván, Nagykőrű, Nagyrév, Öcsöd, Örményes, Pusztamonostor, Szelevény, Tiszabő, Tiszabura, Tiszaderzs, Tiszagyenda, Tiszaigar,

Tiszainoka, Tiszakürt, Tiszaörs, Tiszaroff, Tiszasas, Tizasüly, Tizaszentimre, Tizzaszölös, Tomajmonostora, Vezseny (41).

Settlements in Szabolcs-Szatmár-Bereg County: Ajak, Anarcs, Aranyosapáti, Balsa, Bátorliget, Benk, Beregdaróc, Berkesz, Beszterec, Botpalád, Buj, Cégénydányád, Csaholc, Csaroda, Császló, Csegöld, Csengersima, Csengerújfalú, Darnó, Döge, Encsencs, Eperjeske, Fábriánháza, Fényeslitke, Fülesd, Fülöpdaróc, Gacsály, Garbolc, Gávavencsellő, Géberjén, Gégény, Gelénes, Gemzse, Gulács, Győröcske, Györtelek, Gyulaháza, Gyügye, Gyüre, Hermánszeg, Hetefejércse, Hodász, Ilk, Jánd, Jánkmajtis, Jármí, Jéke, Kántorjánosi, Kék, Kékce, Kéremjén, Kisar, Kishódos, Kisléta, Kisnamény, Kispalád, Kisvarsány, Kisszekeres, Kocsord, Komlódtótfalu, Komoró, Kölcse, Kömörő, Laskod, Lónya, Lövépetri, Magosliget, Mánd, Márokpapi, Mátyus, Méhtelek, Mérk, Mezőladány, Milota, Nábrád, Nyágar, Nagycserkesz, Nagydobos, Nagyhódos, Nagyszekeres, Nagyvarsány, Nemesborzova, Nyírbéltek, Nyírbogát, Nyírcaholy, Nyírcaászári, Nyínderzs, Nyírgelse, Nyírgyulaj, Nyírkákó, Nyírkársz, Nyírkáta, Nyírkércs, Nyírlövő, Nyírmeggyes, Nyírmihálydi, Nyírparasznya, Nyírpilis, Nyírtass, Nyírtét, Nyírvasvári, Olcsva, Olcsvaapáti, Ópályi, Ökörítőfülpös, Önböly, Ör, Panyola, Pap, Papos, Pátroha, Pátyod, Penészlek, Penyige, Petneháza, Piricse, Pócspetri, Porcsalma, Pusztadobos, Rápolc, Rétközberencs, Rohod, Rozsály, Sonkád, Szabolcs, Szabolcsbáka, Szabolcsveresmart, Szamosangyalos, Szamosbecs, Szamoskér, Szamossályi, Szamostatárfalva, Szamosújlak, Szamosszeg, Szatmárcseke, Szorgalmatos, Tákos, Tarpa, Terem, Tiborszállás, Timár, Tiszaadony, Tiszabercel, Tiszabездé, Tiszacsécse, Tiszadada, Tiszadob, Tiszaeszlár, Tiszakanyár, Tiszakerecseny, Tiszakóród, Tiszamogyorós, Tizzaszalka, Tizaszentmárton, Tiszatelek, Tiszavid, Tisztaberek, Tivadar, Tornyospálca, Tunyogmatolcs, Túristvándi, Túricse, Tuzsér, Tyukod, Újdombrád, Újkenéz, Ura, Uszka, Vaja, Vámosatya, Vámosoroszi, Zajta, Zsarolyán, Zsurk (174).

Total number of settlements: 259

ANNEX 5: SUMMARY OF THE FLAGSHIP PROGRAMMES

1. ‘No one left behind’

The ‘**No one left behind**’ flagship programme supports development of disadvantaged sub-regions which are significantly over represented in terms of Roma population. In the framework of this programme the special complex assistant takes place in the following two ways: by developing target groups specific scheme-based financial and procedural components for the activities of the relevant OP-s and by assistance provided for the purpose of strengthening the receiving capacity of the target groups. The regional operational programmes contribute to the achievement of these objectives primarily with the following interventions: development of social services in order to strengthen social acceptance improvement of competitiveness of enterprises, development of regional transport.

2. Chance for children

The purpose of the ‘**Chance for children**’ flagship programme is to prevent child poverty and to lay down the foundation of a future successful educational and labour carrier, including a successful and happy childhood followed by adult hood, i.e., to provide equal opportunities for children and young people coming from disadvantaged, poor families. The objective continues to be prevention, and elimination of segregation of disadvantaged children, breaking the trend of inheritance of poverty between generations.

Among the operational programmes it relates most strongly to the social inclusion, increase of employment, quality education and access objectives specified under the social renewal operational programme. The regional operational programmes contribute to the improvement of the chances for children by implementing the components of the priority aiming at the development of local and regional public services.

3. School of the 21st century

I. Renewal of the contents of the school system (Social Renewal OP)

1. Competence-based education, education, and teaching of students with specific educational needs
2. Education and teaching of migrant and nationality students
3. Accepting school programme, equal opportunities for increasingly disadvantaged and Roma students

II. Quality assurance and effective public education (Establishment of as comprehensive measurement, evaluation and quality assurance system) (Social Renewal OP)

III. Infrastructure paradigm change in the Hungarian school system

1. Dissemination of the ‘Intelligence School’ infrastructure, improvement of efficiency of public education (Renewing School Programme (**ROP-s**) – project
Renewal of approximately 700 institutions, modernisation of their heating and lighting systems

4. “Barrier-free Hungary”

Priority I: Removal of physical barriers (services of central agencies) (Social Infrastructure OP + Central Hungary)

1. Removal of barriers in buildings

2. Sign language interpreting service and alternative and augmentative communication services

Priority II: Removal of physical barriers (public services by municipalities) **(ROP-s)**

1. Equal access to public services
2. Removal of barriers for other infrastructure development (Not follow up!)

Priority III **(Social Renewal OP)**

1. Barrier removal methodology centres
2. 'Universal planning' pilot project
3. Training programme and individual assets project

Priority IV: Urban and suburban community transport development (purchase of accessible vehicles) **(Transport OP)**

V. Other

1. Rental of assets
2. Guard-dog training
3. Sign language interpretation network
4. Scripts on TV

5. Competitiveness pole programme

The components of the Competitiveness pole programme implemented from NOGPOP are the following:

- Regional business environment infrastructure development
- Promotion of regional and interregional co-operation
- Development of information and innovation services

ANNEX 6: BENCHMARKING VALUES FOR CRITERIA SELECTED PURSUANT TO ARTICLE 47(1) OF 1828/2006 EC REGULATION

North Great Plain region

Indicator type	Criteria threshold in traditional urban areas	Criteria threshold in housing estates	Reference data¹⁹
HIGH LEVEL OF LONG-TERM UNEMPLOYMENT (Compliance with criterion requires fulfilment of at least one of the indicators.)			
High rate of unemployed in the area of action in 2001 Source of data: Hungarian Central Statistical Office, 2001 census data	minimum 11%	minimum: 10.5%	9.8%
High rate of permanently unemployed in the area of action in 2001 (rate of those unemployed beyond 360 days) Source of data: Hungarian Central Statistical Office, 2001 census data	minimum 5%	Minimum 4%	3.5%
HIGH LEVEL OF POVERTY AND EXCLUSION (Compliance with criterion requires fulfilment of at least one of the indicators.)			
High rate of those of active age (15 to 59 years) relying solely on state or local subsidies as their source of income in 2001 Source of data: Hungarian Central Statistical Office, 2001 census data	Minimum 15%	Minimum 10%	7.8%
High rate of housing owned by the local government in the area of action Source of data: declaration by local governments	Minimum 10%	minimum 8%	3.8% (2001)
More support (units) distributed from recurring social subsidies provided by local governments in the area of action with reference to	Number of recurring social subsidies is at least 1.5 times	Number of recurring social subsidies is at least 1.3 times	

¹⁹ Reference data refer to average values concerning a particular indicator in towns of the region with populations in excess of 20 capita. The reason thereof being that data measured at block level are available on such towns for the time being; however, owing to their sizes, these towns are highly likely to become the beneficiaries of social urban rehabilitation.

<p>urban average per households. (Eligible forms of support: recurring social aid, every form of housing subsistence support, recurring child protection support, debt reduction support.)</p> <p>Source of data: declaration by local governments</p>	<p>urban/district average with reference to the number of households</p>	<p>urban/district average with reference to the number of households</p>	
<p>PARTICULARLY RUNDOWN ENVIRONMENT (Compliance with criterion requires fulfilment of at least one of the indicators.)</p>			
<p>High rate of inhabited housing in residential buildings with more than 5 floors in towns with populations exceeding 50,000 capita.</p> <p>Source of data: declaration by local governments</p>		<p>minimum 60% rate of housing located in buildings with more than 5 floors in towns with populations exceeding 50,000 capita</p>	<p>18.7%</p>
<p>High rate of housing without amenities, reduced amenities and of make-do housing within inhabited housing in 2001</p> <p>Source of data: Hungarian Central Statistical Office, 2001 census data</p>	<p>Minimum 25%</p>		<p>13%</p>
<p>High rate of maximum single-flat housing within inhabited housing in 2001</p> <p>Source of data: Hungarian Central Statistical Office, 2001 census data</p>	<p>minimum 30% in towns with populations exceeding 50,000 capita, and minimum 20% in town with populations less than 50,000 capita</p>		<p>10.9%</p>