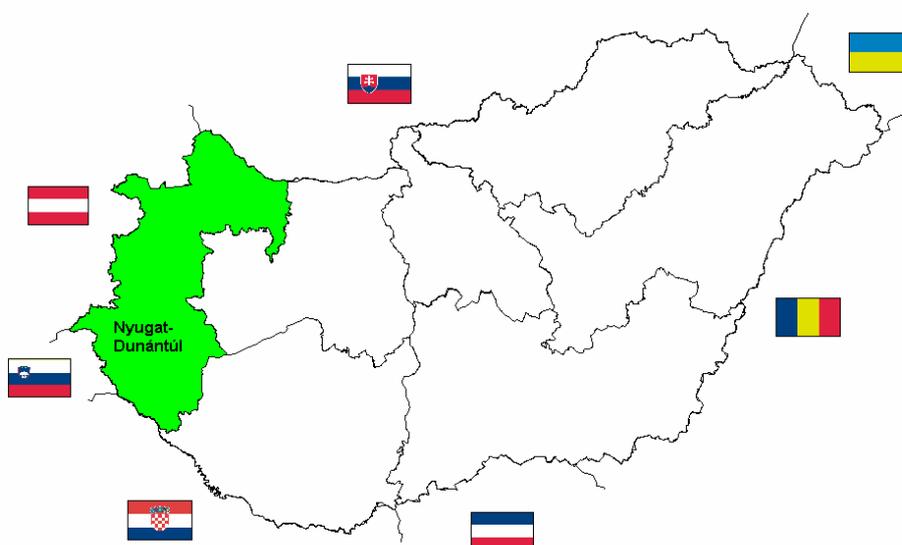




WEST PANNON OPERATIONAL PROGRAMME

Reference (CCI) number for the operational programme: 2007HU161PO003

2007 – 2013



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Motto:

“A wise man will firstly put concept into word and word into deed. He will not have his words disorderly. All depends on this.’

(Kung Fu-ce)

1. EXECUTIVE SUMMARY

As one of the 6 convergence regions the WPOP (the West Pannon Operational Programme) supports primarily the No. 5 Spatial Devel priority of the New Hungary Development Plan (*New Hungary Development Plan* [NHDP]) that is Hungary's National Strategic Reference Framework for the utilisation of the Structural and Cohesion Funds of the European Union in the period between 2007 and 2013). However, the development needs of the region for the period of 2007 – 2013 can be met together by the programme of the regional and sectoral operational programmes.

Overall objective of the OP: **to establish an economic and public service infrastructure in line with the regional environment through environmentally consciously planned development in order to promote growth and employment.** Five specific development objectives support this overall objective:

Specific objective	Indicator
Economy built on local innovative resources and corporate networks	Growth in the gross added value (GVA) generated by the business sector as a result of the programme
Tourism based on high quality services and leveraging heritage	Growth of added value generated by the accommodation and hospitality sector
Network of towns comprised of liveable towns providing efficient support for regional centres	Utilised brown-field area
High quality environment and safe access to regional centres and sub-centres	Increase in the number of residents having access to micro-regional centres within 15/20/30 minutes by public roads (1000 people)
Infrastructure supporting public services based on the local environment	Decrease in the share of pupils not able to meet basic knowledge criteria in those schools where the share is more than 50%

The operational programme supports all of the ten micro-economic objectives of the Integrated Directives, which transform the Lisbon Strategy of the European Union into structural objectives, as well as the majority of employment objectives (development of employment measures, providing a local market, market compliance, education and training meeting market demand). The horizontal objectives specified in the NHDP are all apparent directly or indirectly in the structure of the operational programme.

Developments

EUR 545.6 million* is available for the West Pannon operational programme.

Priority	Priority framework (euro)	Percentage ratios
1. Regional economic development 1.1. Development of services related to the regional cluster and providing support for the use of entrepreneurial consulting activities 1.2. Development of the investment environment	83,888,788	15.38 %
2. Tourism development – renewal of Pannon Heritage 2.1. Widening the Pannon thermal programme 2.2. Pannon Cultural Route 2.3. Development of regional eco-tourism (active) programs 2.4. Development of commercial accommodation and services 2.5. Creation and development of local and regional tourist destination management organisations and clusters of the tourism sector.	128,909,981	23.63 %
3. Urban development 3.1. Renewal of urban centres to safeguard values 3.2. Integrated urban rehabilitation in impoverished urban residential areas or housing estates threatened by impoverishment 3.3. Improvement of the infrastructural criteria of local and regional community transport	103,874,832	19.04 %
4. Environmental protection and transport infrastructure 4.1. Wastewater management for small municipalities 4.2. Rehabilitation of municipal waste deposits 4.3. Improvement of the quality of surface waters and mitigation of risks caused by surface water 4.4. Establishing and developing of services related to protecting the environment 4.5. Development of regional transport links	109 481 443	20,07%

5. Infrastructure development for local and regional public services 5.1. Development of health infrastructure and services 5.2. Development of social infrastructure and services 5.3. Development of public education infrastructure and services 5.4. Enhancement of regional information society	99 793 472	18,29%
TA	19,643,123	3.60%
Total	545,591,639	100%

* at current price, with 15 % national co-financing

Partnership

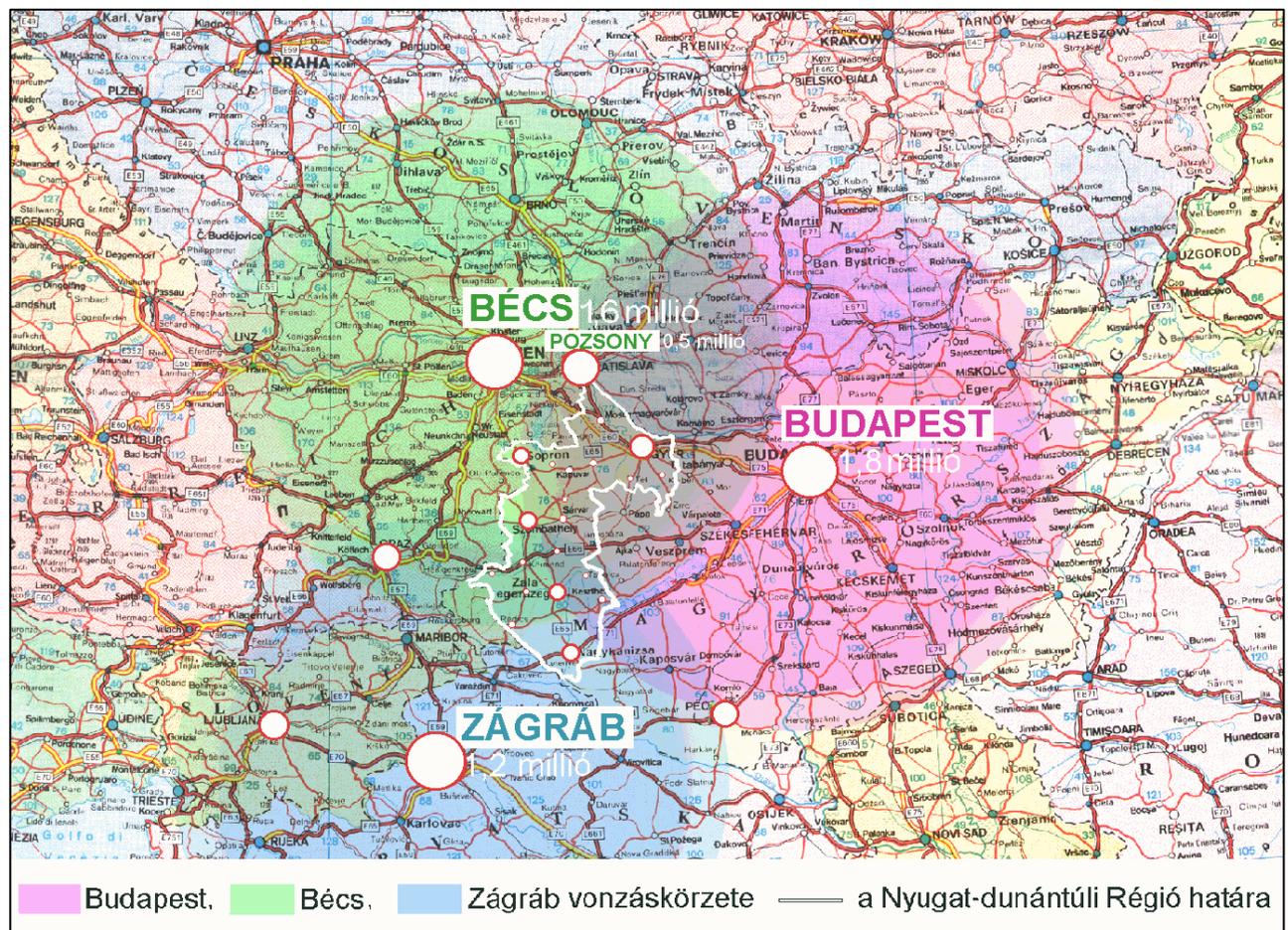
The WPOP strategy and the distribution of resources between each area has been finalised based on partnership consultation managed in accordance with EU requirements.

2. SITUATION ANALYSIS

2.1 GENERAL CHARACTERISTICS OF THE REGION

The West Pannon planning-statistical region comprises three counties of the westernmost edge of the territory of Hungary: Győr-Moson-Sopron, Vas and Zala Unusually, this region which spans from north to south borders four countries: Slovakia, Austria, Slovenia and Croatia. To the east and south, it borders the South Transdanubia and Central Transdanubia regions. It is unique within the country in that there are five towns with county jurisdictions (Győr, Sopron, Szombathely, Zalaegerszeg, Nagykanizsa) within its area.

1 Location of the West Pannon region within Central Europe



Source: András Somfai¹

¹ Vienna 1.6 million, Bratislava 0.5 million, Budapest 1.8 million, Zagreb 1.2 million, Catchment area: Budapest Vienna, Zagreb, West Pannon regional border

2.1.1 Natural - environmental features

The region is rich in **natural assets**, the quality of the environment is good compared to the national average and to the problems experienced in other regions. The region includes three national parks (Fertő-Hanság National Park, Órség National Park, Balaton National Park), five nature protection zones (Szigetköz, Pannonhalma, Sopron-, Kőszeg, Sághegy Nature protection zones) and several nature conservation areas. NATURA 2000 areas have been designated (Annex 1). This significantly predetermines infrastructural and other developments which require large areas (line facilities, industrial parks, water reservoirs, water works), since the existence of designated areas and the maintenance of their biodiversity has to be guaranteed. This also has an impact on agriculture, since the subsidy due for NATURA 2000 areas appears during the planning phase (from the European Agricultural Fund for Rural Development or EAFRD). The unregulated section of the river Rába and the indigenous forests, as well as the Sensitive Natural Areas (SNA) are important natural areas that are not protected (Annex 2).

The economic development of former decades has had a negative impact, since the development of municipalities and infrastructure has destroyed significant areas of wild and arable lands. Another problem is that some of the population are insensitive to their environment. Reasons behind this include incorrect forms of learned behaviour and poor environmental education, resulting in a lack of long-term, environmentally aware thinking; in many cases, environmental issues are overshadowed by economic interests.

All types of **underground water** according to the domestic hydro-geographical grouping can be found here: groundwater, coastal filtered water, stratum water, karst and fissure water. The quality of water compared to the overall national average is good. Thermal waters are a key feature of this region and are the basis of medical institutions of national significance. The quantity of underground water is considerable, but thermal waters are at risk due to exploitation and lack of a system monitoring quantitative changes.

The two largest natural lakes of the region, lakes Balaton and Fertő have national significance from the point of view of both nature protection and tourism. The largest river is the Danube and second largest the Rába. Most of the **surface waters** of the region are of satisfactory quality. However, there are also highly polluted surface waters. These include the Ikva, the Hanság main canal, Gyöngyös-Sorok, the lower part of the Zala, the Vizslarét ditch in Zalaegerszeg, the Avas ditch, the Büdös ditch in Keszthely, the Szentlászló stream and the Principális canal under Nagykanizsa.

Air quality of the region is mostly influenced by transport and industry. In addition, air pollutants resulting from residential heating systems also effect emissions. Regarding the distribution of industrial plants in the region, the majority of industrial plants are located in larger towns. Air pollution resulting from transport is influenced by the type of transit resulting from the location of the region, as well as the industrialization of the western part of the region, which also attracts transport. Regarding sulphur dioxide and settling particles, the air pollution levels in the towns examined in the region is generally satisfactory, although with regard to nitrogen dioxide, the situation is less favourable. Due to a low number of measurement results, no generally valid conclusions can be drawn regarding the dust levels in the air.

The region is dominated by arable land, but there is also a significant amount of forestry. The

dominant **soil** type is brown forest soil with clay streaks and the ratio of brown forest soil with pseudogley is also significant. The Small Plains region is characterised by good quality chernozem soils. In terms of soil degradation processes, the most serious problem is the acidification of soils, which has an impact on 56.1 % of the region's agricultural land.

Some 158,528 hectares suffer **water erosion** and therefore protection against this needs to be a key task. Some 31,000 hectares are exposed to wind erosion.

Following the regime change, the use of chemical fertilisers has dropped drastically and this became apparent in the nutrient levels of the soil. However, it also brought about a significant drop in the environmental burden. In addition to the drop in soil nutrient levels, the decline of organic fertilisers has resulted in the deterioration of both soil structure and soil organics. There needs to be more emphasis on sustainable agricultural methods.

Agricultural opportunities are very varied in the region. If the inherent advantages are leveraged, there is a good potential for establishing a method of farming that is multifunctional, diverse and adapted to local opportunities. While the area of the Small Plains and Sárvár flatlands may be primarily suitable for the implementation of intensive agriculture (arable farming and animal husbandry), the geographic and economic conditions to the south and the west are more favourable to small and medium scale, as well as extensive natural farming and also for animal husbandry based on grassland farming and forestry.

The Zala and South Vas regions (mostly the parts containing micro-villages) are characterised by smallholdings, which ensures a varied farming structure and diverse landscape. In addition to a high natural value, the forested areas and game stock of the region (primarily Zala and Vas counties) represents a major economic resource (e.g. tourism, wood processing, renewable energy). Forestry is still undertaken there in a manner that is less environmentally friendly, mostly by clear felling – in many cases even in protected areas.

Table 1. Some important data concerning land use (2004)

	Total area (in 1000 hectares)	Utilised arable land (%)	Arable land (%)	Forests (%)	Vineyards (%)	Fallow (%)
Hungary	9303.4	63.03	48.48	19.08	1.00	1.30
Central Hungary	740.4	53.36	40.46	20.48	0.90	3.13
Central Transdanubia	1103.9	58.37	45.61	19.87	0.86	0.87
West Pannon	1122.3	57.71	45.37	25.47	0.65	1.00
South Transdanubia	1351.9	62.21	51.80	23.03	0.98	1.10
North Hungary	1,351	56.50	37.72	28.55	1.72	2.18
North Great Plain	1817.2	69.81	53.42	11.15	0.23	0.77
South Great Plain	1846.6	71.52	55.70	12.29	1.61	1.03

Source: Eurostat

2.1.2 Settlement network

The West Pannon region has a particular settlement network (primarily due to the varied landscape, as well as the past and present structure of the transport network). It is essential that this be taken into account when organising public services efficiently and at an appropriate level, as well as for regional development. In addition to the network of towns, the region's settlement network is characterised by a very high ratio of micro-villages and

dwarf villages. West Pannon is made up of 626 villages and 28 towns. As a result of the dense settlement network, the **number of municipalities** per 100 km² is higher here than in any other region (5.8).

Table 2. Municipality Structure data, 2005.

Regional Unit	Area km ²	Number of municipalities	Number of towns	Population Density	Number of Residents (thousand)	Ratio of municipalities with the above population, %				
						- 499	500-999	1000-4999	5000-9999	10000-
Győr-Moson-Sopron	4 208	182	9	104.5	439.9	29.7	25.8	41.8	0.5	2.7
Vas	3 336	216	10	79.5	265.2	60.2	24.5	12.5	0.5	2.3
Zala	3 784	257	9	78.0	295.2	59.9	22.2	16.0	0.8	1.1
West Pannon	11 329	655	28	89	1 000.3	51.6	24.0	21.7	0.7	2.0

Source: CSO

Due to the natural environment (Small Plains) and the production traditions, the market town based settlement network of Győr-Moson-Sopron County mostly resembles that of the Great Plain regions. The structure of the settlement network is much more fragmented in Vas and Zala counties. This is most acutely so in Zala County, while Vas County is typically a transition between Győr-Moson-Sopron and Zala counties. This phenomena is best indicated by the settlement density value, the ratio of municipalities with a population below 200 and 500 (micro-villages and dwarf villages), as well as the average village population figures. (Table 2).

2.1.3 Cultural and Ethnographic Attributes

The varied geography and landscape, the historic past and the coexistence of various ethnic groups over several centuries has created a multi-faceted culture in West Pannon. The population living in the area of the region is not uniform regarding ethnicity, language, or cultural traditions. From an ethnographic point of view, the ethnic groups living in the region (Slovenians, Germans, Croatians and Roma) (Table 3) all contribute their own language, culture and traditions to enrich the region's ethnographic and folk art heritage. There are many of elements of cultural heritage that are unique to the region and which enrich national and universal assets (folk architectural heritage, folklore, culinary specialties, etc.). Distinguished craftspeople and communities are striving to maintain handicrafts and other crafts (such as pottery and wood carving) within the region. The settlement network of certain parts of this region (together with the use of the local landscape) represent assets in themselves (including unique village structures, such as the "nail" and "Diaspora" structures, Zala vine hills and closed gardens); in many places, these are combined with other architectural, cultural and religious heritage.

The region currently contains 2,300 historic monuments, but their number is constantly increasing. About a fifth of all historical monuments in Hungary are to be found in this region. This is especially significant if one takes into account the fact that Hungary's two most intact historic towns (Sopron and Kőszeg), as well as the two Baroque towns, Győr and Szombathely, are all in this region. Sites of key importance include Pannonhalma Benedictine Abbey, large castles (Fertőd, Kőrmend, Keszthely) and the early churches that have remained intact (the largest of which are Lébény and Ják). In addition, there are numerous other smaller secular and church-owned monuments that play a significant role in showcasing traditional

construction and the other cultural assets in the region. In addition to historical monuments categorised as such according to the relevant legislation, this region has a variety of other values under local protection here that need to be paid particular attention.

In addition to providing a good opportunity to exploit tourism, maintenance of these sites represents a serious financial commitment (especially regarding the maintenance of a high number of privately-owned monuments).

Currently, there are records of some 8,000 archaeological sites, but due to research this number is increasing all the time. There are 57 individually protected sites. Key sites include the ancient and medieval towns (Sopron, Győr, Szombathely, Kőszeg, Zalaövő, Lébény, Mórchida), as well as other unique historic sites (Zalavár, Keszthely- Fenépuszta, Vasvár entrenchment) and protected earthwork fortifications (Sopron-Burgstall, Órimagyarósd, Zalacsány, Tömörd).

Table 3. Ratio of minorities in the region (% breakdown by micro-region and county), 2001.

(minorities representing at least 0.1% in the region)

Micro-region/county	Roma	Croatian	Polish	German	Romanian	Ruthenian	Slovak	Slovenian, Wendish	Ukrainian
Residents of Csorna	0.5	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Residents of Győr	0.4	0.2	0.0	0.6	0.1	0.0	0.1	0.0	0.0
Residents of Kapuvár	0.4	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Residents of Mosonmagyaróvár	0.2	1.4	0.0	1.8	0.1	0.0	0.1	0.1	0.0
Residents of Sopron	0.4	2.2	0.0	3.1	0.1	0.0	0.0	0.0	0.0
Residents of Tét	0.4	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Győr-Moson-Sopron county	0.4	0.8	0.0	1.3	0.1	0.0	0.0	0.0	0.0
Residents of Celldömök	1.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Residents of Csepreg	0.6	0.8	0.0	0.8	0.1	0.0	0.0	0.1	0.0
Residents of Körmend	0.4	0.2	0.0	0.3	0.0	0.0	0.0	0.1	0.0
Residents of Kőszeg	0.1	5.0	0.0	2.6	0.1	0.0	0.0	0.1	0.0
Residents of Óriszentpéter	0.9	0.0	0.0	0.3	0.0	0.1	0.0	0.3	0.0
Residents of Sárvár	0.6	0.1	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Residents of Szentgotthárd	1.0	0.2	0.0	2.0	0.2	0.0	0.2	12.9	0.0
Residents of Szombathely	0.5	1.8	0.0	1.0	0.1	0.0	0.0	0.1	0.1
Residents of Vasvár	0.8	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Vas County	0.6	1.2	0.0	0.9	0.1	0.0	0.0	0.8	0.0

Residents of Keszthely	1.0	0.1	0.0	0.6	0.1	0.0	0.0	0.0	0.0
Residents of Lenti	1.3	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Residents of Letenye	3.2	13.4	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Residents of Nagykanizsa	1.9	0.8	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Residents of Zalaegerszeg	1.3	0.1	0.0	0.4	0.1	0.0	0.0	0.0	0.0
Residents of Zalaszentgrót	2.2	0.2	0.1	0.2	0.1	0.0	0.0	0.0	0.0
Zala County	1.6	1.2	0.0	0.4	0.0	0.0	0.0	0.0	0.0
West Pannon Region	0.8	1.0	0.0	0.9	0.1	0.0	0.0	0.2	0.0

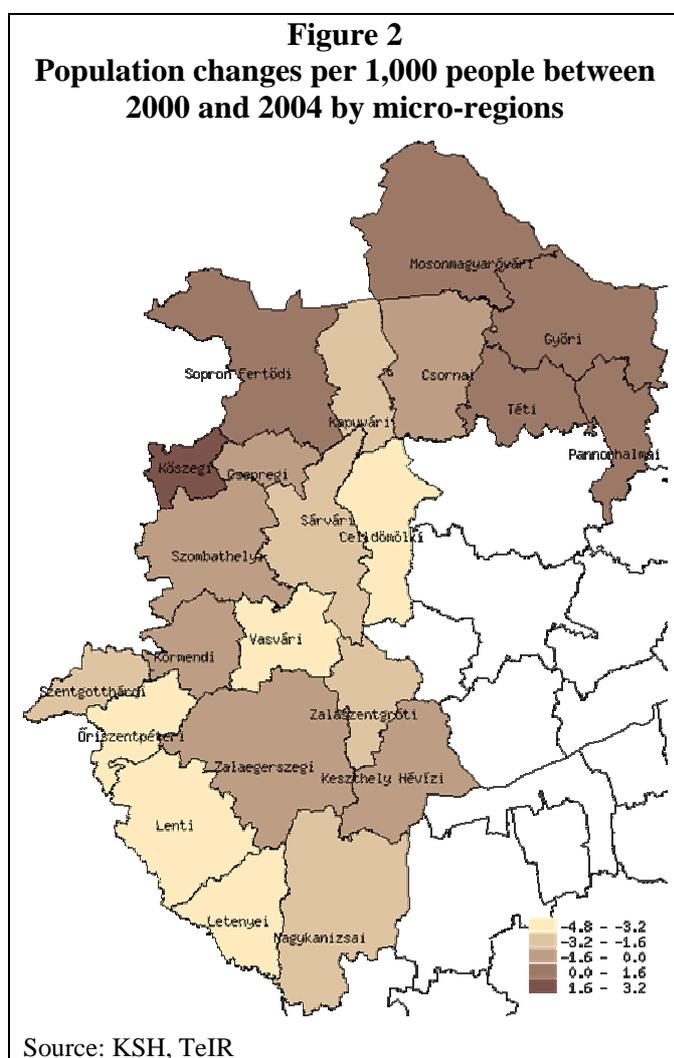
Source: Central Statistical Office (KSH) census data, TeIR

2.2 SOCIAL SITUATION

2.2.1 Demographic processes

Looking back on past decades, the population of West Pannon has decreased. Recent years have brought about a slight increase, which is not due to natural increase, but rather to increase from migration to the area.

On 1 January 2004, the region had a total of 1,003,185 residents, which is approximately ten percent of the population of the country. Some 44 percent lived in Győr-Moson-Sopron County, 30 percent in Zala and 26 percent in Vas County. The **population density is 89 people/km²**, which shows a heterogeneous picture across the counties: Vas (80) and Zala (78) counties have a value that is much lower than the regional value, which is offset by the value of Győr-Moson-Sopron County (104.5).



Population trends are different for each county: Since 1990, the population has increased in Győr-Moson-Sopron, but not in the other two counties. The natural decrease is 0.45 percent in West Pannon and was especially high in Zala in 2003 when compared to the national average (0.57 percent). In Zala, the natural decrease is mostly characteristic of municipalities with a population below 200, where depopulation of some municipalities can also be projected due to the high average age.

The rate of population decrease resulting from natural causes has been offset by a **positive net internal migration** during recent years. These additional numbers resulting from immigration have increased the population of regional towns and their environs: primarily Győr, but Keszthely, Hévíz, Sárvár and Zalaegerszeg are also destinations for internal migration.

The **ratio of genders** in West Pannon is unbalanced: there were 1,077 women to 1,000 men on 1000 January 2003, which is lower than the national average. The **age distribution** of the region's population is characterised by a low ratio

of children (65 to 14-year-olds 15%) and a relatively high ratio of senior citizens (over-65s 15.5%). The ageing index, which compares the senior and child populations is higher than the national average in West Pannon. Not taking the capital into account, the ageing index for Zala County is especially high (115.8). **Life expectancy at birth** is relatively favourable by Hungarian standards: in the case of males and females born in 2003 in the West Pannon region it was 68.8 years and 77.4 years, respectively. In the case of "micro-villages" with population

below 200, the ratio of seniors exceeds 30%.

2.2.2 Training and Education

The educational level of the region's population has risen during the past decade. One fifth of the population speaks at least one foreign language in addition to their native language. Due to the proximity of the border, the ratio of German speakers is the highest within the region (14%); English is much less frequently known (6%).

System of training and education

The institutionalisation of **children's day-care** is very uneven in the region and is especially lacking in Vas and Zala counties. In 2003, there were 26 nurseries operating in Győr-Moson-Sopron County, 15 in Vas County and 9 in Zala County. There are no nurseries in the Pannonhalma, Tét, Óriszentpéter, Letenye and Zalaszentgrót micro-regions, where this is one of the numerous disadvantages that prevent women with small children from finding employment. Family day-care centres are almost completely non-existent in the region.

Due to demographic processes, pre-school school age population decreasing since the beginning of the nineties in all three counties. In parallel with this process, **the number of children receiving pre-school care is also decreasing.**

Table 4. Nursery and pre-school services 2001 and 2004

Area	Number of children at nurseries		Number of Locations for Pre-school Services (including care for those with special needs)		Pre-school capacities (including special pre-school services) (number of children)		Rate of utilisation of the pre-school capacities %	
	2001	2005	2001	2005	2001	2005	2001	2005
Győr-Moson-Sopron	1,479	1,560	222	226	16,254	15,858	86.7	85.8
Vas	789	757	146	141	9,584	8,989	91.4	87.7
Zala	625	731	167	158	10,046	9,646	90.3	84.1
West Pannon	2,893	3,048	535	525	35,884	34,493	89.0	85.8

Source: KSH, TeIR

Exact match between the number of nursery places and the demand is missing. In disadvantaged areas of the region (primarily in Zala County), the **participation of women on the labour market is hindered by the shortcomings of** pre-school services and the lack of places; this means that the number of disadvantaged children is increasing. Alternative day-care services are currently not widely available either, making employment even more difficult. This is one of the key focuses of the National Reform Programme.

Primary and secondary level education is available to all young people of school age, so the level of enrolment within this group is theoretically at maximum. At the same time, due to the settlement network of the region consisting of micro-villages, the highest level provision of **primary education** at a location that is the nearest to the place of residence is difficult to ensure.

In terms of **secondary education**, the counties of West Pannon are quite diverse. Based on the numbers of pupils, general secondary schools have better results in Győr-Moson-Sopron County and vocational schools in Vas and Zala Counties. Vocational schools are typically located in cities with county jurisdictions, where 86% of the institutions are located.

The **vocational training structure** characteristic of the region more or less reflects national trends. A large percentage of those participating in vocational education take their school leaving examination in the West Pannon region. Within the national vocational education structure, the technical, economic and service areas are of a high priority, while the ratio of training in human and agricultural subjects is low – the exception to the latter being Vas County. The reason why there is parallel education and unused capacity is that there is no regional level information system to compare the education available to the demand of the labour market, so making it possible to continuously evaluate and modify the structure of education.

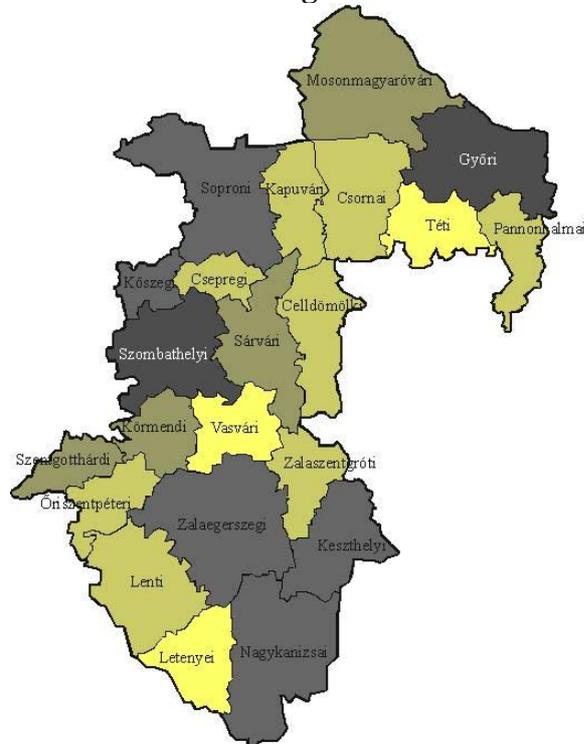
With the exception of Vas County, efforts are being made to provide **higher level vocational training** through seven secondary schools and the universities in Győr-Moson-Sopron County and since there are no universities, in secondary schools in Zala (11 secondary schools). The ratio of those participating in adult education is below the national average.

West Pannon does not play a leading role in the **higher education** and training structure of Hungary. There is a lack of a real university centre, or based on the regional background, a university network with all relevant components of the “universitas” within the region, as are useful related areas (such as applied research and development). The most serious problem is

posed by parallel education provided by higher level educational institutions in the region (in the fields of economics, pedagogy and engineering). This is a problem since it means that the institutions attract potential students from each other. There is a lack of an appropriate apprentice system to ensure practical education for students in secondary and higher level vocational training.

A **higher level of education** is characteristic within the region in the direct vicinity of centres of higher level education. The best position is enjoyed by the micro-region of the two largest towns in the region (Győr and Szombathely), where educational indicators are significantly above the regional average. The two micro-regions can be characterised by a high level of education and a high presence of higher education graduates on the labour market. The situation of several medium to large town (Keszthely, Kőszeg, Nagykanizsa, Sopron, Zalaegerszeg) is also above average for all indicators. The situation in the micro-regions of Körmend, Mosonmagyaróvár, Sárvár and

Figure 3
Regional schooling indicators by micro-region



A darker colour indicates micro-regions with more favourable indicators, while lighter colours indicate a gradual deterioration of the indicators.

Source: MTA RKK NyUTI

Szentgotthárd is average, mainly due to the high proportion of those with college degrees, because the centres of the micro-regions act as educational centres. The data for micro-regions with small towns acting as the micro-regional centre is below average. The Letenye, Tét and Vasvár micro-regions face the greatest difficulties: their indicators are far below the average.

Environmental education outside of the school framework is becoming increasingly significant at a national level as well as in West Pannon. This relates to the increasing popularity of the lifelong learning principle, the strengthening of non-governmental organisations and the growing responsibility for nature and the environment following the change in regime. There are significant centres for environmental education in the region: member organisations of the National Association of Educational Centres for the Protection of the Environment and Nature, national parks, public cultural institutions, non-governmental organisations.

2.2.3 Healthcare

Community guidelines also focus on healthcare, since there are significant differences between European regions in terms of health and access to healthcare. It is therefore important for cohesion policy to support healthcare institutions in order to help to increase the number of years spent healthy and working, with a special focus on poorer member states and regions. The development of community-based healthcare preventative measures need to play an important role in reducing inequalities in the field of healthcare. Good healthcare services mean a higher level of labour market participation, more time spent working over one's lifetime, higher productivity and lower healthcare expenses and social costs.

Health status

From amongst the **demographic data** influencing the health of the population of the West Pannon region (2003), infant mortality per 1000 live births (6.0), as well as the number of abortions per 1000 live births (44) are especially high. In 2003, **rates for the most common diseases** (disease of the bone and muscle system, circulatory, respiratory system, mental, cancer, digestive system) per 10,000 residents shows many differences. There are also significant differences on a micro-regional and county level. The Pannonhalma micro-region has the lowest occurrence of most of the diseases above, while rate of diseases occurring in the micro-regions of Körmend, Szentgotthárd and Celldömök was unfortunately the highest. Within this region, the *ratio of new breast cancers* per 100,000 residents is the second highest in the country for breast cancer! Regarding diseases in children, the occurrence of *asthma* is above the national average for both boys and girls. Regarding **indicators derived from mortality rates** – with the exception of diseases of the digestive system, where the mortality rate is the highest in the country –, regional indicators are more favourable than the national average for all key causes of death.

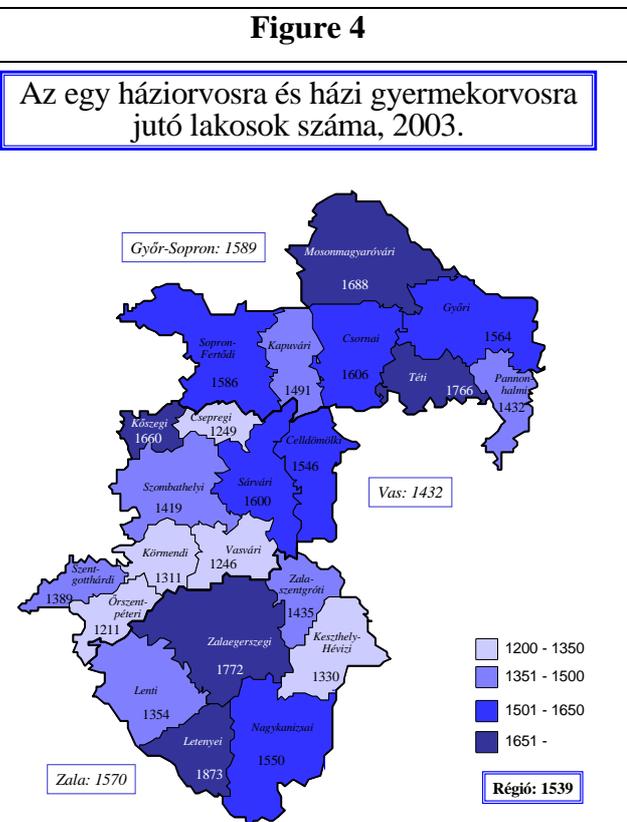
The state of health of the population is mostly influenced by **lifestyle**. Although the food intake consists of more vegetables and fruits, the ratio of obese and overweight people is above the national average. The number of registered *alcoholics* per 10,000 residents is the second highest in the country. Lifestyle-related problems, as well as the early recognition of various diseases, together with *services provided near the residents and prevention* have a high influence on the general state of health of the region, as do *health development programmes customised* for individuals and small communities. The National Reform Programme also places key focus on increasing the number of healthy years via health

maintenance and disease prevention programmes; these result in an increase in time spent in active work.

The health care system

In terms of the availability of specialists

the number of doctor positions per 10,000 residents is 30.1 (national: 37.8), showing that this region has the third smallest number of doctors in Hungary. Within the region, the number is the lowest in Vas County (24.9), followed by Zala (25.9) and Győr-Moson-Sopron (26.3) Counties. Regarding **basic health services**, there were 512 general practitioners in the region in 2002: the number of residents per GP was: 1,539. The number of family paediatricians per 10,000 children aged 0 to 18 is 6.4 (national: 6.9), which is the second lowest number for all regions. In 2003, the number of district nurses in the region was 584. The *number of newborns and families receiving care per district nurse* is the lowest in the region and the number of expectant mothers per district nurse is the second lowest in the country. The number of trained, home based nurses in the region was 27 in 2002, which is the lowest for all regions.



Forrás: KSH megyei statisztikai évkönyvek

Number of residents per general practitioner and family paediatrician, 2003

Within the system of **national inpatient care**, this is one of the regions which *does not have a medical university* as a top centre of progressive healthcare. Regarding the number of institutions providing healthcare for inpatients per 100,000 residents, the region *has a high density of hospitals* when compared to the national average: 1.69 (national: 1.80). Capacity in regional institutions providing inpatients care often *results in parallel services operating alongside each other*. As these are eliminated, **outpatient centres** need to be developed in parallel. Integrated clinics providing outpatient care on the regional and micro-regional level, which are not integrated with hospitals (e.g. Lenti), also play a large role in caring for patients, but this role does not receive much attention. Besides general practitioner and central emergency clinics, the infrastructure is nearly 20 to 30 years behind the desired level.

Regarding *chronic and rehabilitation beds* per 10,000 residents, the region does not have the number of beds agreed with the national health fund for *follow-up treatment*, chronic rheumatology, alcoholism treatment and drug addict treatment. There is insufficient capacity for senior citizen support and demographic data indicates that a solution is required. Within the region, there is *a significant difference between the counties according to specialisation and many imbalances which complement each other*. There are specialist services which are regional or serve more than one region, for example plastic surgery, surgery for burns and neurological surgery in Győr-Moson-Sopron County, radiotherapy and oncoradiology in Vas County and cardio-surgery in Zala County.

Health tourism services at institutions in this region are only sparsely present in those municipalities with medical tourism (e.g. Hévíz and Balf). Certain rehabilitation and recreational treatments and the use of thermal waters for specific types of diseases as complementary treatments are currently not favoured by healthcare services providers.

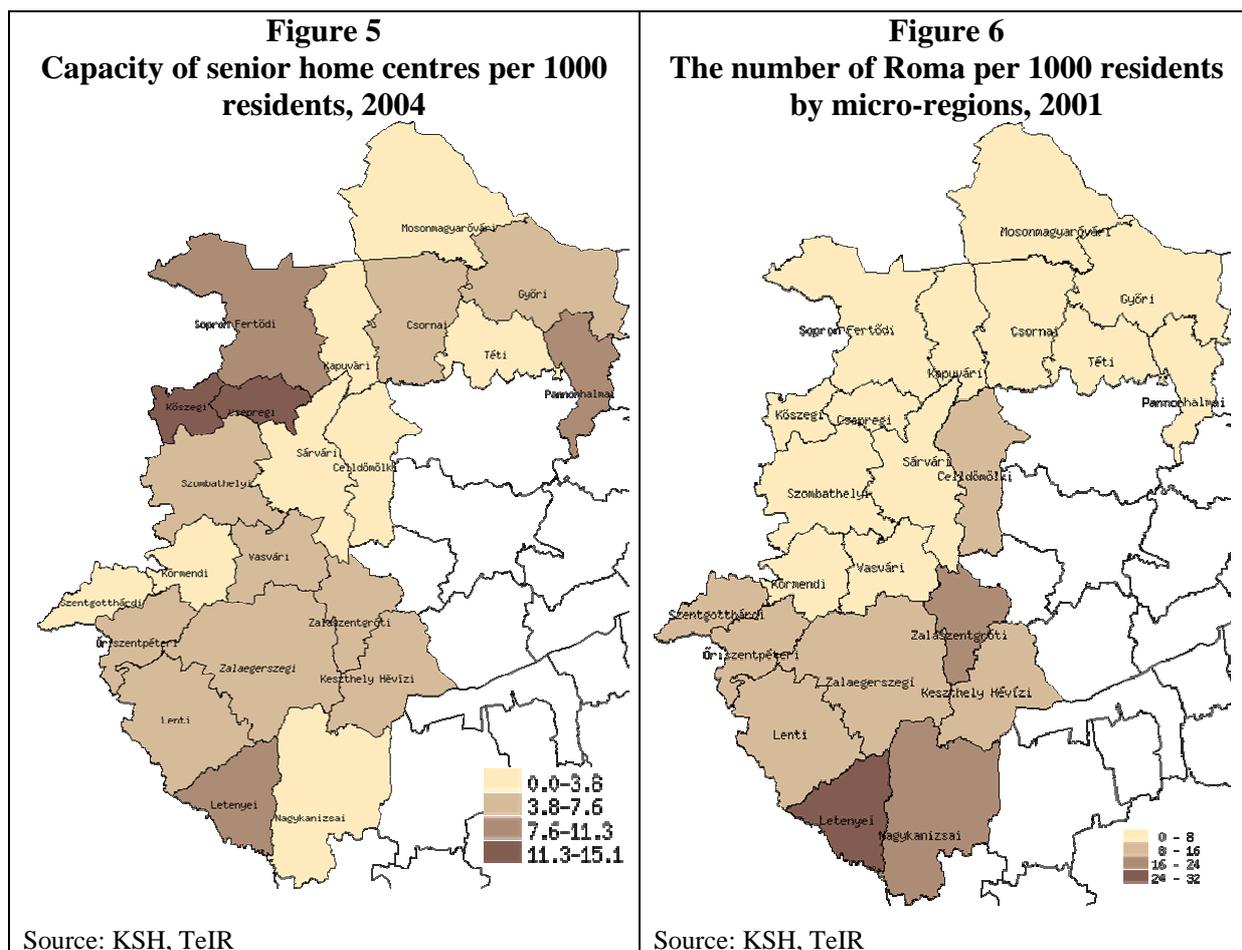
2.2.4 Social policy

The region's economic productivity is higher than the national average, however, this beneficial economic situation does not result in a **poverty rate** lower than that of other regions. This is *possibly due to inequalities of income within the region* and in part to *high* consumer prices and *cost of living*. Every tenth household in the region is living from significantly less than the household considers enough to cover the cost of living.

There are more **senior citizens** in micro-villages than in towns. According to year 2001 data the following micro regions are most affected by ageing: Tét (ratio of over 60s: 23.1%), Óriszentpéter (28.2%), Vasvár (23.9%), Letenye (25.1%), Lenti (25.4%). Due to the high number of senior citizens, it is important for an increasing number of communities to become responsible for establishing care and residential institutions for the elderly, in addition to the concentrated residential home in each region.

According to the census data of 2001, 3.9% of the **Roma population** lives in the region, but they are highly dispersed. Concentration of the Roma population is less typical at a municipal level, but segregation and separation are present. The regional distribution of the Roma population within the region is characterised by the fact that it is above average in the micro-regions of Letenye, Zalaszentgrót and Nagykanizsa. Some key examples of Roma communities concentrated in municipalities include Csapi, Zalakomár, Zalakaros, Garabonc, Galambok, Rezi, Karmacs, Pacsa and environs, Sormás and Túrje.

Regarding **family support and child welfare** services, single-person services are predominant in the small municipalities, where district nurse or teacher carries out child welfare tasks on a part-time basis. Services in towns operate within an institutional framework. Personnel criteria of institutional services are good, material assets and general criteria is generally adequate. The material criteria of providing help are not provided in all small municipalities and facilities are not suitable for receiving clients. According to data from 2003, services are not operational in seven municipalities of Vas County. The two other counties are covered. In Zala, this service is provided within the framework of a larger association. In 2003, 134 out of 182 municipalities in Győr-Moson-Sopron County formed an association for this task, thereby ensuring that their tasks will be performed more efficiently and in line with statutory requirements.



Based on the census data from 43, there are 43,461 people living with disabilities in West Pannon. This number is the lowest both nationally and regionally and the situation is most favourable in Vas County. *The number of people with disabilities shows a significant increase for over-40s*, one reason for which might be that disabilities have been acquired during their lifetimes. According to data from 9, there are nine institutions within the region that provide day-care support for the disabled, only two of which are located in Zala County. In terms of developing a system of institutions providing support for those **living with disabilities**, the region lags furthest behind in comparison with the rest of Hungary. It has the lowest number of day-care and live-in institutions of any region.

Regarding access to the provision targeted at people with addictions, the region faces serious problems. For example, there are no day-care facilities for people with addictions in Zala County, while there are only two such facilities in both Győr-Moson-Sopron County and Vas County. Regarding the support of psychiatric patients, the situation is even worse: there is no day-care form of support in either Zala or Győr-Moson-Sopron County – and there is only one such facility in Vas County. There are seven municipalities in the region which provide support for the homeless.

2.2.5 Unemployment

Based on strategic community guidelines, the strengthening of active and preventive measures on the labour market should become an important priority, in order to overcome the obstacles to entering and remaining in the labour market, as well as to promote mobility for job seekers, the unemployed, as well as inactive and elderly workers and those who are threatened by unemployment, with special regard to low qualified workers.

The number of unemployed dropped drastically up until 2002. Although the number of unemployed in the three counties was nearly 50,000 during the few years after the regime change, it dropped to only 26,000 by 1998 and to about 18,000 by 2002. **From 2002 on, as a result of unfavourable labour market developments, the number of those without jobs has once again risen to above 20,000, which primarily affects Vas and Zala counties.** The ratio of manual workers, unskilled workers and career starters is lower than the national average. From a labour market point of view, the Roma population faces the greatest difficulties.

In December 2005, 7.4% of the nationally registered unemployed lived in the region. Compared to this, the 8.3% rate of white collar unemployment and approximately 9.4% rate of graduate unemployment is significantly above the national average. On one hand, this indicates a surplus in people with higher level education and on the other, an lack of white collar jobs in the region.

Table 5. Unemployment trends (%)

	Total Population (15 - 74-years old)			Men			Women		
	2000	2002	2005	2000	2002	2005	2000	2002	2005
European Union	n.a.	8.9	9	n.a.	8.2	8.3	n.a.	9.9	9.8
10 new member states	13.5	14.9	13.4	12.6	14.3	12.5	14.6	15.6	14.5
Hungary	6.4	5.8	7.2	7.1	6.2	7	5.6	5.4	7.4
West Pannon	4.2	4	5.9	4.1	4	5.6	4.4	4.1	6.2
Győr-Moson-Sopron	4.3	3.9	4.3	4	3.9	4.2	4.6	3.9	4.5
Vas	4.6	4.8	7.9	4.5	5.6	7.5	4.8	4	8.4
Zala	3.8	3.6	6.4	3.73.7	n.a.	6.1	4	4.7	6.7

Source: Eurostat

The ratio of long term unemployed to all unemployed people has slightly decreased in recent years, but it is still around 40%, which is lower than the EU and national average.

Table 6. Long term unemployment trends (%)

	2000	2002	2005
European Union	n.a.	44.2	45.47
Hungary	47.9	43.4	45.05
West Pannon	42.9	38.9	40.08

Source: Eurostat

2.3 ECONOMIC SITUATION

In 2003, 10.7% of Hungary's gross domestic production (GDP) came from West Pannon. There have been no significant changes in the trend for GDP share. From 1998 to 2003, there has been a slight increase for Győr-Moson-Sopron County and some decrease for Vas. Between 2001 and 2003, the GDP growth of all three counties of the region exceeded the national average calculated without Budapest.

At the same time, looking at the average of the countries of the European Union, the GDP per capita is below 65% of the EU average, which is considered as disadvantaged according to the Lisbon Objectives. According to the micro-economic situation as depicted in the National Reform Programme, while the economy of Hungary has undergone drastic growth during the past decade, it has been somewhat left behind by those EU10 that countries which begun catch up at a later stage.

Dynamic economic restructuring has not taken place evenly across the region and there has been a further increase in existing regional differences (between more developed Győr-Moson-Sopron and less developed Zala). In 2002, the per capita GDP of Győr-Moson-Sopron was near 69% of the extended EU (EU25) average, while for Vas it was around 58% and for Zala around 51%. Starting in 1998, there have been some changes in the structure of the economy and some employers who used waged labour have left the region. After a period in which activity based on waged labour decrease, there followed a positive period in Győr-Moson-Sopron County from the point of view of employment and capital utilisation. This period had been full of contradictions in Vas County, while Zala had to face new difficulties.

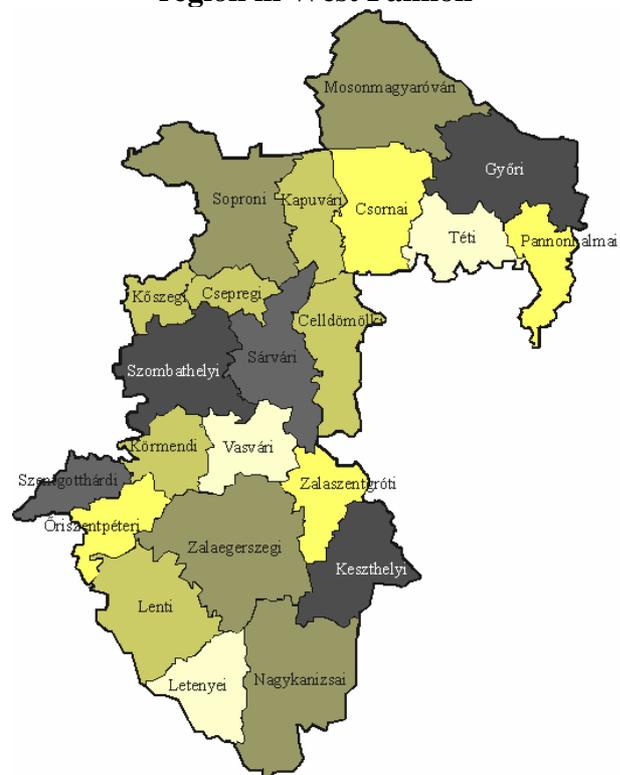
In terms of economic performance, the industrial centres that were the most capable of attracting foreign working capital acted as the drivers for development: Győr, Szombathely, Sopron, Sárvár, Mosonmagyaróvár, as well as Szentgotthárd and its vicinity. The economic performance of the two towns in Zala County with county jurisdictions was somewhat lower. The lowest performance levels were evident in two micro-regions each in Zala (Zalaszentgrót, Letenye) and Vas (Vasvár, Óriszentpéter).

Table 7. GDP trends (1995, 2000, 2003)

	1995		2000		2004	
	Per Capita (PPS)	Per capita, as a percentage of the EU25 average	Per Capita (PPS)	Per capita, as a percentage of the EU25 average	Per Capita (PPS)	Per capita, as a percentage of the EU25 average
European Union (25 countries)	15,513	100.0	20,114	100.0	22,415	104.2
10 new member states	7,196	46.4	10,098	50.2	12,406	57.7
Hungary	7,653	49.3	10,627	52.8	13,751	64
West Pannon	7,883	50.8	12,150	60.4	14,359	66.8
Győr-Moson-Sopron County	8,320	53.6	n.a.	n.a.	15,896	73.9
Vas County	8,154	52.6	n.a.	n.a.	13,870	64.5
Zala County	7,022	45.3	n.a.	n.a.	12,514	58.2

Source: Eurostat

Figure 7
Entrepreneurial environment, foreign ownership, sector concentration by micro-region in West Pannon



A darker colour indicates micro-regions with more favourable indicators, while lighter colours indicate a gradual deterioration of the indicators.

Source: MTA RKK NYUTI

In terms of competitiveness at the micro-regional level the situation is even more polarised. Based on economic openness, availability of global networks and expressways, the capacity of innovation centres, as well as the presence of human resources, information and communication technologies, the close environs of towns with county jurisdictions and Sárvár can be viewed as absolutely or relatively competitive, as can the micro-regions of Keszthely-Hévíz and Szentgotthárd, due to their special attributes. On the other hand unfortunately, there are a number of micro-regions that are not competitive based on these considerations; these are primarily along the south border of the region, as well as the internal periphery of Vas and Zala (Csepreg, Vasvár, Kőrmend, Óriszentpéter, Zalaszentgrót, Lenti, Letenye). However, it is important that regional differences between each micro-region are emphasised, especially in the case of “urban” micro-regions (e.g. the relationship between the environs of Szombathely and the micro-region near Sorok to the south of the town). The quality of the investment environment is decisive in defining productivity and economic growth, which plays a role in the

fulfilment of the Lisbon Objectives through the implementation of the Reform Programme.

In line with the most important sectors of the region, cluster initiatives have been launched continuously since 2000. These initiatives are aimed at promoting cooperation and interaction between companies and providing special services as well as infrastructure for the key sectors that play a dominant role in the economy of the region (motor industry, electronics, mechatronics, wood industry, furniture industry, environmental technologies, alternative resources, health tourism, medical tourism, logistics), as well as related and supporting industries. They are based on highly skilled workforce in line with the expectations of the clusters, technology and technical infrastructure; the objective is to improve the competitiveness of the enterprises already operating in the region and to launch new enterprises. In line with strategic community guidelines, the region is consciously concentrating on achieving an economic situation which is in line with its requirements and possibilities, where the basis of growth is innovation and entrepreneurial intellectual potential.

The first such initiative was organised in 2000 in the area of the automobile industry [Pannon Automobile Cluster (PANAC) – headquartered in Győr], followed by similar initiatives in the wood and furniture industry in 2001 [Pannon Wood and Furniture Industry Cluster (PANFA) – Zalaegerszeg], thermal tourism [Pannon Thermal Cluster (PANTERM) – Bük] and the electronics industry [Pannon Electronic Cluster (PANEL) – Szombathely] In 2005, the scope was further expanded with the aim of developing the textile industry, logistics, as well as local products and the preparation of a similar organisation started in 2006 in the area of renewable and alternative

energy sources. This latter area may be especially important for the region, since renewable energy can meet important points of synergy with both the wood industry and the automobile industry.

2.3.1 Economic Activity

The number of registered enterprises in the West Pannon region was nearly 117,000 at the end of 2004, which is 12.4% higher than the figure for 117 and 21.6% more than the same figure eight years ago. The number of enterprises per 1,000 residents at 117 (this was only 104 in 1000) is significantly higher than the national average; it also exceeds the same indicator for every region except for Budapest. Some 80% of registered enterprises are operational enterprises; this ratio is also higher than the national reference figure.

The type of business is generally selected in line with capital intensity, activity and opportunities. It is apparent that **private initiatives and individual enterprises are much more active in less economically developed micro-regions than in towns with county jurisdictions**. The difference may be as high as 10 to 15 percent. This means that more than 32,000 operating enterprises are partnerships, the number of which has doubled during the past 10 years; this also indicates a strong entrepreneurial base. Some 129 of operational enterprises are large enterprises with a headcount exceeding 250, while there are 500 medium-sized enterprises with a headcount of 50 to 250, which means that 98% are micro and small enterprises with a headcount below 50.

The **regional concentration** of the economy is indicated by the fact that nearly half of operational enterprises have their headquarters in county towns (Győr, Szombathely, Zalaegerszeg) or the relevant micro-region (furthermore, one quarter of these are in Győr or its close environs). If we add the Sopron, Nagykanizsa, Mosonmagyaróvár and Keszthely micro-regions to the county towns, 80% of enterprises are operating in larger towns or their vicinity. This concentration is clearly because of established infrastructure, availability of an appropriately trained workforce and the proximity of a potential market encouraged industrial and construction enterprises to locate and operate in the area. At the same time, the market and the high level of urbanisation also draws service sector enterprises to larger and medium-sized towns.

In terms of the number of enterprises, the structure of the economy is similar in all the counties of the West Pannon region. Approximately 5 – 7% of companies are active in agriculture, 9% in industry and 10% in the construction industry, while three quarters of operational enterprises are related to the tertiary sphere. Due to the lower employee headcount, this has a much higher share than the sector's contribution to gross added value or employment.

2.3.2 Employment

Increasing employment is one of the key Lisbon Objectives set out by the EU. In this respect, despite negative developments in recent years, the region **is in a more favourable situation** than most regions in Hungary: the only place where this indicator is more favourable is Budapest. The activity rate is approximately 3 percent above national average. The employment chapter of the National Action Plan is based on the year 2004 national employment action plan. In this region the target figures of employment laid out in the year 2004 action plan seem to 'be reached' in relation to the average of the EU Member States for year 2006, however, there are substantial differences between and within regions. According

to community guidelines, investments in infrastructure, enterprise development and research increase the number of employment opportunities, both in the short term as a result of primary impact and in the long term as a result of favourable impact on competitiveness. In order to increase employment as far as possible through these investments and to establish permanent jobs of a high quality, human resources should be further improved and utilised.

There are also differences between the counties in this respect. **Activity levels are highest** in Vas County, where despite the slight decrease of recent years, economic activity was nearly 60% in 2004, while in Zala it was around 58% for almost 10 years. By contrast, in Győr-Moson-Sopron county this ratio, which was still as high as about 60 percent back in the mid-nineties, had dropped to 55% by 2004, the lowest figure even within the region. There is a significant difference between the levels of activities of women and men in the region. Men's activity rate was more than 10 percentage points higher in 2005, exceeding the national and the EU average.

Table 8. Trends in the activity ratio (in the 15-64 year old generation)

	Total Population			Men			Women		
	2000	2002	2005	2000	2002	2005	2000	2002	2005
European Union	n.a.	69.9	70.1	n.a.	77.3	77.8	n.a.	60.6	62.62. 55
10 new member states	66.5	65.7	65.8	73	72.2	72.4	60.2	59.4	59.4
Hungary	60.1	59.7	61.3	67.9	67.1	67.9	52.7	52.7	55.1
West Pannon	66.2	66.4	66	74.1	74	72.3	58.4	58.9	59.7

Source: Eurostat

Employment numbers have been dropping continuously since the middle of the 1990s, although the decrease is slight. At the same time, it is apparent that employment levels are higher than the national average and are similar to the EU average, while differences in employment between women and men are prevalent. This difference has increased during recent years.

Table 9. Employment indicator trends (ages 15 – 64)

	Total Population			Men			Women		
	2000	2002	2005	2000	2002	2005	2000	2002	2005
European Union	n.a.	62.7	63.7	n.a.	70.9	71.2	n.a.	54.5	56.2
10 new member states	57.4	55.8	56.9	63.7	61.8	63.3	51.3	50	50.7
Hungary	56.3	56.2	56.9	63.1	62.9	63.1	49.7	49.8	51
West Pannon	63.4	63.7	62.1	71.1	71.1	68.2	55.8	56.4	55.9

Source: Eurostat

2.3.3 Research and Development

The Lisbon strategy of the European Union places considerable emphasis on research, development and innovation, as one of the main pillars of competitiveness. The National Reform Programme focuses on the economy's weak potential for innovation at a national level. This region plays a key role in this respect. **Regarding research and development potential, the weight of the West Pannon region is far below its economic weight, or even below its national share based on population.** This is despite the fact that since the middle of the 1990s, the West Pannon region has been one of the regions most capable of dynamically expanding its

R&D performance. Due to the low baseline, it has not even reached the average for rural Hungary (excluding Budapest) in 2004. Higher education and research centres in Budapest and East Hungary are currently much more competitive and able to raise funds that those in West Pannon, so it is not expected that the difference between the regions in this respect will decrease tangibly in the future. In terms of key indicators, the share of this region in Hungary was only between 4 to 7% in 2004. Based on R&D expenditures, West Pannon ranks fifth or sixth among the regions and it is slightly higher than North Hungary and South Transdanubia in terms of certain indicators. It is apparent (Table 10) that in terms of the Lisbon R&D indicators, the region is far below the EU average.

Table 6. R&D expenditures per GDP and the number of R&D employees in all employment (2000, 2003)

	R&D expenditures per GDP (%)		Those employed in R&D in all employment (%)	
	2000	2004	2000	2004
European Union (EU25)	1.86	1.86	1.44	1.49
10 new member states (NMS)	0.77	0.78	0.90	0.93
Hungary	0.79	0.88	1.18	1.27
West Pannon	0.20	0.31 (2003)	0.51	0.54

Source: Eurostat

Two thirds of research locations are parts of universities and colleges. In addition, there is also research and development work in progress in research institutes and other research facilities financed by the state budget. **Environmental sciences, agricultural sciences and certain technical sciences are the predominant fields of research.** R&D activities are not significant within the scope of entrepreneurs, since at multi-national companies most high-tech solutions, manufacturing processes and finished parts are delivered to Hungary as part of the international flow. Although the ratio of those with education in technical and natural sciences is only approximately one third of the EU15 average and there is a significant lack of technicians and skilled workers, the number and quality of university-enterprise synergies is expanding in the area of technical sciences and the vast majority of corporate R&D utilisation is concentrated in technical fields – the National Reform Programme also provides an outline of the trends typical for the region. Knowledge and innovation is at the focus of EU efforts aimed at promoting economic development and job creation and is also a high priority in community guidelines.

Due to the nature of the system of higher education institutions and the structure of the economy, **research and development is clearly concentrated in Győr-Moson-Sopron County which in home to two universities, while the regional share for Vas and Zala Counties is more modest.** In 2004, 64.4% of the research and development locations of the region and 71.3% of R&D professionals were located in Győr-Moson-Sopron County. The relative dominance of Győr-Moson-Sopron County in the region is expected to increase in future, while that of the other two counties will decrease, since the **new, “regional university knowledge centres” (dealing with the issues of forest and wood utilisation as well as the auto industry), as well as cooperation research centres (environmental resources, auto industry, electronics and logistics)** were established in 2004 and 2005, at the University of West Hungary and Saint Stephen University in Sopron and in Győr.

2.3.4 Tourism

Tourism plays an important role in the regional economy. In addition to the geographic

location of the region, tourism's significance is due to the fact that the **region has a wide and varied selection of tourist sites and attractions**. The border crossing points of the region are responsible for nearly half of all people crossing into Hungary. Almost all sectors of tourism offer good opportunities for rest and relaxation. Part or the whole of eight of Hungary's 27 resort regions are located in this region, thus nearly two thirds of the municipalities of West Pannon are in resort areas or offer holiday and tourism opportunities. The majority of regional tourism performance comes from these municipalities.

In terms of the guest-nights, the West Pannon region ranks second in Hungary after the Central Hungary region. Tourism plays an increasingly important role in the region's economy. While in 2002 a total of 5,239 enterprises were actually operating in this sector, by 2005 the number of such businesses had increased to 11,211, equalling 214 % of the number recorded in 2002. The proportion of tourism enterprises increased as a percentage of the total number of undertakings as well, from 5.6 % in 2002 to 8.8 % in 2005. The trends observed in the sector are promising continued expansion, for which the region has the required resources and conditions.

Health tourism, based on the rich availability of thermal and medical waters, is a field that needs to be stressed separately from amongst the key fields of tourism. Spas are operating in the following towns in this region: Balf (Sopron), Bük, Győr, Hévíz, Kapuvár, Kehidakustány, Lenti, Mosonmagyaróvár, Sárvár, Szeleste és Zalakaros. Thermal spas are available to the guests in another 10 municipalities and two have both medical spas and thermal spas. These spas play a strong role in their area. Based on their attributes, Hévíz, Bük, Zalakaros and Sárvár are the dominant spa locations in the region. The spas here provide important medical services. The number of visitors is high and tourists are also drawn in significant numbers from neighbouring countries. It is likely that in the medium term, these spas will define the standing and image of the region as a **destination for thermal spa tourism**. Most of the spas have undergone a high level development during recent years, the range of services has expanded, resulting in increased international competitiveness. Specialisation, namely the specialisation of the services provided started together with improvements. Health tourism, based on thermal spa water, is of primary significance for the region. High level features that may complement this include **wellness** services, as well as other services aimed at **active rest** and relaxation, such as hiking (the blue sign trek), riding, bicycle tours, hunting, fishing, flying sports, golf, entertainment presenting the local culture, wine roads and culinary trips.

West Pannon is also rich in wine-related and culinary assets and specialties. Some 77 municipalities in the region belong to **historic wine regions** or are classified as wine producing areas. From amongst the historic wine regions, the complete area of the Pannonhalma-Sokoróalja and the Sopron wine region is to be found here and some parts of the Somló, Balaton Highlands and Balatonmellék wine regions are in this region. Wine roads have been established in all wine producing areas. In addition, tourism opportunities are made more varied by wine festivals, wine days, wine competitions and a wine ball in Kőszeg.

Cultural and architectural heritage also represent a strong draw. These include the **World Heritage** Pannonhalma Abbey, Lake Neusiedler (as a cultural region, along with a large number of **historic fortifications, castles, mansions and religious buildings**). The region's most significant sites include the Eszterházy mansion in Fertő, the Batthyány mansion in Körmend and the Jurisics castle in Körmend, but these are in need of development. There are high profile and diverse **cultural events** in this region. Several are well-known internationally, such as the "Baroque Days" in Győr, Mediawave, the Savaria Historic Carnival, the Balaton Festival and the Stork-Leg World Games. Some towns in the region

Table 11. Capacity and turnover for commercial accommodation in the West Pannon region (2000 to 2004)

Year	Commercial accommodation capacity	Visitors	Of which: foreigner	Guest-night	Of which: foreigner	Average duration of stay (nights)
		1000 persons		1000 persons		
2000	48,956	960	418	3,614	1,954	3.8
2001	50,282	930	415	3,458	1,983	3.73.7
2002	52,534	972	445	3,486	2,057	3.6
2003	60,023	1,013	429	3,610	2,004	3.6
2004	58,912	1,041	435	3,591	1,966	3.5
2005	58,125	1,116	440	3,677	1,898	3.3

Source: CSO

The average length of a stay shows that visitors come here primarily for long weekends, partly as a consequence of the shortcomings of the programmes on offer: the available programmes are not everywhere enough to make visitors stay longer. In addition to wine and culinary tours, there needs also to be an opportunity to learn about local culture and visit local monuments. In the majority of municipalities with commercial accommodation, they generally also receive paying guests, but there are 145 municipalities where visitors may only sleep at private accommodation.

Table 7. table: Number of visitor nights per accommodation category

Indicator	2002	2005	Change from 2002 to 2005
Number of visitor nights in health hotels	966 317	1 151 059	119,1%
Number of visitor nights at summer houses	108 398	132 500	122,2%
Number of visitor nights at guesthouses	377 407	387 918	102,8%
Number of visitor nights at hotels	2 385 195	2 631 281	110,3%
Number of visitor nights at campings	410 673	380 691	92,7%
Number of visitor nights at tourist accommodations	169 772	112 369	66,2%
Number of visitor nights at youth hostels	34 384	28 369	82,5%

Resource: KSH

According to the table above the demand for higher category accommodation has significantly increased within the region while in case of lower categories decrease can be observed in recent years.

2.3.5 Information communication Technologies and their Use (ICT)

The use of information technology applications is below average for EU countries in the field of businesses, households and public services. The region also lacks attractiveness in relation to workforce with IT skills. According to the National Development Programme, only 29% of all employees have IT skills as opposed to the 44% average for EU 25 member states. The development of ICT within the whole EU economy is a significant driving force for improving both the productivity and competitiveness for the regions. Providing efficient and effective public services has significant potential for economic growth and the feasibility of new services. According to Community guidelines, the promotion of technology is to play a role in regional

development.

Compared to national figures (32%), the **computer penetration** in households in the West Pannon region² seems to be more advanced, for about 36 percent of households have one or more PCs. The trend is, however, not quite favourable, for practically no change was found between 2004 and 2003 in terms of the proportions of households having PCs. In 2004 some 14 % of all Hungarian households had internet access, but there were extreme differences between regions. One of the most important such differences is the level of urbanisation: while some 26 percent of all households in Budapest are connected to the WWW, the corresponding ratio in villages is as low as 6 percent. Some 40 percent of households having their own PCs have Internet access, which is below the 44% national average.

The growth of Internet use is significantly influenced by the spread of broadband infrastructure. The areas of DSL (16.7%) and cable television (18%) access have good indicators, while analogue modem access is unfortunately still higher than the national average (45.6%). Out of regional data, the high proportion of wireless and mobile access is especially worthwhile noting, as this may demonstrate an increased demand for **alternative broadband technologies**. This can be a definite way to switch a high number of modem users over to broadband, so increasing the proportion of broadband users.

Regarding the differences between various areas of the region, one of the largest differences relates to the level of urbanisation: it is especially unfortunate that the proportion of Internet access has not increased within the scope of households in small villages during the past two years. Public access points (e.g. libraries and tele-cottages) play an increasingly important role in the case of these municipalities.

Table 13. Number of tele-cottages and e-Hungary Points set up in the region

County	Győr-Moson-Sopron	Vas	Zala	Total
Tele-cottage	24	16	44	84
e-Hungary Point	108	106	144	358

Among those who have used computers formerly, three out of every four users can use some sort of a computer programme, **but progress is needed in involving those who are not yet users and in the development of digital literacy**. The proportion of those who have already participated in some sort of computer training or course is (4 percent) below the national average within the region. This may also be one of the reasons for the fact that user knowledge is also below the national level. Users of the Internet primarily use the Internet to search for information, for browsing and sending e-mails. Among experienced users (those who have been using the Internet for more than five years), this ratio is 96%, but is also 85% among beginner users (those having used the Internet for less than two years), **significant regional content development is required in this area**.

²Source of data: National survey of the World Internet Project (ITTK, TÁRKI) conducted in 2004.

2.4 INFRASTRUCTURAL ATTRIBUTES

2.4.1 Public Utility Penetration

The penetration of public utilities within the region has improved significantly during the recent period, as environmental protection norms have become more stringent due to an increase in the requirements of the local population. While in 1990, only 9% of municipalities had a closed wastewater system, this problem had already been solved in 44% (287) of municipalities by 2003. In 2003, 63% of homes had been connected to the wastewater system.

The development level of public utilities largely depends on the settlement network. Due to the nature of this network in this region, the number of municipalities with a burden below a 2000 resident equivalent value for wastewater management is high. The varied landscape and the structure of small municipalities in some cases makes the implementation of a large scale, “conurbation” wastewater system unfeasible (meaning density below average), but at the same time, this presents the opportunity for the spread of alternative, individual solutions. In micro-villages with a population of less than 199, 9.3% of houses were connected to the closed system public sewage system in 2002, while this proportion was close to 97% for towns with a population of 50,000 to 99,000. The difference in public utilities in this respect is increasing between larger towns and micro-villages.

Heating for homes in the region is mostly provided using natural gas pipelines. In 2004, the natural gas network was available in 93.3% of municipalities, with the exception of a few small municipalities located on difficult terrain, where the costs of establishing mains gas makes the use of renewable sources of energy a more obvious choice.

Due to its natural and economic attributes (field, farming and forestry), the region is excellently suited for exploiting renewable energy, particularly biomass. The conditions for wind energy are quite favourable in a few areas (the Moson Flatlands and the area of Szombathely Vép). The use of solar energy and geothermal energy presents further opportunities. The application of alternative environmental technologies (e.g. renewable sources of energy, natural wastewater treatment, use of rainwater and “greywater”, eco-construction, etc.) is very rare, due to lack of information and lack of an adequate industrial base. Currently there are only model projects, which as yet are unable to provide the example needed to spread these technologies.

In the field of energy efficiency, industrial companies which have recently moved to the region and are applying modern technologies are leading the way, but the use of residential energy is still extremely wasteful and less efficient. However, creating coherence between growth and the environment is significant for both sustainable development and competitive growth and this is specifically defined in the situation analysis of the National Reform Programme. Community guidelines also focus on creating a balance between environmental protection and growth.

Regarding regional *waste management*, the development of supply is still uneven. While organised waste collection is today near 100%, most of the waste collected is still deposited without pre-treatment in the nine technically compliant regional landfill sites of the region. However, this is not yet in line with the expectations of the EU waste pyramid. According to this, landfill is only a final option, but the main priority is the prevention or minimizing of waste, followed by recycling, utilisation and energy retrieval. Complex regional systems for

complete waste management are currently being implemented, which generate industrial development facilitating selective collection and recycling. For example, this includes a system covering approximately 300 municipalities in Zala and Vas counties. Győr – Mosonmagyaróvár and Sopron are currently working together on the establishment of a similar large regional landfill, which is expected to be implemented after 2008.

The efficiency of selective waste collection and the willingness of the local population to participate is clearly good in the case of systems already launched.

2.4.2 Transport

The transport situation in the West Pannon region is clearly determined by its borders with four countries (Slovakia, Austria, Slovenia and Croatia) and its settlement network. Despite this and despite its competitive advantages resulting from a favourable geopolitical location, it is lagging well behind the EU15 average. In addition to the transport network's shortcomings, arising maintenance requests as well as compliance with the EU 115 kN load bearing requirements present a significant extra burden. According to the National Reform Programme, access is a key priority regarding the mobility of goods and people (workforce), as well as a sustainable transport infrastructure and services. At the same time, access is an important consideration for companies when selecting sites and this requirement is clearly met by Budapest and its environs, as well as by some areas in the Central and West Pannon region, consequently, there are substantial differences between various parts of the region in terms of the development of the local economy.

As a result, there are significant economic differences even within the region. According to community guidelines, international and inter-regional relations can yield higher returns in the long term as a result of increased business competitiveness; furthermore they may also facilitate the workforce mobility. On the other hand, in regions that have a dispersed, low level economic base and a settlement network based on smaller towns, it is more appropriate to establish a regional transport infrastructure. In regions without an appropriate road network, funds need to be set aside for the establishment of those public road connections which are vital for economic purposes. A solution also needs to be found for the mobility and accessibility challenges facing urban areas, by supporting integrated management systems and environmentally friendly transport solutions. A solution also needs to be found for the mobility and accessibility challenges facing urban areas, by supporting integrated management systems and environmentally friendly transport solutions.

The **public road infrastructure** of the region is characterised by the fact that one sixth of the national public road network is located here, by a settlement network consisting of micro-villages and by road density which is the highest of all regions. However, the structure of the public road system unfavourable, as only 6.8% of roads are a motorway or a main road. The only motorways intersecting West Pannon are the ones going east to west in the north and south of the region. One of the region's most acute public road transport problems is the lack of a north-south expressway; this causes tension in the region primarily due to the north-south transit traffic (60% of national public road transport, primarily freight transport, leaves the country through this region). The length of public roads – also due to the settlement network and micro-villages – is higher than the national average in proportion to the area of the region; this is indicated by the fact that the density of roads being higher than the national average. Access to the region's towns is made more difficult by the fact that seven out of the 28 towns are not connected to national main roads.

Table 14. Key data for the regional public road network (January 1, 2005)

	West Pannon Region		Hungary
	Total	%	Total
Length of national public roads	4,935 km		30,638 km
By the type of the network			
expressways*	119 km	2.4%	896 km
main roads	1,018 km	20.8%	6,551 km,
secondary roads	3,766 km	76.8%	23,192 km,
Road Density (km/km²)	0.433		0.329

* M1 county border - Hegyeshalom 71 km; M15 M1-Rajka 13 km; 19 M1-Győr 9.74 km; M7 Becsehely-Letenye 6-88 km ; M70 Letenye-Tornyiszentmiklós 18.07 km; without junction components;
Source: West Pannon Regional Development Programme 2007**2013

The region is currently connected to several **railroad** lines which belong to the international core network. The regional network is comprised of another five national main lines in the core network and five secondary lines. The total length of the regional railroad network is 924 km, of which 355 km is electrified and 89 km is double-tracked. The Győr-Sopron and Sopron-Szombathely lines are operated by GYSEV and the other lines by MÁV. Today, Győr, Szombathely, Sopron are classed as important railroad junctions in the region. From the point of view of international freight, the GYSEV Győr-Sopron line plays a key role, primarily due to the Sopron Logistics Centre.

The region practically only contains one **navigable** river, which is the Danube; this also represents Helsinki corridor no. VII. Rivers which are important for water tourism are the Rába, Mosoni-Duna, Mura and the Zala. Due to the Keszthely and Balatonyörök port, the region also has access to passenger shipping on the Lake Balaton and Lake Neusiedler. The only established regional freight port of the region operating on a continuous basis is the national public port of Győr-Gönyű. This currently has a Ro-Ro (truck) loading dock and pier in operation, with only public road to water connection point at the moment.

In the West Pannon region, public commercial **airports** currently only operate in Sármellék and in Pér near Győr, with a permanent border crossing in Sármellék with regular passenger flights and temporary border crossing in Pér for international passenger traffic. The small airport at Fertőszentmiklós is privately owned by an Austrian owner. The Szombathely, Pustacsalád, Zalaegerszeg and Nagykanizsa bases operate as sports airfields.

The region has a total of 326.1 km of **cycle paths** and 250 km of roads with road signs (21% of the 1500 km Hungarian cycle path network). The region's cycle paths and cycle routes have been mostly established around Balaton, in the Szigetköz, near Lake Neusiedler and in the Órség, as well as along the Austrian and Slovenian border for tourism purposes. However, several cycle paths are typically aimed at fulfilling the everyday transport requirements of local residents within municipalities. In addition to long and interconnected roads, cycle tourism also requires smaller circular routes that can be completed within a day. There is currently one such road in the region, along Lake Neusiedler.

Although the road **public transport** penetration in the region can be said to be good overall, a decreasing level of services to micro-regions with villages with no through roads represent a significant social policy problem. This influences the availability of public services (training, health, social services), so having a high impact on the ability of these regions to retain their population. Local bus lines connect to all municipalities, while long distance lines connect towns and larger resort areas. Conurbation transport and commuting is mostly typical in the vicinity of larger towns. The poor quality of paving on secondary roads is an increasingly serious additional cost factor in bus transport. Local lines also operate in 12 of the 28 towns. In

other towns, short distance and long distance lines serve transport needs within the town itself. Most of the smaller and larger bus terminals are located in a small area and parking buses during daytime is generally also a problem.

Table 15. Number of passengers on local lines and passenger kilometres per town (2000, 2004)

	Number of passengers carried (1000 persons)		Passenger kilometres 1000 km)	
	2000	2005	2000	2005
Győr	49,411	51,770	176,641	183,892
Sopron	13,720	19,545	46,014	63,394
Szombathely	17,932	12,685	59,866	42,450
Zalaegerszeg	24,884	22,121	70,239	62,636
Nagykanizsa	15,913	14 237	45,785	40,481
Celldömölk	1,595	682	5,346	2,287
Keszthely	458	382	1,387	1,153
Kőszeg	697	254	2,331	854
Lenti	776	661	2,356	2,002
Mosonmagyaróvár	2,535	2,247	8,959	7,768
Sárvár	319	277	1,114	951
Körmend	n.a.	90	n.a.	301

Source: KSH, TeIR

2.5 REGIONAL ATTRIBUTES AND DIFFERENCES

Regional differences need to be stressed due to the heterogeneous attributes of municipality geography, economy and society.

2.5.1 Regional Network of Towns

The region has a balanced network of towns, including large and medium sized towns alike. The region contains 28 municipalities which are classed as towns. Regarding size, the only town in the region with a population of above 100,000 is Győr. The population of the other four towns with county jurisdictions (Sopron, Szombathely, Zalaegerszeg and Nagykanizsa) is between 50,000 and 100,000. Municipalities in the vicinity of the five towns with county jurisdictions can be said to be at some stage of developing into conurbations and the territory impacted by larger towns extends beyond national borders. There are eight towns with a population of 10,000 to 30,000 in the region's network of towns, which **play a dominant role as regional centres** and 15 towns (with a population below 10,000) which have a dominant role in their micro-regions. There are 11 towns with a population below 5,000 (40% of the towns), which also reflects the fragmented network of municipalities. (Table 15)

Table 16. Urbanisation data, 2005

Territorial unit	Number of towns	Urbanisation Level (%)	Cities by Population				
			Above 100,000	50,000 - 99,999	10,000- 49,999	5000 to- 9999	Below 5000
Győr-Moson-Sopron County	9	57.6	1	1	3	1	3
Vas County	10	56.9	-	1	4	1	4
Zala County	9	55	-	2	1	2	4
West Pannon region	28	56.3	1	4	8	4	11

Source: CSO

Parts of the towns in the region with dilapidated conventional buildings and with residential districts - of pre-fabricated blocks of flats - experiencing or threatened by deterioration or that are target areas of social town rehabilitation.

Residential districts with prefabricated blocks of flats here belong to the higher quality categories in Hungary but this does not mean that there are no substantial local differences or that there are no residential districts of inadequate social status. Run-down status is confirmed primarily by unemployment figures and employment status data.

Areas in urban rehabilitation other than residential districts of blocks of flats include typically areas with poor infrastructure with high proportions of residents having no more than primary schooling, with relatively high unemployment rates, and, consequently, with high proportions of economically active age residents whose only source of income had been comprised of state or local aids up to 2001.

During the functional categorisation of municipalities (service provider, administrative and special functions), functional centres of the region were defined, together with their strengths. Potential local sub-centres which are not classed as towns, have been identified, as well as those areas that can be said to be lacking a centre. The broad ranges of functions in towns with county jurisdiction (where conurbation development and the full fledged central role in the local community are present at the same time) and some medium-sized towns are clearly in evidence in the region.

Győr-Moson-Sopron County has the most villages have a broad range of functions (in both the absolute and the relative sense), which is clearly a result of these villages above average size and a lower density of municipalities. Vas County has the lowest number of villages with a broad range of functions. Another important aspect of the region is that the ratio of municipalities without a public administration function and with low service levels exceeds 50% in Zala County. Overall, significantly decentralised areas are found primarily in the south part of Győr-Moson-Sopron County, in the north-east and south-east parts of Vas County and the west and south-west areas of Zala County where there are micro-villages. (Table 16)

Table 17. Complex functional development levels and special functions of municipalities in the region, 2005

Territorial unit	TOWNS				VILLAGES		
	1	2	3	4	5	6	7
Győr-Moson-Sopron County	Győr, Sopron	Kapuvár, Mosonmagyar óvár	Csorna, Tét	Fertőd, Pannonhalma Jánossomorja	33	83	57
Vas County	Szombathely	Körmend, Sárvár Celldömölk	Kőszeg, Csepreg, Szentgotthárd	Vasvár, Őriszentpéter Répcelak	9	93	104
Zala County	Zalaegerszeg, Nagykanizsa	Keszthely	Hévíz, Lenti, Letenye, Zalaszentgrót	Zalalövő, Zalakaros	23	71	154
West Pannon Region (number of municipalities)	5	6	9	8	65	247	314
Codes				4	Seriously lacking in service and administrative functions		
1	Town with county jurisdiction		5	Village with broad range of functions			
2	Town administration and service function with full rights		6	Village administration centre with incomplete service functions			
3	Incomplete administrative or service function		7	Weak services village without administrative functions			

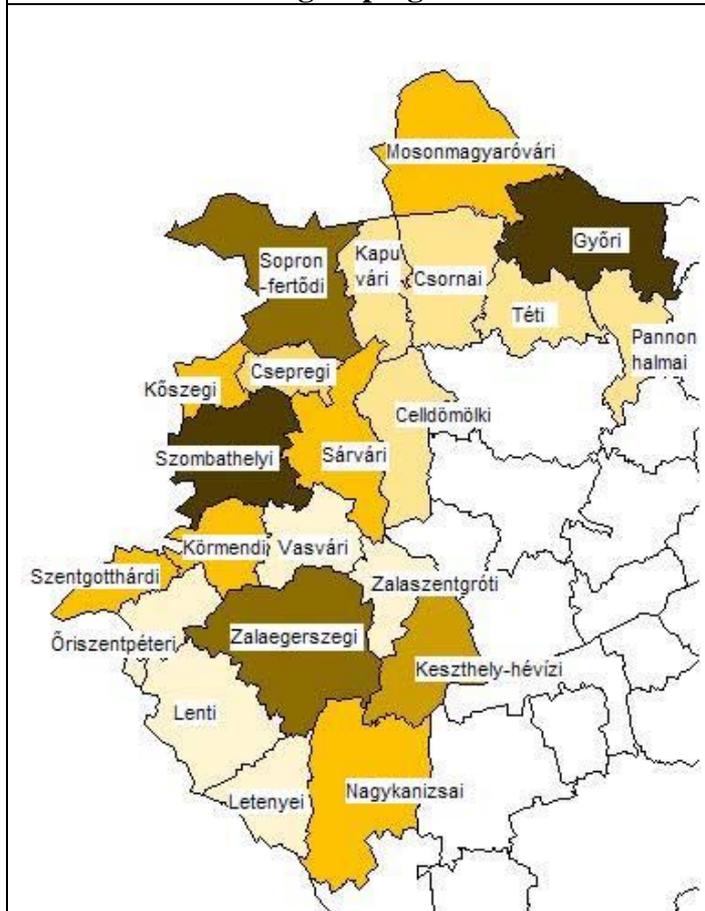
Source: West Pannon Regional Development Programme 2007 – 2013

2.5.2 Regional Differences in Development Levels

In former sections, the differences between certain areas within the region have been highlighted. At the same time, complex indicators were used for comparing micro-regions to one another in terms of advancement according to complex indicators, which³ may reflect an aggregated ranking order in terms of development. Indicators included ones that have proven to be typically significant factors in terms of quality of life. Based on this modelling, we can determine that micro-regions can be classified into 7 groups from the most developed to the least developed. Analysis has produced the following results:

³ MTA West Hungary Scientific Institute of the Centre of Regional Research: *Properties of the West Pannon micro-regions, 2005 and review 2006.*

Figure 9
General welfare indicators – Micro-regional grouping



Source: MTA RKK NyUTI

The colours of the map indicate the order of the list generated. For all maps, darker colours indicate micro-regions with more favourable indicators, while lighter colours indicate a gradual deterioration of the situational indicators.

The **Győr and Szombathely** micro-regions have favourable income indicators and a developed service sector. The **Sopron-Fertőd and Zalaegerszeg** micro-regions are not far behind these and the strong dominance of the service sector (tourism) is characteristic of the **Keszthely-Hévíz** micro-region.

The **Körmeny, Kőszeg, Mosonmagyaróvár, Nagykanizsa, Sárvár and Szentgotthárd** micro-regions have indicators slightly above average, but employment figures and income also exceed the figures for the Keszthely micro-region. The **Csepreg** micro-region is already in an unfavourable position in many respects, but due to the service sector (tourism, primarily the impact of the medical spa in Bük), the standard of living is higher and there is an especially high number of newly-built homes due to real estate purchases by foreigners.

The next group comprises micro-regions with a small town at their centre; these micro-regions are more distant from the national border and have a relatively weaker infrastructure (**Celldömölk, Csorna, Tét, Kapuvár, Pannonhalma**); here indicators are below average.

The micro-regions of **Lenti, Letenye, Óriszentpéter, Vasvár and Zalaszentgrót** are disadvantaged in all respects, with a isolated geographic position, individual settlement network (micro-villages), high unemployment and low income.

Stagnating and declining areas in the region

Based on Governmental Decree 64/2004, 212, municipalities of the region (comprising 32.4% of the municipalities of the region) with 16.1% of the regional population (161,000 inhabitants) belong to a beneficiary area (without overlaps due to classification as a micro-region or settlement, but including the Pannonhalma micro-region which is temporarily a beneficiary).

Based on the model analysing dynamic,⁴ the region – in addition to the micro-regions that are beneficiaries at a national level – **has another 158 municipalities classed as stagnating or declining**, which represents nearly 25% of all municipalities in the region and therefore the number of beneficiary municipalities would rise to 56% on a regional level, together with

⁴ Source: West Pannon Regional Development Programme 2007 to 2013 – Zsuzsa Földi, Terra Stúdió Kft.

those specified by law (370 municipalities). At the same time, less than 9% of the population of the region is living in these 158 municipalities and the number of those living in all beneficiary areas would still remain below 25% if the scope of beneficiaries was expanded (247,000 inhabitants).

2.6 FINDINGS OF THE REGIONAL DEVELOPMENT OPERATIONAL PROGRAMME FROM 2004 – 2006

2.6.1 General Findings

The main objective of the *Regional Development Operational Programme* is to promote balanced regional development. In order to implement this, one guiding principle behind the regional resource allocation being set up for the programme was that 75% of the resources should be used in the North Hungary, North Great Plain, South Great Plain and South Transdanubia regions: those regions that are held to be more underdeveloped based on social and economic indicators.

During the operational planning related to the NDP I, regional considerations had been better enforced in the case of the ROP, but regarding the implementation timeframe, the resources available and the structure (uniform for the seven regions), the programme could only make small developmental steps towards mitigating local differences both between and within the regions. NDP ROP I provided support within the framework of the following priorities: 1. Improving tourism potential; 2. Developing regional infrastructure and the municipalities' environments; 3. Improving human resource development at a regional level.

General findings of the implementation and implementation of the ROP:

- It was difficult for the uniform ROP to enforce the often significantly different development requirements of regions with varying social, economic and environmental characteristics at a programme level.
- During the implementation of the ROP, there was too great an administration burden on applicants and organisations managing the proposals. In order to facilitate more efficient, simpler and faster implementation of the programme, it is essential that this be lightened during the development period 2007 – 2013.
- The number of proposals submitted but not subsidised was significant in the case of ERDF type improvements. The primary reason for rejecting proposals submitted was failure to comply with the requirements of form and eligibility. Due to the continuous proposal system, it was possible for several proposals that had been previously rejected for reasons of form or eligibility to be re-submitted, so that subsidies could be awarded. This fact indicates that there is an excessive, erroneous focus on compliance of form.
- In several cases, the criterion of speed instead of quality was applied when deciding which of two projects to subsidise. Also, taking the above experience into account, it is recommended that a new project procedural order be introduced in some areas starting for 2007 (e.g. two-round proposal procedure).
- The system of project side professional services and tools (helping applicants and the implementation of projects) also needs to be considered, with special focus on new support structures as well as ones with innovative content and also on disadvantaged municipalities and regions where there is not much proposal activity (“terra incognita of development”). In the area of project collection, project development and project implementation, new and renewable, customer-friendly and proactive professional

services that may be awarded to project owners may facilitate swifter, more successful and more cost effective implementation of NHDP (*New Hungary Development Plan* [NHDP]) that is Hungary's National Strategic Reference Framework for the utilisation of the Structural and Cohesion Funds of the European Union in the period between 2007 and 2013).

- The decision making role of the central MA, as well as the distribution of tasks related to programme implementation resulted in regions losing the ability to enforce their interests in the implementation of ROP. During the implementation of the ROP, one of the problems had been the functional allocation of management tasks between two intermediate bodies (RDA, VÁTI Kht.) for both the applicants as well as the Managing Authority and IBs; this was with respect to communication between organisations, adherence to the deadlines and the provision of information.

Based on all this experience, in line with governmental efforts to decentralise, regional and local considerations need to be enforced more forcefully during the development period 2007 – 2013. The ROP planning for 2007 – 2013 is greatly simplified by the regional programming and implementation experience already available.

2.6.2 West Pannon findings

During the 2004 – 2006 period, the proposal management process for the Regional Development Operational Programme had been distributed between two Intermediary bodies. Regional Development Agencies carried out these tasks until the conclusion of the agreement, following which projects that had been awarded a subsidy were authorised by VÁTI Kht.

Up until October 26, 2006, the West Pannon Regional Development Agency (WPRDA) received a total of 138 proposals. These are distributed by actions and priorities as follows:

Table 18. Proposals for the Regional Development Operational Programme from 2004 – 2006

Action	Number of Proposals Received		Required Corrections (on a maximum of 1 occasion for all proposals)	Accepted	Forwarded to MA with a Positive Evaluation
	total	by priority			
ROP 1.1	21	57	14	18	18
ROP 1.2	36		23	21	19
ROP 2.1	10	38	9	10	10
ROP 2.2	9		8	7	7
ROP 2.3	19		15	18	18
ROP 3.2.1	8	43	4	7	7
ROP 3.2.2	19		14	13	13
ROP 3.3.1	16		10	8	8
Total	138	138	97	102	100

Source: WPRDA Intermediate Body

ROP 2.3.1 and 3.2 may be viewed as the **most popular** call for application.

- **2.3.1. Development of primary education institutions**

19 proposals were received for this action, but only 4 proposals could be subsidised due to the limited resources available to the region. Proposals were generally of a high quality and only one proposal was refused. However, it should be noted that IB generated proposals of a high quality unnecessarily, since it was unable to allocate subsidies to these. Proposals for this action were received from disadvantaged regions and the fund of HUF 367 million proved to be insufficient for implementing this, since applicants required a subsidy of more than HUF 1.9 billion.

- **3.2. Subsidising local employment initiatives:**

More than five times the funds available to the region were requested for this action. In the first component, micro-regional employment pacts were typical and popular projects.

Least successful:

- 1.1. For developing attractiveness in tourism, no proposals were received in the region for the **4th component (visitor-friendly development of museums)**, primarily as a consequence of two problems. (1) The expected number of visitors was set at an excessively high level (20,000 visitors a year), which most museums could not meet. (2) Most museums are operated and financed by the county or town governments and they were not dealt with as high priority tasks among other county functions. The operators did not put up even the minimum own equity contribution. The museums that did meet the above requirements put in complex programmes for aid in other components or priorities, (e.g. within tourism or town rehabilitation), not only for the museums. In the 2007-2013 period we will put in invitations for proposals in a much more complex way, more in line with the requirements of the market. This will make it possible for bidders to win aid for several different projects at the same time and in

this way cultural and tourism activities can be built into complex integrated regional systems that are not restricted to the development of museums.

- **1.2 Improvement of tourism capacity:** This action roused a high level of interest. This was the only action under which business enterprises could also submit proposals. The subsidy rate was correspondingly relatively low at 30%. Some 16 proposals were received during the first round, out of which only 2 actually won, as the quality of the others did not meet expectations. Following the approval of the Monitoring Committee, a sum of HUF 300 million was reallocated from this item. During the second round, 10 of the 20 project ideas received were subsidised. The higher subsidy rate was due to the proposal announcement that had been modified during the process and more consultation.
- A single proposal was received for **ROP action 2.1.3, City public transport**. The proposal announcement of this action was not clear and therefore the IB accepted the proposal, which was however later rejected by the MA on the grounds that a business enterprise was not eligible to submit a proposal for this action. This could have been prevented by making the proposal announcement clearer.

Due to the scarce funds available, certain actions were suspended after the first six months. Consecutively, the Managing Authority closed 2005 **suspended** all proposal windows.

With the exception of action 1.2 (Improvement of tourism capacity), proposals were received on a continuous basis. During the period prior to the submission deadline and the **suspension** of proposal windows, the RDA IB detected increased interest and an increase in the number of proposals received.

Experience from the 2004 – 2006 period indicate that the majority of proposals require a call for completion. Based on the ROP announcement, a one-off call for completion is possible for all proposals. In the case of proposals submitted in the West Pannon region, 97 of 138 proposals required calls for completion. It was apparent that prior to the submission of the proposal, the projects of those who have made use of the opportunity to consult in writing, by telephone, or in person contained less shortcomings and errors than those of the others.

Out of the proposals received, the RDA forwarded 100 with a positive assessment to the MA. These had been distributed by priority as follows:

Priority 1: 37; Priority 2: 35; Priority 3: 28.

In summary, we can determine that the ratio of proposals accepted is 74% and 98% of these have been submitted to the Managing Authority with an opinion recommending subsidization. This represents approximately 72% of all proposals received.

Regarding their proportion, most proposals had been rejected within the framework of action 1.2, the reason being a lower quality of the proposal materials received here, as well as a high number of proposals compared to the budget fund available.

During the first phase of the proposal period, the activities of the IB typically involved providing information. Efforts were made to provide information in the most efficient manner to potential applicants, via micro-regional and county information days, media exposure, consultation by telephone and in person. During the information days, efforts were made to communicate what can be implemented in the ROP 2004 – 2006 to applicants. Most applicants needed opportunities to implement wastewater construction project below 2000 RE (resident equivalent).

The West Pannon Regional Development Council (WPRDC) put out invitations for proposals

in 2001 and 2002 with the aim of implementing its Regional Development Programme in the following areas: economy development, innovation, tourism, transport development, environment protection, rural development, human resource development, and the development of info-communication technologies. Out of the 345 proposals the WPRDC granted funds to 156 proposals in a total amount of HUF 2.27 billion, for which the aid contracts were duly concluded. The professional and financial progress of the implementation of the projects was monitored and controlled by the WPRDA. The closing reports of the projects were accepted by the WPRDC.

The WPRDC has been managing **Hungarian decentralised development appropriations** since 2003. These included small amount aids for spatial development (human public service infrastructure and enterprise development), aids for the development of municipal roads, and environment protection. Up to 2006 the WPRDC provided aid to 701 projects from these appropriations, in a total amount of HUF 6.209 billion (EUR 24.8 million). The implementation of the projects was managed by the WPRDA.

Proposals for the utilisation of 25% of the Research and Technological Innovation Fund have been made since 2005 by the Regional Development Councils, in line with the goals of innovation. This is the Baross Gábor - West Pannon Innovation Developments (**INNOREG**) application scheme, under which a total of 70 projects have been granted aid so far, in a total amount of HUF 1.129 billion (EUR 4.5 million).

The **INNOCSEKK** application scheme is the national application scheme called Baross Gábor Programme with regional proposals for decision making, a central funding source providing de minimis aid exclusively for small and medium-sized enterprises. A total of 109 proposals were submitted to the West Pannon Regional Innovation Agency (WPRIA) for funding, of which 26 were granted aid in a total of HUF 425 million (EUR 1.7 million).

The last **Phare programmes** to which invitations were put out on a nationwide basis were launched in 2002 and 2003 and they were completed by the end of 2006. There were three such programmes in the West Pannon Region: '*Encouraging integrated local development actions*' which was an urban rehabilitation programme, where VÁTI Kht. was the Contracting Authority, the '*Information technology in primary schools*' and '*Fight against exclusion from the labour market I-II*' complex training and employment programmes coordinated on a national basis by ESZA Kht. Under coordination by VÁTI Kht. and ESZA Kht. the RDA also participated in the implementation of the programmes, as Participating Organisation, carrying out tasks in providing information on the application schemes and collecting projects, as well as in the secretarial tasks of evaluating the proposals for format and content, along with managing, monitoring and closing winning proposals. A total of 29 projects were granted aid under these programmes, in a total amount of EUR 14.4 million.

2.7 SUMMARY OF THE EX-ANTE EVALUATION

2.7.1 Activities of the Ex-ante Evaluators, Ex-ante Evaluation Process

Ex-ante evaluation is the objective evaluation based on clear professional foundations for the planning process of the Operational Programme and the resultant development plan document.

The National Development Agency requested Pillars Tanácsadó Kft. to perform the ex-ante

evaluation of the West Pannon Operational Programme. As a result of the evaluation process, the first draft of the evaluation report was completed on June 6, 2006, a draft which was unable to cover several sections due to their not being available.

Version 4.6 of the Operational Programme was available for the second report, but the indicator system was missing; therefore this report is also unable to provide a full scope evaluation of the Operational Programme.

Parties performing the evaluation submit their final report while taking into account the comments and modification proposals from the region, the Government and the Commission.

2.7.2 Amendments made based on the Ex-ante Evaluation

Those participating in the ex-ante evaluations made several proposals concerning more in-depth analyses in the situation assessment but as a consequence of limitations on scope the planners could not accept this. At the same time references to other analysing documents also appeared. Some relevant statistics were integrated in the situation assessment based on the proposals made by the expert participating in the evaluations, enabling comparability and placing projects in a European context. The situation assessment became more precise and more transparent and the state of R&D in the region was more carefully analysed.

The internal consistency of the OP was improved, logical connections were drawn closer, but the second report still makes some more proposals for further improvements. The areas of intervention and the types of operations were more clearly defined in concert with the relevant decrees and the situation assessment. Based on the proposal made by the evaluating board, the interventions became more clearly focused in the economic development and tourism priority.

2.7.3 Position and Opinion of the Ex-ante Evaluator Regarding the ROP Interference Logic, Quality; Agreement or Disagreement with Certain Decisions

The West Pannon Operational Programme underwent significant changes during the planning phase. On one hand, the number of sections increased and on the other, regular consultation carried between planners and evaluators resulted in the sections becoming more refined, clearer and more to the point.

Compared to former versions, the **situation analysis** of the Operational Programme has become more concise, more to the point and better founded. With a few exceptions, data has been based on the national and/or EU background, thereby giving a sense of the relative and in some cases, specific situation of the region.

Evaluators recommend that the situation analysis should be made shorter and more focused; primarily in areas where other operational programmes are also impacted (e.g. healthcare), as well as those where operational programme level actions are not possible (e.g. demographics, energy supply).

However, while making it shorter, experiences also need to be described for the period beyond the 2004 to 2006 Regional Operational Programme. The description of the ROP currently in progress uncovers several useful experiences and makes useful recommendations; it is strongly recommended that these be taken into account when drawing up the ROP tendering scheme for 2007 – 2013, as well as during the implementation phases.

The **SWOT analysis** of the programme is adequately concise and to the point, but some components need to be modified or moved.

This was proposed by the evaluators in the content part of the report. The **strategy** in the operational programme of the West Pannon region makes it clearly possible for the region to continue its convergence with the EU average from both an economic and a social point of view. This is due to the fact that the strategy reflects the specific attributes of the region, taking the better than average economic situation into account, along with the potential for tourism, as well as the need for to mitigate social differences. The strategy gives appropriate weight to **sustainable development** and **equal opportunities**, but these **horizontal considerations** also need to be described on the level of priorities and enforced consistently during implementation.

According to the opinion of the evaluators, planning has been carried out with appropriate transparency, keeping the consideration of **partnership** in view. Opinions and remarks sent to the planners have been processed and harmonised within the framework of partnership forums.

Development **priorities** defined in the operational programme may be suitable for implementation of the strategy.

1. Priority: Regional economic development: Evaluators note a lack of support for and focussed promotion of R&D activities; although the situation analysis provides a detailed description of the region's poor performance in this field. The joint action recommended for the purpose of investment incentives, as well as the support of corporate synergies may play a large role in the progress of the regional economy by implementing as yet undiscovered synergies. Based on the experiences of former programmes, those implementing the programme are faced with significant information provision tasks in order to generate sufficient interest. The promotion of labour market flexibility will improve the competitiveness of the region and increase employment levels.

2. Priority: Tourism development: Tourism opportunities based on medical and thermal waters which have attracted significant investments during past years are not only popular within the national borders. A logical and useful step by the region is to further strengthen this process and to "professionalize" supply, by the use of measures also intended to increase demand. At the same time, the situation analysis does not cover the unique characteristics of the supply and demand markets and therefore, it is not possible to form an opinion of whether it is actually low category accommodation that needs to be extended, as well as where and how quality development is warranted. The region has highly significant historic and cultural assets and the intention to provide a high level and integrated presentation of these corresponds with trends in tourism demand.

3. Priority: Urban development: In areas where the programme takes into account a "significant mobilization of private capital", special attention needs to be paid to intensive provision of follow-up information and the key significance of partnership. Other priorities in the OP also provide support for developing transport and it is not clear how the framework for this will be defined. According to the evaluators' opinion, the priority axis (taking the above comments into account) is intended to satisfy a fair and existing demand, successful implementation plays a large role in strengthening the ability to retain the population and to increase the standard of living.

4. Priority: Environmental protection and infrastructure development: We recommend that the term "infrastructure" should be clarified, since in this case it basically indicates transport. The priority provides a professional approach to the needs for and methods for

environmentally-friendly development, which can manage wastewater for small municipalities. Regarding the development of regional interconnections, it is questionable whether it would not be more efficient to carry out the construction of cycle paths alongside one or two digit roads (within the framework of a transport development OP), while the construction of cycle paths would be implemented in the OP at other locations (the priority aimed at tourism development makes this possible).

Priority axis 5: Development of local and regional public services: This priority axis strongly recommends providing local supply for public services. Based on the opinion of the evaluators, this is only possible if economic considerations are taken into account. The construction of new facilities can only be supported if the gap in the infrastructure is accompanied by the necessary demand.

This priority axis encompasses several areas: healthcare, social infrastructure, public education infrastructure and information society and also provides a high number of support options based on this, but demand cannot be adequately met from the resources available.

One question which is not yet completely resolved is related to the method of **implementation**, the organisations participating in implementation and the exact allocation of tasks and responsibilities among these organisations. At the same time, this shortcoming can in no way be attributed to the planners.

The **indicator system** is still incomplete in the version reviewed and indicator figures have not yet been ascertained.

2.8 RESULTS OF THE STRATEGIC ENVIRONMENTAL ASSESSMENT

OFFICIAL STATEMENT ON THE STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE SROP

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 Social Renewal 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.

2.8.1 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;⁵ 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 Social Renewal Operational Programme yielded several opportunities for official, state and social partners to put forward their opinion, especially on environmental and sustainability issues, as follows⁶:

- During the first partnership of the Social Renewal OP (between 18 October 2006 and 8 November 2006, social partners were notified by post about the implementation of, among others, their environmental comments between 14 February 2007 and 31 May 2007).
- In the process of the ex-ante evaluation (the official participating bodies of the process)
- In the process of the SEA evaluation (civil organizations and bodies taking part in the interviews and forums of the SEA).
- 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 NGOs 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.

⁵ 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.

⁶ The process also provided the opportunity to mediate discussions between the SEA evaluators and the planners.

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 SROP, a forum was held on 27 November 2006, with the participation of the organisations defined by the Government Decree.

The comments on the SEA of the SROP 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.

2.8.2 Summary of how environmental considerations have been integrated into the programme⁷

A detailed and comprehensive evaluation on the development of the SROP as a result of the SEA can be found in the following report: "Társadalmi megújulás és a Társadalmi infrastruktúra operatív program környezeti vizsgálat". This document can be downloaded from the website of the NDA.

⁷ According to Article 11(b) of the Government Decree, and Article 9.1.b. of the Directive

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

Proposition	Responses
<p>The situation assessment does not aim at an evaluation according to the horizontal priority considerations of sustainable development and it does not even contain such observations or facts.</p>	<p>Reasons for choosing the programme as adopted, in the light of the other reasonable alternatives dealt with⁸</p> <p>Indeed, the situation assessment does not contain a separate chapter revealing facts regarding the horizontal elements of sustainable development, however, such statements appear at many locations in the situation assessment, along several topic areas as well as in the SWOT analysis.</p> <p>For example: <i>1.6.6 Social participation</i></p> <p>A slow intensification of social participation can be experienced with regard to issues related to environmental sustainability. A major role is played in this process by the fact that due to governmental measures, the conditions of environmental activities are continuously improving. Only then can a significant improvement occur in the environmentally conscious attitude of citizens if governmental measures reflect a consistent environmental consciousness.</p>
<p>The OP includes health consciousness and maintenance and environmental consciousness appears here and there in some operations, but they do not pervade the whole document, whereas only the persons living in harmony with themselves and the environment can appear on the labour market as human resources capable of renewal.</p>	<p>We are in agreement with the second half of the observation. Promotion of sustainable development and an increasingly wide implementation of the relevant considerations are included among the horizontal goals of the OP. However, it is not the objective of the OP to be “pervaded” by health maintenance or by both considerations simultaneously, since it contains countless elements to which these approaches are not directly connected.</p>
<p>We recommend the extension of horizontal considerations, working out a more detailed specification regarding objectives and priorities, which should be implemented through the whole material.</p>	<p>Horizontal considerations have been worked out on the basis of EU regulations, in accordance with the ÚMFT (New Hungary Development Plan) in the course of which the controllability and monitorability were taken into account during implementation of development, as well. Thus, we do not see any opportunity to extend the current</p>

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

	consideration and we do not consider these to be necessary, and the recommendation does not contain a specific consideration.
<p>We recommend the following text existing in the previous versions and taking into account our additions to the latter:</p> <p>“That development can be regarded as sustainable which takes into consideration natural and human resources – including natural assets, areas, landscapes, biodiversity, human health, social cohesion, demographic characteristics, as well – for protection and sustainable utilization.”</p>	<p>The sentence appears among the horizontal objectives of the SROP:</p> <p>“In order for the country not to consume its environmental and human resources acting as a foundation and long-term guarantee for development, said developments must all satisfy the principle of environmental, social and economic sustainability. <i>That development can be regarded as sustainable which takes into consideration natural and human resources – including natural assets, areas, landscapes, biodiversity, human health, social cohesion, demographic characteristics, as well – for protection and sustainable utilization of the built-in environment and cultural heritage.</i>”</p>
<p>Based on the October version, we have recommended working out the relevant indicators matching horizontal considerations both at the OP and the later planning level. It is likely that the quantity of waste selectively collected by the population was included at the OP level in consideration of this proposal, as well. We wish to point out that this indicator is important but the TAMOP (Social Reform Operative Program) added value is difficult to measure in an identifiable manner and that data are likely to be based on the self-declaration of institutions and municipalities, therefore, they are not certain to reflect realistic values. Moreover, they do not contain the quantity of waste which has not even been consciously bought. Therefore, we recommend as a part of assessment or monitoring the development of a general indicator which is better measurable at the OP level and to formulate indicators per individual interventions and measures.</p>	<p>The indicator of selectively collected waste does not appear in the OP.</p>
<p>Since this OP is intended to address the health status of the population, therefore, it is recommended to mention – at least in the situation analysis – that the measures planned within the framework of SROP must indirectly serve the improvement of the status of the environment.</p>	<p>It is not the objective of a situation analysis to manifest previously set goals or plan, nor is it the exploration of indirect effect of planned measures. Moreover, the SROP – since it does not support any investment projects – can only serve or take into consideration the improvement of the status</p>

	of the environment in the case of some measures because in most cases, it has no effect on the latter, at all.
The SEA recommends the introduction and application of integrated regional evaluations, which are based on the assessment of regional ecological systems with the help of geographic information systems, as well as the analysis of spatial and temporal patterns (e.g. based on the MÉTA5 Programme). For each operational programme, detailed assessment criteria and a monitoring plan should be developed parallel to the development of action plans, containing the programme of measures to follow the SEA.	This will be incorporated into the monitoring system and the monitoring measures.

The social partners' and national authorities' main comments:

Proposition	Responses
	Reasons for choosing the programme as adopted, in the light of the other reasonable alternatives dealt with ⁹
Among the elements of preparation for employability, the following are not manifest: information management, personality development (including career planning), development of decision-making capabilities, mentoring, provision of information related to environment. Support for informal networks and civil society, which is one of the central conditions of the welfare strategy, aimed at extending employment, has not been recognized properly or included with the proper emphasis.	A major part of the listed elements is primarily manifest within the frameworks of priority axes <i>Adaptability, Quality education, Social participation and receptivity, Health maintenance.</i>
In the absence of health and environmental consciousness, people are affected by numerous harms reducing their health and working capabilities which could be otherwise avoided by caution, in the possession of suitable information. Therefore, they need to be reinforced.	We are in agreement, all this is manifest among the operations of the new priority axis: within the frameworks of <i>Health maintenance and the development of human resources in health care</i> as well as the <i>Adaptability priority axis</i> by operations improving the conditions of workplace health and safety.
Both authorities and NGOs emphasised the importance of monitoring, the role of civil control in implementation, and the minimum	See section on Monitoring Measures

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

sustainability criteria in the project selection.	
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2.8.3 Transboundary effects¹⁰

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. We commit ourselves to investigate cross-border effects on the Action Plan level in the whole 2007–2013 planning period.

2.8.4 Monitoring measures¹¹

SROP 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 SROP 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 shall have to be considered on an individual basis. Therefore, relevant guarantees were introduced in the implementation section of the SROP, 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 SROP to avoid duplication of monitoring.

¹⁰ According to 9. § of the Government Decree, and Article 7 of the Directive.

¹¹ According to 12. § of the Government Decree and Article 10. of the Directive.

3. SWOT ANALYSIS FOR THE WEST PANNON REGION

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Exceptionally good geographic location (European transport corridors, natural waterways, region borders 4 countries) • Unique settlement network and structure (five larger towns, micro-villages) • The regional strength and range of public functions in larger towns is significant • Per capita GDP above national average • Rate of economic activity is higher than the national average, unemployment is lower • Complex economic structure based on several pillars • Clustering process has started in several sectors and is well-developed by national standards • Favourable criteria for renewable energy • Wide range of natural, cultural and architectural heritage, favourable criteria for tourism (with special regards to the utilisation of thermal and medical waters, as well the artificial and natural environment) • Regional centres have advanced IT infrastructure 	<ul style="list-style-type: none"> • High ratio of municipalities without or with a low level of public service functions – the organisation of public services faces difficulties resulting from the settlement network • Increased aging of the population in micro-villages and dwarf villages • Inadequate state of health infrastructure • Low level infrastructure of family support and child welfare services is least favourable in poor municipalities and areas • Lack of nursery and pre-school capacity, mostly in urban and conurbation areas and in part in underdeveloped micro-regions; • Lack of a real university centre • R&D potential lower than the national average • Trained workforce is leaving the region • Weak relationship between major foreign enterprises and domestic and local stakeholders of the economy • Deterioration of employment situation during recent years • Lack of north-south transport and economic axis • Low ratio of wastewater management in small municipalities • Lack of or poor state of public roads between municipalities that would provide access internal peripherals • Gradual deterioration of some residential areas in larger towns, appearance of isolation • Public transport has insufficient level in conurbation areas as well as areas that are becoming conurbations • Insensitivity of people to their environment

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Medium-sized and small towns are playing an increasing regional role • Regional Labour Market Association, which may have an influence on the cooperation between vocational training, adult training and adult education, as well as research and development organisations • Increased cooperativeness on the part of universities is providing enterprises with a more efficient training structure and innovation services • Shift from investment oriented economic development to innovation oriented economic development, while the SME sector is gaining strength • Győr as a centre for development • Enhancement of medical services provided by health tourism facilities based on medical and thermal waters • Increased health and environmental consciousness regarding medical and recreational services as well as local products • Coordinated enhancement of the unique tourism opportunities provided by locations that are UNESCO World Heritage sites and on the applicant list. • Rural life becoming increasingly attractive for residential and tourism purposes • Utilisation of renewable energy sources and strengthening of its multiplying impact in the areas of environment protection, the economy and employment. • Improving energy autonomy in a larger part of the region due to innovative solutions and SMEs • Development of the environmental industry in the areas of waste processing and energy efficiency • Development of eco, cycle and soft tourism based on strong thermal tourism 	<ul style="list-style-type: none"> • Healthcare and social supply systems cannot comply with current and changing future social needs • As industries requiring workforce with low training levels continue to lose ground, job opportunities are decreasing for a workforce which is insufficiently flexible to meet this change • Due to lack of resources and information, small enterprises are unable to start growing • The delayed change from extensive to intensive is having a serious impact on employment and posing a risk to regional growth • Deterioration of the conditions for local economic development, resulting in increased environmental risk and loss of the opportunity sustainable development • Delays in the introduction of complex eco-tourism services • The information disadvantage of “non-Internet user” groups is increasing gradually • Public road transit traffic results in a significant deterioration of health, tourism, artificial and the natural environment near those transit roads • Significant need to set up natural areas and productions areas • Dependence on fossil energy results in unsustainable economic development and climate • Extraction of natural resources by external investors, so basis of the sustainability of their development is lost

4. STRATEGY

4.1 THE OBJECTIVES OF THE OPERATIONAL PROGRAMME

4.1.1 Overall Objective

Objective

Based on the region's economic and social situation as well as the strategic environment for the planning period 2007 – 2013, the *overall objective* of the programme is:

To establish an economic and public service infrastructure in line with the regional environment through environmentally consciously planned development in order to promote growth and employment.

4.1.2 Specific Objectives for the Period 2007 – 2013

Based on the above, the programme contains the following specific *objectives*:

Specific Objective 1

Objective

Economy built on local innovative resources and corporate networks

Objective explanation

Based on its economic performance, West Pannon is considered to be the most developed region of the country – except for the Central Hungarian region which also includes Budapest. However, there are significant inequalities between areas and an unfavourable economic structure behind this economic performance. The region is well characterised by the fact that while in terms of per capita GDP, the region has a favourable position within the county, based on research & development as well as innovation indicators, it is in last or next to last place.

There are a few tangible key sectors or driving industries within the economic structure of the region, which are capable of having a significant impact on the economic and social development of the whole region due to their wide range of interconnections. The industries examined within the regional technological forecast programme are the most important; focused development of these industries, as well as clusterisation was supported by the Regional Innovation Council:

- 1) machine industry and within this, primarily auto industry and the related background supplier industry, as well as the electronics industry;
- 2) industries based on natural and environmental resources, such as the wood industry, furniture industry, environmental technologies and renewable resources;
- 3) tourism, with special regards to spa tourism and a wide range of services centred around

healthy lifestyles;

A steady improvement of the competitiveness of all sectors requires development of higher education in line with the demands of the economy, broadening the network of connections and relations, along with a wide range of application of info-communication technologies.

Out of the key sectors, the development of the auto industry and electronics sector are the most important, in terms of capital investments in the region, production value and export activity.

Due to the gradual decline of extensive factors dominating the economic development of the region, small and medium-sized enterprises, as well as activities representing higher added value and those based on knowledge and higher intellectual potential need to play an increasingly dominant role. As a result, the services offered need to be ones that are offered by new types of institutions and organisations that provide incentives for intensive development and facilitate innovation and continuous renewal. At the same time, demand driven, cluster oriented development is required in the key sectors.

The establishment of an appropriate investment and business environment continuously sets new requirements for the region which need to be met in a way that stakeholders in the economy find favourable. The existence of these business services, competitive local micro, small and medium-sized enterprises and infrastructural pre-requisites is vital for achieving structural change in the economy. By 2005, the total area of the 24 industrial parks in the West Pannon region exceeded 1,300 hectares. The number of enterprises that have moved here increases dynamically from year to year and this number is currently near 350. At the same time, some industrial parks are almost completely full and new areas need to be developed. Furthermore, it is essential that services at existing industrial parks are extended and special services related to innovation provided in major industrial centres. At the same time, the existence of an infrastructure that provides help for the launching of small and medium enterprises and ensuring that SMEs relocate to the region is required in all local centres of the region.

The above objectives support the priority axis of *Regional economic development* and related actions.

Specific Objective 2

Objective

Tourism based on high quality services and leveraging heritage

Objective explanation

In addition to the utilisation of the significant amount of thermal and medical waters available in the region for the purposes of tourism, *health tourism, rehabilitation and recreation services, wellness and fitness* are appearing as supplementary services and are gaining more and more ground. The medical spas of the region, which are of international significance, have a dominant role not only in the economic life of their own municipality, but also that of the region. Since spas similar to the thermal spas in this region also exist elsewhere in the country, it is clearly essential that a unique image and portfolio be established via joint cooperation by tourism service providers with a background in West Pannon thermal waters. Furthermore, the region lacks any real specialisation and there are no clearly distinguishable service palettes or target groups. One solution for this may be the direct interconnection of medical services and

spa water with the *prevention of diseases and the focus on health awareness* by developing the service portfolio. In the period of 2007-2013 we pay special attention to health tourism, which is an outstanding asset for both Hungary and the region.

In addition to the medical tourism background, the region has very good opportunities for the development of *eco-tourism, bicycle tourism, cultural tourism, and heritage tourism*. These products may serve as an excellent complement to the portfolio provided for visitors arriving to the region primarily for the purposes of medical and thermal tourism, generally for an extended period of time; at the same time, these products may increase the profitability of tourism, in addition to being significantly attractive on their own. Some of the objects belonging to the region's architectural heritage are tourism attractions of international importance, and demand for culture may be one of the most fundamental motives of tourism demand from the aspect of economic sustainability. In addition to the Pannonhalma Abbey and the Lake Neusiedler cultural area on the World Heritage list, as well as architectural elements of historic and cultural heritage, the varied cultural, material and intellectual attractions of the historic past (festivals aimed at maintaining traditions, reference to historic ages, and events surrounding historic figures) offer valuable, but mostly unexploited potential for several areas within the region. On the one hand, these are tourism attractions in themselves, on the other hand, these scattered cultural and tourism attractions should be integrated in thematic routes (so called cultural routes) to be offered for tourists with solvent demand, as supplementary attractions.

The natural attributes and varied landscape of the region also carries huge potential for the residents of these areas to develop cycle tourism, eco-tourism and other forms of soft tourism. In addition to the Lake Neusiedler area, which is a key World Heritage site, the region is also characterised by three other National Parks (Fertő-Hanság, Őrség, Balaton) as well as nature parks and other protected and varied landscapes. The mountains of the Lower Alps, the hills of Zala and Vas counties and the flatlands of the Small Plains are made more varied by large lakes (Balaton and Neusiedler), as well as major rivers (Danube, Rába, Mura). It is vitally important that cultural landscapes where remains of cultural significance (e.g. archaeological sites) form an interconnected part of the natural environment can be opened up and presented with appropriate protection and preparation, forming part of further tourist attractions.

In order to exploit the potential of these heritage sites, events and natural landscapes in a way that has a significant and sustainable impact on employment and the economy, it is necessary that the infrastructure is developed in a manner which takes into account and pays respect to the landscape's assets and that the products and services offered are complemented, coordinated and managed. Cultural and natural tourism implemented in this way can also be a significant complementary attraction for those arriving with the aim of active rest and improving their health. Based on the infrastructural potential of the region, it is advisable that existing and currently unused municipal real estate be utilised for tourism, primarily in order to extend the opportunities of youth tourism.

In connection with the development of attractions - supporting quality developments and the revenue-generating ability - the quality of the services offered here should also be improved if foreign and domestic tourists' increasingly exacting demands are to be satisfied. Furthermore our aim is to involve private capital in a growing manner and to decrease the proportion of support. Existing capacities should be relied on, particularly in developing accommodation capacities. Therefore, we defined a lower maximum intensity of support for the commercial accommodation developments as it is determined in the regional aid map. We do not support the development of 5 star classification accommodation facilities, instead assisting smaller capacity boarding units and family undertakings should be focused on.

In the course of implementation, however, the economic sustainability of and the recovery of the investment in every project must be assessed. Sustainability from an economic point of view as well should be one of the most important criteria in the case of all development projects; one goal is that these projects should mobilise additional venture capital. According to the Social Accounting Matrix, demand oriented towards tourism generates substantial ripple effects, i.e. tourism as a sector has a very strong effect driving economic growth. We are making efforts to implement complex projects, offering complex programmes spanning several days in the region, thereby contributing to increased average staying times, which is one of the main objectives of the endeavours to develop the available tourism products and services. This will lead to tourists spending more money in the region, which in turn will have direct and indirect impacts driving economic growth, in concert with the Lisbon objectives. The sector is suitable for absorbing currently inactive social groups since both part time employment and seasonal employment will offer new opportunities. Since tourism focuses on service provision, people with disabilities will also find increased opportunities in the sector, thereby increasing the proportion of the economically active groups of local residents. Another important aspect besides the impacts on economic growth is that tourism has very significant impacts on society and culture as well as the natural environment. Local values can no longer be sustained without tourism, therefore the National Tourism Development Strategy also focuses on utilisation through tourism, which, particularly in the case of high value - often state or local government owned architectural values, such as manor houses - is often the only realistic option for preservation - and operation - in the

long run. Investment in cultural values helps the long term preservation of these very values.

The above objectives support the priority axis of Tourism development – renewal of the Pannon heritage and related actions.

Specific Objective 3

Objective

Network of towns comprised of liveable towns providing efficient support for regional centres

Objective explanation

The settlement network of West Pannon is quite unique in Hungary. The region contains five towns with county jurisdictions with a population exceeding 50,000 and which count as larger towns on a Hungarian scale (Győr, Szombathely, Zalaegerszeg, Sopron, Nagykanizsa). In addition to larger towns, there is a significant number (23) of medium and small towns within the region, which are the public service and economic centres for their micro-region.

Towns are characterised by a non-uniform management of central areas and the especially poor condition of certain town centre blocks, which are typically characterised by buildings which are historic monuments. There are several places where the central parts of the municipality contains brown field areas which have been formerly used for industrial or military purposes. Management and the new public functions for these may significantly strengthen the municipality' organisational capability. In order to improve local roles, it is essential to create a healthy, liveable and aesthetic environment and to carry out physical, technical and social/economic/environmental renewal of urban areas, especially in towns which act as local centres. Districts of municipalities which are home to certain disadvantaged groups have to be

renewed (mostly in larger towns); their environment has to be developed and the residential environment improved, in order to accelerate their convergence as a result of and by extending the services available.

It is mostly characteristic of larger towns and their conurbations that traffic congestion and the intensive growth in the numbers of motorised vehicle users is becoming increasingly dominant; this significantly decreases the quality of life in the town. Public transport systems are currently unable to compete with individual transport, because they cannot keep up with the increase in standards and the competitive edge of shorter journey times for individual transport. It is therefore necessary to improve the quality of public transport and to coordinate various forms of transport. This process may be facilitated by forming regional and conurbation alliances and by reaching agreements within these alliances.

The above objectives support the priority axis of Urban development and related actions.

Specific Objective 4

Objective

Good environment and safe access to regional centres and sub-centres

Objective explanation

In the case of small municipalities, there is a general lack of some basic infrastructural features; this lack makes it difficult for these municipalities to retain population, especially young people and there is no hope of attracting new residents. As a result of economy of scale issues which apply in the case of line infrastructures, it has not been possible and is not possible to establish conventional public utility systems, since economic sustainability is not ensured. In the case of these municipalities, an opportunity arises to apply technologies which use environmentally maintainable, environmentally friendly systems.

Due to the varied landscape and micro-village settlement network of the region, conditions for the installation of a wastewater sewage system are unfavourable. It is therefore advisable that incentives are provided for the application of alternative, individual wastewater management and processing solutions. When expanding the sewage network, the considerations of cost efficiency, long term sustainability and environmental protection need to be taken into account. The financing of sewage treatment needs to be handled as above within the framework of the operational programme.

At the same time, the varied landscape in some cases also represents a serious risk in terms of rainfall drainage in interior areas. This is addressed through coordinated action by several organisations. In the case of surface waters, local reservoir management may represent a complex solution to this problem, taking ecological pre-requisites into account.

In order to organise local public services and increase access to small municipalities, it is necessary that micro-region level access be implemented. Physical access to public services and local centres is currently made more difficult by the shortcomings in the roads, railroad and cycle path networks: poor quality, lack of coordination between community transport centres and the lack of transfer connection points. These improvements are key components for improving links between urban and rural areas.

The above objectives support the priority axis of *Environmental and transport infrastructure* and related actions.

Specific Objective 5

Objective

Infrastructure supporting public services based on the local environment

Objective explanation

The attributes of the settlement network define the quality and organisational capability to provide each public service. In order to provide social, health and training, individual solutions need to be applied in areas with unique settlement networks, especially those with micro-villages. Regarding the professional staff available, their equipment and access to modern social, health and training infrastructures, institutions in small municipalities cannot keep pace with institutions that are larger and in a better situation, generally in larger towns.

In healthcare services, outpatient, day-care and mobile services need to be provided which are as close to the population as possible. Another objective to be achieved to make rehabilitation processes an integral part of the acute care provided in the region, so that in addition to organic healthcare, the capability for self-care and the ability to return to work should receive sufficient emphasis in healthcare process.

Associations set up at a micro-regional or lower level for the purpose of performing specific tasks may provide the appropriate framework for development. However, in order to provide services which reflect the particular attributes of micro-regions, it is necessary that intellectual capacity and infrastructure be developed in line with requirements – especially in local medium and small urban centres and micro-regional sub-centres. Development trends in areas consisting primarily of micro-villages and having a relatively high population are different to those for a micro-region consisting of 15 to 20 municipalities and a micro-region consisting of 50 to 70 municipalities (e.g. Zalaegerszeg micro-region). However, it is true in all cases that improvements in the provision of public services need to be exemplary for the given community and enterprises. Therefore it is a requirement that services need to be run with a low environmental burden, with environmentally friendly, low material and energy demand and renewable energy as far as possible, as well as providing their infrastructural pre-requisites.

In addition to the infrastructural development of public services, training programmes aimed at efficient operation and facilitating the involvement of NGOs should also be supported.

Accessibility of public services and local centres is often made more difficult by the shortcomings in road, railroad and cycle path networks. Poor quality, lack of coordination between community transport centres and the lack of transfer connection points.

Efficient provision of services requires the application of modern information communication technologies, the introduction and application of which, as along with other improvements of the infrastructure can provide a new basis for public services. This significantly increases the ability of underdeveloped areas and small municipalities to retain their population and improves their competitiveness. In order to comply with the challenges of the information society, integrated regional content, knowledge and service development programmes need to be launched; these should take into account the needs of disadvantaged social groups, those living in regions with micro-villages and those excluded from the labour market.

The above objectives support the priority axis of Infrastructure *development of local and regional public services* and related actions.

4.2 HORIZONTAL OBJECTIVES

The West Pannon OP, in line with the horizontal policies of the New Hungary Development Plan, wishes to enforce the following horizontal principles in the development and implementation of priority axes:

4.2.1 Making the requisites for sustainable development available

Enforcing sustainability is a pre-requisite of medium and long term development from an environmental, social and economic point of view. As a result, a fundamental criterion for awarding grants is sustainability and mitigation of external and internal risks to the sustainability of processes as far as possible.

Environmental sustainability

Today, the integrated enforcement of environmental considerations and the issue of sustainable development have become “traditionally” important considerations in the region. This is supported by the region’s overall programme and several sectoral programmes, the relevant decisions and actions of the Regional Development Council (e.g. joining the European GMO-free [Genetically Modified Organism] regions) and by the definition of a joint cross-border vision. The support of environmentally conscious development and the consistent enforcement of sustainable development can provide the region with a significant advantage in the medium and long term not only in terms of quality of life but also economics, so further strengthening the innovative role of the region on a national basis. During the course of the programme, care has to be taken that wherever possible, processes and technologies with low material and energy demand and which implement environmentally conscious management of natural resources are applied, including renewable resources, so that environmental considerations are enforced and in line with this, economic competitiveness increased. The principle of sustainable development demands that the aggregate integrated impact of priorities and actions supported by the OP also have a positive effect on their environment. In line with this, the area required for green field investments needs to be minimised and nature protection considerations enforced as early as the planning phase in their case (NATURA 2000, Sensitive Natural Areas). During brown field investments, care is to be taken for the selective management and reuse of construction waste, **selective waste management is a general expectation for subsidised projects**. A general expectation from the beneficiaries of the OP is that the above considerations also be enforced during public procurement, in line with the EU recommendations on green public procurement.

In coming years, solutions for environmental problems have to be found which improve competitiveness and at the same time complies with EU requirements, prevent indirect harm to health, harm to natural resources and assets, as well as irrevocable environmental damage. It is therefore essential to communicate and promote the processes that influence the state of the environment. Throughout development planning, the principle of **prevention** needs to be applied in order to avoid environmental damage. The environmental problems that need to be solved require decisions that cannot be made with the same attitude that led to their emergence. New, ecological centred knowledge needs to be communicated, primarily to children of school age, planners and decision makers. Throughout subsidised development, the following is to be kept in focus:

- the protection of non-renewable resources, preference for brown field site use,

- availability, access to and free movement in and around those natural and cultural assets which are public assets, as well as public services,
- site selection, local public administration and public service organisation which enforces equal opportunity, sustainability, the safeguarding of assets and safety,
- efficient and sustainable utilisation of local resources,
- increased local environmental awareness, strengthening of responsibility for landscape assets,
- reduction of time spent with everyday travel, the utilisation of journey time, safety and sustainability of travel, reduction of individual motorised transport, the reduction of environmental, technical and public safety risks in transport and freight services.
- interventions enabling energy efficiency and energy saving objectives, to be implemented in the course of the execution of the OP.¹² in concert with Directive 2006/32/EC, the No. 6 Priority of the Union's Energy Efficiency Action Plan and Article 7 of the No. 1080/2006 ERDF Decree.

Social sustainability and equal opportunity

The favourable economic indicators of the region hide internal economic and social inequalities between particular areas in the region. These inequalities are even more severe regarding disadvantaged groups (primarily women, the Roma, those with reduced work capacity, the disabled and the elderly).

In order to eliminate social inequalities in accordance with Article IV of General Regulation No. 1083/2006, the West Pannon operational programme provides for facilitating equality between genders and the equality of opportunities for men and women in the course of the various phases of the planning, implementation, follow-up, and evaluation of the operational programme. Furthermore, the OP ensures compliance with the requirement of preventing discrimination based on gender, racial, or ethnic origin, religion or other conviction, disability, age or sexual orientation, particularly in regard to access to the funds. The change entailing the substantial social and economic advantages resulting from the operation of the above principles may be achieved only by applying and encouraging the application of all of the areas of development policy. To ensure equality of opportunities, particular attention must be paid to equalising regional differences, i.e. to ensure that the opportunities in life of the social groups concerned is not determined in essence by where in Hungary they live.

Social sustainability is directly and purposefully served by the fact that as part of the OP, access to disadvantaged regions and micro-regions is improved and the infrastructure of public services is renewed (thereby improving the opportunities for disadvantaged social groups). As part of urban rehabilitation, rundown parts of towns, as well as those parts of the towns where social groups excluded from the labour market and socially disadvantaged groups live are renewed; this plays a significant part in improving these groups' quality of life. The infrastructure development for basic level educational institutions which implement integrated education contributes to the social integration of children with special educational requirements. Through its development projects the OP is intended to contribute to the preservation and strengthening of identity awareness.

The **minimum expectation concerning equality of opportunities** is established on the basis

of the principles, methods and target groups laid out in the effective Act on Equal Treatment¹³ (including those suffering discrimination based on gender, age, sexual orientation, religion or ethnic identity). The minimum expectation is that all organisations that wish to receive aid should make efforts in relation to their specific projects to describe, apply and implement the requirements and goals relating to the principle of equal opportunities. This aim is achieved by the programme by implementing what is referred to as the minimal principle of equal opportunity; essentially, this means that applicants need to deal substantially with the issue of equal opportunity and take steps in order to implement equal opportunities within their organisation.

In addition to the mandatory provision of equal treatment (prohibition of discrimination), equal opportunities are to be enforced for three target groups within the OP:

1. Gender equality

In order to ensure **social equality of opportunities between women and men**, one key consideration is to increase women's employment, eliminate segregation and to ensure equal access. In its actions, the West Pannon OP increases equal opportunity for women as follows. Through its interventions the West Pannon OP contributes to strengthening women's equal opportunities as described below.

In actions for enterprise development, services to be provided to women entrepreneurs and training courses aimed at improving job opportunities for women are prioritised:

- Favouring women entrepreneurs in actions related to entrepreneurs (consulting, founding new enterprises);
- Favouring women applicants for training courses and career orientation consultancy;

If the infrastructural criteria of micro-regional public services are being upgraded, institutions that may play a role in improving the employment of women are given a priority

- by the development of nursery and pre-school services,
- by introducing of support services near the family and the home;
- by training courses primarily aimed at increasing employment opportunities for women;
- by information and communication development and improving access to tele-working opportunities.

2. Social integration of the Roma

From the aspect of providing for the equality of opportunities, Hungary focuses particular efforts on alleviating the complex disadvantages of Roma individuals and the Roma communities, to facilitate their integration not by one-off campaigns, but by complex social and economic policy interventions. These efforts demand a complex strategic approach, i.e. it must be an integral part of all priorities - in particular, of the regional and social-economic dimension - as a horizontal aspect. These developments must also appear in equalising regional inequalities.

The investment projects implemented with assistance from the Structural Funds must create synergies with the targeted interventions implemented in the course of the 'Decade of Roma Integration', primarily in the areas of education, employment, housing, and health.

The coherent management of programmes involving or affecting the Roma is assisted by a

¹³ Act CXXXV of 2003 on Equal Treatment and the promotion of equal opportunity (<http://www.egyenlobanasmod.hu/data/Ebktv.pdf>)

number of ‘flagship programmes’, the contents of which are described in more detail in Annex 2 to the OP:

- No one left behind!
- Chance for children
- School of the 21st Century

For a general description of the flagship programmes see sub-section 4.4: ‘External coherence of the objectives of the operational programme’

This problem is less relevant for the West Pannon region than for other Hungarian regions, but segregation between the Roma and the non-Roma is very much apparent in some areas. Regarding providing assistance in the **social integration of the Roma**, the OP pays special attention to the elimination of social and economic segregation, positive discrimination and the safeguarding of cultural identity, in order to ensure equal access alongside the principles of complexity and integration.

The OP takes the following actions to help the social integration of the Roma:

- Favouring of Roma enterprises in case of enterprise development support;
- Renewal of parts of municipalities densely populated by the Roma within the framework of integrated urban rehabilitation, by the implementation of employment and social programmes;
- Setting standards corresponding with the principles of integration during the reconstruction of educational institutions, in order to provide equal opportunity for Roma and non-Roma children;
- Providing equal opportunities during the development of the public service infrastructure, development and use of tailor-made solutions;
- Favouring small municipalities and parts of municipalities where the proportion of the Roma population is high during the development of information and communication technologies, in order to facilitate access to information.

3. Equal opportunity for the disabled

When investment projects are carried out, special considerations for **people living with disabilities and changed work capacity** need to be taken into account and equal access to project results has to be ensured, primarily by removing physical and communication obstacles.

Economic sustainability

Enhancements have to utilise the internal resources of the region to the most efficient extent possible and make it capable of continuous economic and technological renewal. The operational programme plays a part in this through the following actions:

- Uncovering of **internal resources** and economic development based on these. The programme is intended to play a part in the activation and enrichment of human capital within the region, by promoting long term cooperation of local micro, small and medium-sized enterprises and the establishment of modern services and a consultancy system. By establishing the local infrastructure criteria of the economy, the OP plays a part in removing the physical obstacles to growth.
- Application of **Info-communication Technologies (ICT)**, improvement of access to

information. Access to developed information communication technologies and the exploitation of inherent opportunities for stakeholders in social and economic life (user skills, content services). Facilitating the application of cutting edge technologies and the knowledge required for efficient use of such technologies.

- **Promotion of employment.** During the implementation of the West Pannon OP,(in line with the Lisbon Objectives of the European Union) key priority is given to the creation of qualified job positions through subsidised developments, thereby increasing employment level in the region and improving the structure of employment.

4.2.2 Regional Cohesion

In order to ensure regional cohesion, the application of regional level thinking and a local approach is of key significance in all areas of development policy, as well as all levels of planning, implementation, project development, monitoring and control. As a consequence of the territorial logic of the West Pannon OP this even more important than the sectoral OPs. In the course of the implementation of the OP's objectives particular attention must be paid, in line with the horizontal policy of the NHDP to applying and implementing the

- objectives of territorial cohesion and
- the horizontal principle of territoriality (territorial approach, territorial focuses, territorial integration, space use principle).

Accordingly, the ROP enforces the local cohesion objectives of the NHDP and the principle of local considerations horizontally; it also receives the relevant NHDP messages, as well as highlighting those OP components especially relevant from an action logic point of view and adds specific addendums.

The fact that the principle of local considerations is taken into account means the during the planning, implementation, assessment and monitoring of the operational programme, special attention needs to be paid to local considerations, as well as the main priorities, actions and projects, in order to ensure that these are actually enforced. This includes: ensuring appropriate professionalism; implementation of data collection required for measurement; application and accountability of the principle during the development, monitoring and assessment of specific action plans as well as during the development, assessment and impact study of projects; representation of local objectives and principles within the system of institutions and the monitoring of programme implementation.

All WPOP development needs to be in line with the target system of the national local policy set forth in the NHDP and the National Regional Development Concept (NRDC), which calls for the following:

- Decentralization and establishing of economic, innovation and cultural centres for the region;
- Convergence of the region's most disadvantaged areas and improvement of poor social and economic indicators for those areas;
- Development of multi-level interconnection systems for the urban network, urban functions for local services, management of social and environmental problems facing towns;
- Development of new, unique and sustainable roles for rural areas;

- Opportunity for the support of regional integrated programmes in areas of national significance (Balaton, Szigetköz – Moson-Duna) and regional significance (Neusiedler area, Hanság, Sokoróalja, Pannonhalma Hills, Lower Alps, Vendvidék, Vasi-Hegyhát, Kemenesalja, Őrség, Gőcsej, Hetés, South Zala)
- Enforcing regional priorities in certain sectors.

The application of the ROP area usage principles guarantees that during development, land use and planning is sustainable, safeguards assets, safe, efficient and supports equal opportunity.

4.3 INDICATORS ASSIGNED TO THE OBJECTIVES

Objective	Type of the indicator	Definition of the indicator	Unit of measurement	Basis value (2004)	Target value (impact: 2015, outcome: 2013)	Source :	
Overall objective	Impact	GDP per capita growth in the region	%	100	135	CSO	
	Impact	Employment rate in the region (age 15 to 64)	%	61.4	62.5	CSO	
	Impact	Number of new jobs created by the programme in the region (gross jobs created)	number of persons	0	2000	MA	
Specific Objectives	1.	Impact	Value added growth of enterprises in the region generated by the programme	HUF million	0	100,000	KSH/APEH
		core indicator	Value of investment projects triggered by the aid	HUF million	0	20000	MA
		context	New offices and premises created by SME's in the region	number of units	-	1000	CSO
	2.	Impact	Growth in added value generated by the hotels and restaurants sector	HUF million	0	35000	CSO
	3.	Result	Utilised brown-field area	hectares	(41,5 – 2004-2006 period)	50	MA
4.	Result	Increase in the number of residents having access to micro-regional centres within 15/20/30 minutes by public roads	number of persons	to be established in 2007	10 % increase	NDA	
5.	Impact	Decrease in the share of pupils not able to meet basic knowledge criteria in those schools where the share is more than 50%		to be established in 2007	20% decrease	MA	
Horizontal objectives	core indicator	Number of women employed in full time jobs created as a result of the programme	number of persons	0	1000	MA	
	core indicator	Number of people with disadvantages employed in full time jobs created as a result of the programme	number of persons	0	500	MA	
	Result	Number of disadvantaged students attending supported education/training institutions	number of persons	0	1,500	MA	

4.4 EXTERNAL COHERENCE OF THE OBJECTIVES OF THE OPERATIONAL PROGRAMME

The coherence of programme objectives with Community Strategic Guidelines, the National Reform Programme, the New Hungary Development Plan, and the Sustainable Development Strategy.

Alignment of overall objective

The **overall objective** ensures that the *main objectives of the European Union Lisbon Objectives, the National Reform Programme and the New Hungary Development Plan*, economic growth and increased employment are developed in a manner which makes use of the regional and local environment. The West Pannon Regional Operational Programme also plays a role in increasing the competitiveness of the European Union and achieving the objectives set.

Coherence with specific objectives

Coherence with the Lisbon Objectives of the European Union

Specific objectives, as part of the implementation of the overall objective, play a role in the implementation of the objectives of economic growth and employment. While specific objectives 1 and 2 directly serve economic development, economic growth and increased employment levels, specific objectives 3, 4 and 5 play an indirect role in the implementation of the Lisbon Objectives of the European Union; they do so by establishing a favourable economic environment and establishing the conditions for favourable employment structure.

Coherence with the Community Strategic Guidelines:

Specific objective 1 is in coherence with the following objectives of the Community Strategic Guidelines:

- Increase and development of investments in research and technology development;
- Facilitation of innovation and providing incentives for entrepreneurial spirit;
- Increasing the adaptability of employees and enterprises and labour market flexibility;
- Increasing investment in human resources through better education and vocational training.

Regarding local dimensions:

- Contributions of larger towns to growth and employment;
- Support to the economic diversity of rural areas.

Coherence of specific objective 2 with the Community Strategic Guidelines regarding local dimensions:

- Support to the economic diversity of rural areas.

Coherence of specific objective 3 with the Community Strategic Guidelines:

- Strengthening cooperation between environmental protection and growth.

Regarding local dimensions:

- Contributions of larger towns to growth and employment.

Coherence of specific objective 4 with the Community Strategic Guidelines:

- Expansion and development of transport infrastructures;

Coherence of specific objective 5 with the Community Strategic Guidelines:

- Providing incentives for an information society for all;
- Increasing investment in human resources through better education and vocational training;
- Improvement of the administration capacity;
- Helping to maintain a healthy workforce.

Regarding local dimensions:

- Support to the economic diversity of rural areas.

Coherence with the Sustainable Development Strategy:

The various interventions to be implemented in the course of executing the OP - in line with Article 17 of Chapter IV of General Regulation No. 1083/2006; with the horizontal objectives of the NHDP, and the key challenges of the Sustainable Development Strategy adopted and renewed by the European Council (15-16 June 2006) - support sustainable development; and the objectives relating to the protection of the environment and the improvement of its state; particularly restraining global climate change.

Coherence with the National Action Programme (NAP):

Specific objective 1 facilitates the implementation of the following guidelines:

- Guideline 7: Providing incentives for research and development (R&D) by creating bridging institutions
- Guideline 8: Providing incentives for all forms of innovation – using innovative entrepreneurial networks, clusters and technology incubators
- Guideline 11: Providing incentives for the sustainable use of resources – by focusing on environmentally friendly industries
- Guideline 15: Establishing an environment supporting small and medium enterprises – by providing business consultancy
- Guideline 24: Education and training in line with the demands of the labour market – by the development of career orientation consultancy and the introduction of career services

Specific objective 3 facilitates the implementation of the following guidelines:

- Guideline 16: Improvement of accessibility – by developing community transport

Specific objective 4 facilitates the implementation of the following guidelines:

- Guideline 16: Improvement of accessibility – by developing links between municipalities
- Guideline 11: Providing incentives for the sustainable use of resources – by supporting the prevention of environmental damage and increasing environmental awareness

Specific objective 5 facilitates the implementation of the following guidelines:

- Guideline 2: Long term sustainable development and budgetary stability – plays a role in the reform of the healthcare, municipal and public administration systems
- Guideline 9: Providing incentives for the use of information communication technologies – by electronic service and content development and the development of electronic public administration for municipalities
- Guideline 23: Increasing investments aimed at human resource development and improving efficiency by modernising public administration infrastructure

Coherence with the New Hungary Development Plan (NHDP):

All specific objectives of the West Pannon Regional Operational Programme are aligned with several specific objectives of the NHDP and play a role in achieving these. Several objectives of the programme play a direct role in achieving specific NHDP objectives.

NHDP Objectives		West Pannon OP Objectives				
		Specific objective 1:	Specific objective 2:	Specific objective 3:	Specific objective 4:	Specific objective 5:
Expanding employment	is in the following type of relationship with the improvement of the individuals employability and with increasing his activity in the labour market	in coherence	in coherence	in coherence		in strong coherence
	with the expansion of demand for labour , i.e. with encouraging the creation of more and better jobs (particularly in disadvantaged regions)	in coherence	in coherence			
	with the development of a labour market environment providing for a balance between demand and supply	in coherence				in coherence
Permanent growth	with the improvement of competitiveness	in coherence	in coherence			
	with expanding the basis of the economy	in strong coherence	in coherence	in coherence	in coherence	in coherence
	with the development of a new business environment	in coherence		in coherence	in coherence	in coherence

Flagship projects

The effectiveness of the interventions of the West Pannon Operational Programme is improved by the concerted implementation of the development projects of the various operational programmes which mutually reinforce one another; these are elements that are planned in an integrated fashion as so-called ‘flagship projects’. The flagship programmes are priority development areas addressing problems affecting certain particularly important sectors, regions. or social groups. The importance of these programmes does not lie in their scope or amount, rather, they are important because they can be clearly presented to the target

groups. Flagship programmes offer solutions to complex problems. Separate complex frame-documents are elaborated to lay down foundations for the necessary interventions. The interventions so determined are planned within and as integral parts of the operational programmes. The coherent implementation of the programme elements and projects of the flagship programmes is ensured by the special selection criteria or procedural regimes (granting advantage, containing guarantee) to be laid out in the action plans to be prepared for the two-year implementation of the operational programmes. Thus the related elements and projects of the flagship programmes are implemented in the framework of the WPOP and the system of executive institutions linked to the programme (Managing Authority and participating organisations).

The various flagship programmes relating to the various priorities of the WPOP will be listed at the end of the discussion of the given priority, as 'connection points'. Brief descriptions of certain priority programmes are given in Annex 4.

- Development poles
- The school of the 21st century
- No one left behind
- Chances for children
- Access for all in Hungary

Relation to the New Hungary Rural Development Programme (NHRDP)

The interventions of the regional operational programmes have been adjusted to the development objectives laid out in the NHRDP. Thematic points separating items from one another are laid out in the descriptions of the various priorities.

Connection to the National Fisheries Strategic Plan

The National Fisheries Strategic Plan financed by the European Fisheries Fund does not support activities that are overlapping with the operational programmes of the NHDP.

Connection to the territorial cooperation programmes

The operational programmes prepared in cooperation with neighbouring countries with the aim of developing regions along the state borders assist the implementation of the objectives of the WPOP. These are executed in the framework of the European Territorial Cooperation (ETC). The WPOP and the ETC OPs are harmonised through the strong cross border impact of the ETC Ops. For example, aid may be granted to the renewal of a road if it crosses the border and the partner across the border also participates in the project. The Regional Development Council provides for cooperation between the WPOP and the ETC OPs and its working organisation actively participates in the execution of the OPs. Cooperation is also enabled in the framework of the National Development Agency by the Managing Authority of the regional OPs and the International Cooperation Programmes Department coordinating ETC OPs.

Relevant operational programmes in the framework of the European Territorial Cooperation programme:

- Austria - Hungary OP
- Slovenia - Hungary OP
- Hungary - Slovakia OP
- Hungary - Croatia OP

Coherence with the Autopolis – West Hungary development pole strategic programme

The WPOP plays the following role in the implementation of the strategic objectives of the Autopolis – West Hungary development pole – in a manner which impacts the whole region:

In case of the objective *Development of knowledge and institutional systems*, the WPOP promotes the implementation by the development of clusters and high quality corporate consultancy. The OP also provides help in similar development objectives for the pole programme in the case of research centres not implemented within the framework of the pole programme, and in cooperation with bridging institutions. By supporting the cooperation of medium and high level educational institutions, the WPOP plays a role in widening the knowledge base set down in the strategic programme of the pole.

Regarding the *Development of services in the knowledge based economy*, the WPOP primarily plays a role by improving the economic infrastructure which is not primarily related to the programme, but which strengthens the pole programme by their multiplicative impact.

Regarding the objective of *Widening the scales of regional cooperation*, the WPOP plays a role in the infrastructural and community transport improvements for the Győr town centre, which is becoming increasingly crowded. This provides an impression of a comfortable environment for local residents and those who intend to move to the area.

Regarding the objective of *Development of the urban environment*, the WPOP plays a role in the aesthetic renewal of the town centre area and those monuments which are of interest for tourists, as well as increasing liveability through urban development actions and the development of tourism infrastructure.

Coherence with national and regional policies

During the definition of the strategy and priority axes of the West Pannon OP, the objectives set forth in the *National Development Policy Concept* and the *National Regional Development Concept* were integrated.

The West Pannon OP is in line with the concept and strategic programmes of the West Pannon Region for 2007 – 2013 and plays a part in its implementation. During the planning of the WPOP, accepted regional policy documents were integrated. These include:

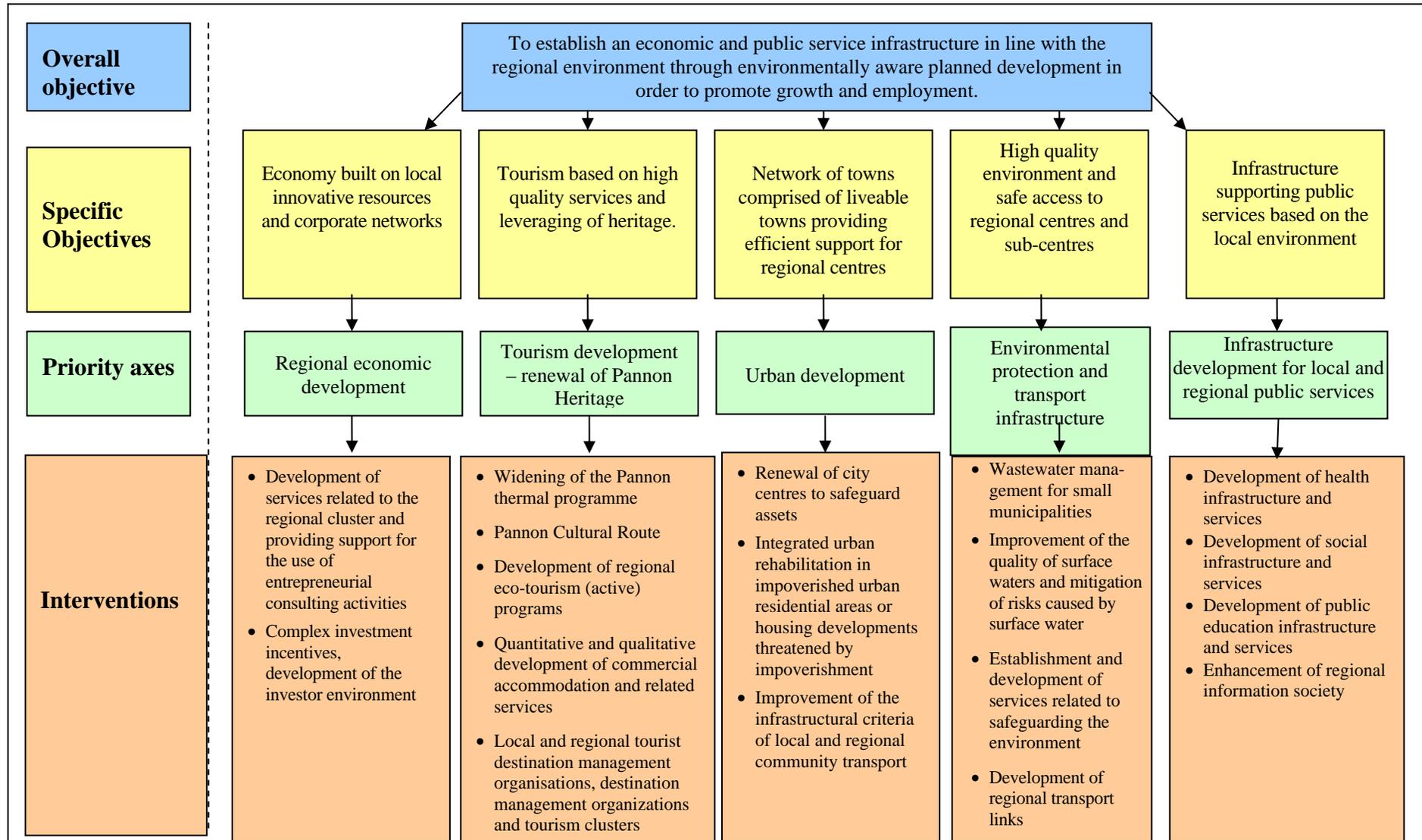
- Unique Character of West Pannon micro-regions – Situation analysis of the Region by Areas
- Source of Innovative Communities
- West Pannon Regional Social Programme
- Coming Home – for Retaining the Human Assets of the West Pannon Region
- Providing Support for the Development of Networked Cooperation in the Higher Education of the West Pannon Region
- Development Programme of Regional Corporate Networks
- Regional Innovation Strategy Programme
- The Thermal Investment programme of the West Pannon Region
- Action plan Ensuring the Priority of Public transport in Larger Cities of the West Pannon Region
- West Pannonia by Bicycle
- Regional Information Society Strategy
- Regional Environment Management Programme
- Solution for the Wastewater Placement of Small Settlements

- 10-year Programme of Regional Cultural Festivals, as well as Related Heritage Tourism Development and Investment Programme
- Preparation of Key Programmes Integrated Thematically on a Micro-region Basis
- West Pannon Public Education Institutional Investment Framework Programme
- Regional Public Education Development Plan
- Creation of the West Pannon Regional Transport Association
- Creation of a Regional Innovation and Investment Fund
- West Pannon Landscape Management Programme (fallow areas)
- West Pannon region's health programme

The above documents are available on the Web pages www.westpa.hu and www.westpa.hu/rhti.



4.5 LOGIC OF INTERVENTIONS





4.6 OVERALL OBJECTIVE CONTRIBUTION OF COMMUNITY FUNDS TO THE FUNDING OF THE OPERATIONAL PROGRAMME BY INDICATIVE CATEGORY

The indicative distribution of the resources of the West Pannon operational programme according to the categories set forth within Annex XVIII of the Implementation Regulation of the European Commission can be found in *Annex 3*.

4.7 LOCAL CONSIDERATIONS

During the implementation of each of the strategic objectives and priorities, the intention is to take into account the peculiar criteria of the settlement network in the West Pannon Region:

1. Cooperation of larger towns by the distribution of functions, in order to organise economic clusters and promote innovation

There are **five towns with county jurisdictions** that have a dominant role in the region and a significant potential for regional organisation: Győr, Szombathely, Sopron, Zalaegerszeg and Nagykanizsa. It is characteristic of these towns that they play an economic, employment and public service role in an area beyond their own micro-region and therefore their development also defines the development of their wider environment.

Győr, a **regional development pole**, is the town with the strongest potential for economic strength and innovation. Its industry is primarily connected to car manufacturing (which is dominant nationally), but new industries based on technical sciences are also starting to become dominant. The town needs incentives for innovation oriented development, primarily related to auto manufacturing (auto industry cluster) and the ongoing improvement of the related knowledge base. It is in the fundamental interest of both the town and, through the town, the region, to integrate into the European economy through several strands. This can be achieved by basing the capacity for renewal on a broad knowledge base, increasing cultural richness and existing potential.

The strengthening of the industrial, logistical and innovation role of Győr – Sopron – Szombathely – Zalaegerszeg – Nagykanizsa **alongside the north-south transport and economic axis**. Developing the region's tertiary education and research capacities. Strengthening of the network of economic, cultural, administrative and public administration functions of the region. The provision of incentives for high added value economic activities to relocate to the area. Improvement of access for conurbation areas and localities and sustainable transport organisations.

2. Strength oriented integrated development of special areas of the West Pannon region with “central town” centres

Enhancement of organisational and public service functions of local centres without significant special attributes (towns, centres of micro-regions), extension of local employment opportunities, improving access. Creation of an attractive townscape by enhancing the municipal environment and undertaking urban rehabilitation. Unique

development of centres with special attributes. Our aim in strengthening the central local roles of medium and small towns is:

- Strengthening local attributes and links with suppliers in areas characterised by high foreign investment activities (e.g. the areas of Mosonmagyaróvár, Szentgotthárd and Körmend), where movement in the direction of an innovation-driven economy is to be supported;
- Quality development and successful positioning of tourist destinations with international or national significance (areas of Keszthely-Hévíz, Pannonhalma, Sopron-Fertőd, Kőszeg, Körmend, Csepreg, Sárvár, Mosonmagyaróvár, Zalakáros, Zalaegerszeg, Zalaszentgrót).

3. Improvement of the quality of life in underdeveloped regions with micro-villages in order to increase the ability to retain the population

The objective in these regions is to develop the municipal environment, to organise public service functions in tailor-made manner, to improve access to micro-regional centres and increase employment.

The integration of rural areas in Győr-Moson-Sopron and Vas County and small municipalities of particular areas into the region's economic and social life (areas of Kapuvár, Csorna, Pannonhalma and Celldömölk):

- To strengthen the functions of micro-region centres so that they are able to adapt to new economic challenges in public services;
- To strengthen internal accessibility within the region;
- To provide incentives for the development of enterprises, ensuring links to the economic environment of larger towns,
- To provide incentives to create a higher added value economy.

With regard to providing incentives to change the structure of the economy and extend alternative income opportunities in the most disadvantaged micro-regions of the region in Zala and Vas counties (Lenti, Letenye, Óriszentpéter, Vasvár, Zalaszentgrót, Tét), the aim of the programme is:

- to provide key incentives for the establishment of good quality economic infrastructure;
- to support investment incentive activities;
- to provide consultancy for enterprises so as to promote progress and market development, based on regional resources;
- to improve local access to micro-regions and ensure the accessibility of local centres and local sub-centres;

However, during the implementation of the programme, attention needs to be paid to those municipalities that while not in the most disadvantaged micro-regions, based on their municipal level indicators and relative development level are in a more favourable category. Regarding the support of these municipalities, they may be asked to provide a lower proportion of costs themselves.

4.8 EXPERIMENTAL APPROACHES, EXCHANGE OF EXPERIENCE

4.8.1 Innovative and Experimental Approaches

The West Pannon operational programme allocates an indicative fund of €5 million for the development of new actions (projects and approaches) within the *Regional economic development priority axis*, and the *Development of the infrastructure of local and regional public services*, based on the Regional Innovation Strategy (RIS). During the implementation of the action, it tests projects and approaches and implements them. The ones that are successful may be implemented on a more extensive bases in subsequent years of the operational programme. Successful projects will be innovative, useful (capable of providing an answer to a requirement set out) and feasible (capable of using the funds efficiently and on time).

Experimentation is a work process which starts with discussions on the new ideas conducted with relevant stakeholders within the framework of the regional innovation strategy. Following this, these new ideas are tested on small scale experimental plans for a brief period. The results of these pilot projects are analysed. As soon as the results are produced, successful projects are developed further, within the context of the OP priorities. Less successful actions are discontinued, but the analysis of difficulties and obstacles ensures that useful knowledge is created in the region.

This low headcount work organisation performs:

- process of experimentation – including the development (or modification) of the regional innovation strategy, in cooperation with regional stakeholders;
- identification of topics involved in experimentation;
- selection of projects;
- monitoring, analysis and distribution of results.

The progress of the experiments and the results of the pilot projects are discussed regularly at the meetings of the Monitoring Committee and described in the annual implementation reports.

4.8.2 Exchange of experience in the framework of the 'Regions for economic change' initiative

The Managing Authority commits itself (if relevant) in the framework of the 'Regions for economic change initiative' launched in 2006 by the European Commission, to:

- a.) Take the necessary actions to integrate in its main programming process the innovative activities that are related to the output of networks of which the region is a member.
- b.) In the annual report it will provide information on the implementation of regional activities launched in the framework of the 'Regions for economic change' initiative, using the network's experience.

4.8.3 Exchange of experience in the framework of the URBACT programme

Since 1 May 2004 Hungary has been a member and participant of the URBACT Community

Initiative programme, which effectively draws attention to issues of rural development and also transfers experience in certain areas. Besides Budapest, which was an active participant right from the beginning, an increasing number of large and medium sized towns in Hungary are joining the programme, which is assisting cooperation among towns and mutual exchange of experience.

In the framework of the preparations for the 2007-2013 aid period, a total of 11 towns are joining the 'Urbact Support for Cities' programme to ensure that they receive aid in a way fully in line with their regional operational programmes for the elaboration of their urban development strategies. Continuing the programme enables Hungarian towns to adopt experience from older Member States and thereby to ensure focusing on the urban dimension in the framework of Hungarian development actions

4.9 PARTNERSHIP CONSULTATION OF THE OPERATIONAL PROGRAMMES

The National Development Agency presented the operational programmes for social discussion on 16 October 2006, at the same time as making all 15 programmes available at www.nfu.gov.hu. 14 operational programmes (with the exception of the Implementation Operational Programme) have been presented for social discussion; relevant opinions were accepted up until November 8.

The methodology of the partnership consultation was based on the tools applied during the discussion of the New Hungary Development Plan. The Agency requested approximately 4,000 partner organisations – including professional, representative and NGO organisations, representatives from economics and science – directly by mail or e-mail to participate in the discussion. Social discussion was open, since anyone had the opportunity to download the operational programmes from the agency's home page, together with the related questionnaire and to submit this, filled out, to the e-mail address of the operational programme as indicated.

The discussion was based on an structured, electronic questionnaire, which simplified data collection and processing. In total nearly 1350 organisations submitted their opinion using the electronic forms, as well as in written form. This was available through the website in the interest of transparency.

Additionally, the Agency organised a series of forums to discuss both sectoral and regional operational programmes, with the participation of the representative of the appropriate ministry and the competent member of the Development Policy Management Body. The group of organisations invited for the forums had been specified using a database containing nearly 4,000 partner organisations. The database contains a summary of the partners of all planning units – ministries, offices with national competence and the regional development council. Approximately 20 to 25 social, professional, scientific and NGOs which are dominant in shaping opinion related to the given topic received an invitation for the discussion forums on each sector. The date of each discussion forum was posted on the website and applications from organisations which had not received a preliminary invitation were accepted. A structured memorandum was drawn up for each of the nearly two-hour discussions planned. These are also available on the agency website. Key macro forums, including the National Collective Conciliation Council (which has a decision preparing National Development Committee which regularly meets with the National Development Agency), the Economic and Social Council, the Hungarian Academy of Sciences, the National Environmental Protection Council, the National Regional Development Council, as well as the National Development Council established on 5 September 2006 all put each

operational programme on their agenda. Regional operational programmes were discussed at the meetings of regional development councils in the regional centres. Audio recordings were made of the opinions and recommendations raised at the council meetings and therefore the minutes taken could be downloaded from the website. In addition to sectoral regional and macro forums, the Development Policy Management Body conducted ongoing discussions regarding the operational programmes' content.

All opinions were received by the deadline in a table format and processed by the Agency in line with the structure of the given operational programme. The planning units responsible for each topic drew up their draft proposals in response to the remarks found in the tables, indicating whether they were approved, rejected or partially approved. Regarding the final decision on each proposal, the first discussion was held by the Operational Programme Inter-ministry Coordination Committee for one to two days and a decision was made by the Operative Planning Committee for both sectoral and regional operational programmes.

Following a decision on opinions and recommendations received, the organisations submitting their opinion received a personalised response, was previously the case following the closure of each social discussion.

4.9.1. Partnership consultation regarding the Planning of the Operational Programme within the West Pannon Region

The West Pannon Regional Development Council set up the **Regional Planning Network** in 2004. The network encompasses experts of the region who are active in various fields – based on voluntary applications. The role of the Regional Planning Council is to provide a wide background of experts to contribute to drafting and evaluating development documents (such as the Regional Operational Programme) as early as the work phase of the documents. Almost as many as 200 experts participated in this work, primarily through a home page created for this purpose (www.westpa.hu/rhti). In addition, meetings are organised every month or every second month, so that the current development documents can be discussed. The experts represent the following areas of expertise: economic development, infrastructure development, environmental protection, employment, health, social, cultural, tourism, and rural development. During their work, they represent county and municipal councils, micro-region associations, NGOS and governmental organisations.

The Regional Development Council accepted the document “**Development of West Pannon 2007 – 2013**” document in April 2005, which had been drafted with the cooperation of the Regional Planning Network and the coordination of the Regional Development Agency. While drafting this document, we relied on the development documents of the region drawn up previously for specific fields of expertise within the region and the experience of the earlier programmes. This document contains the main objectives and strategic directions. The contents of the ROPs and the sectoral OPs were differentiated during sectoral and regional separations and this document served as the basis during the drafting of the first version of the ROP. Furthermore, this document acted as the basis for the complex regional development programme document system of “Partnership 2007 – 2013”. It was within the framework of “Partnership 2007 – 2013” that the overall coherent development concept and programme for the five towns with county jurisdictions, three counties and the region was drawn up in 2006. Programme documents forming part of the overall system had also been drafted based on the operational programmes, providing a summary of development opportunities in the region. Discussions held with sectors and understanding of regional interests have become clearer as a result. The approval of the general assembly and the council are expected by December

2006.

Following the drafting of the first version of the **West Pannon Operational Programme** in January 2006, the Council put the process of the National Development Plan on the agenda for all meetings and accepted all major versions in order to continue planning seamlessly. In addition to the Council, the documents have been discussed in various states of readiness at several forums and conferences. The operational programme was constantly on the agenda at meetings of organisations such as the regional micro-region association, the county meetings of the National Association of Settlement Municipalities, the meetings of the Regional Tourism Committee and the meetings of the Regional Health Council; at these meetings, comments from experts provided help for regional planners.

A broad range of civil society organisations were also consulted, though they were far less active than the relevant public administration organisations. They were invited to make their comments primarily at regional fora where we presented the Operational Programme. These regional civil society organisations included: West Pannon Civil Reconciliation Forum; Regional Environment Protection Forum; Regional Social forum and regional committees with representatives of civil society organisations: Regional Public Property Committee, Regional Sports Development Committee, one committee for public treasures, one for sports development. These fora showed areas for development that could expand the operational programme. With alternative social services in the area of social activities and by facilitating as extensive as possible participation of civil society organisations in the performance of public services. The programme was expanded by adding development projects linked to certain public education tasks and by the introduction of a focus on sports, where the programme may horizontally affect the area.

The West Pannon operational programme was positively received by those involved in the coordination (consultation) process. Those making comments agreed in essence with the key strategic orientations and goals of the operational programme, but a number of comments were related to the development goals established at a sectoral level, instead of regional objectives and some action plan level proposals were also made, which will be dealt with on that level. Moreover, we received a number of useful comments and proposals from the aspect of the development of the region that have been incorporated in the operational programme.

The majority of comments from civil society organisations were made by those focusing on the protection of the environment. In their proposals they asked for strengthening environmental considerations, their horizontal representation and application in the execution process and accordingly, we expanded the programme to such activities. One important comment was that within the environmental priority there should be a separate intervention for shaping people's attitudes and awareness, which we also approved. Civil society organisations for the equality of genders also made comments, asking for a more definite representation of equality of opportunities among the horizontal considerations. This has also been integrated in the programme.

Several organisations noted that more emphasis should be laid in the operational programme to the analysis of the economy of the Balaton region and on the available opportunities for development. Lake Balaton appears in the document as a special territorial unit, in terms of both situation analysis and strategy. In regard to the region's SWOT analysis, the stakeholders proposed that the riches of the region in terms of natural, cultural, and man-made environmental values be listed as one of the region's strengths. Some highlighted the importance of the Pannon Cultural Route.

In relation to the improvement of the local and long distance public transport infrastructure,

the participants noted that there should be an opportunity for constructing new bus stations as well. Providing financial assistance to the drainage of precipitation in municipalities and to the rehabilitation of polluted areas was also integrated in the OP based on civil society organisations' proposals. Another comment integrated in the operational programme was to provide access to all relevant buildings and to set up a new integrated institution to carry out the functions of nursery, pre-school, and day care for children.

A number of indicators and technical terms were also clarified in the document.

Comments and recommendations coming from regional partners, the staff responsible for planning and the Brussels Commission were integrated on an ongoing basis into the current version of the operational programme. This is how the version of the West Pannon Operational Programme submitted for final approval came to be completed. The list of organisations from which comments were received in the course of the social consultation process is presented in Annex 5.

5. PRIORITY AXES

5.1 REGIONAL ECONOMIC DEVELOPMENT

5.1.1 Priority Objectives

Objectives

- Development of regional enterprises by facilitating networking and providing modern consultation activities;
- Further development of on-site infrastructure and industrial parks services;
- Strengthening the regional focus and labour market alignment of vocational training and higher education in line with the regional economy's special requirements.

Indicators

Type of the indicator	Definition of the indicator	Unit of measurement	Basis value	Target value	Source
result	Turnover growth of companies participating in newly established clusters	%	0	7% per year	MA
result	Increase in utilisation level of supported industrial parks	%	67,76% (year 2007 figure)	77%	MA

5.1.2 Interventions, types of operations

Improvement of services related to the regional cluster and the use of entrepreneurial consulting activities

Cluster initiatives launched during recent years have only partially been able to comply with the requirements set down for them. One key reason behind this is the chronic financing problems and the human resource problems that are in part resulting from those financing problems. As a result, despite the fact that cluster initiatives are in operation, there would be corporate demand for sector specific services, even in sectors that are most advanced regarding clusterisation. The systematic uncovering and providing of such services would greatly help the cooperation process and the strengthening of these key sectors. Those cluster specific services should be supported primarily are the ones which serve the interest of the whole regional cluster and an economic ecosystem: one's which go beyond narrow, separate corporate networks.

The encouragement of cooperation primarily between micro and small enterprises, which location specific products and services for the local market; help through consultancy and information services in relation to this, primarily in order to enable them to enter the regional market. Priority is to be given to consultancy activities that contribute to development which transfers environmentally friendly and best available technologies (BAT) and reduce energy use and waste production for enterprises.

The action aimed at services related to the regional cluster and the corporate networks concentrates on the following key sectors of the West Pannon region: auto manufacturing industry, electronics, mechatronics, wood industry, furniture industry, environmental technologies, alternative resources, health and medical tourism. Cluster initiatives related to environmentally friendly technologies and the promotion of such technologies.

To be successful it is very important to establish a partnership based cooperation between the higher education institutions of the region, which network cooperates with the economic actors of the region fulfilling their demands and giving local answers to the challenges of economy using modern technologies.

If these actions are implemented, coherence will be created between the supply and demand service palettes of clusters and cooperation between various sectors will become more widespread.

Indicative list of types of operations:

- Extending and enhancing services provided by the cluster management of existing cluster initiatives, developing information communication systems for the clusters.
- Introducing new services capable of promoting cooperation between the enterprises alongside regional clusters.
- Support of new type of activities serving cooperation and dialog between the economic sphere and the non-profit oriented sector alongside regional clusters.
- Providing incentives for the creation and operation of corporate networks, by supporting special joint activities and investments;
- Supporting consulting activities for enterprises (primarily of local and regional significance);
- Supporting innovative experimentation projects
- Development of the West Pannon Regional Higher Education Co-operation Network in partnership with the representatives of the regional economy and realization of experimentation network co-operation projects.
- Supporting local development initiatives and co-operations in order to create new workplaces.
- Supporting project preparatory activities required for the introduction of services, systems and new types of activities, in connection with specific actions

Development of the investment environment

Due to the relatively high development level of the West Pannon region compared to the national average, over the last decade the organisation responsible for national investment incentives has favoured development in the eastern regions. When providing investment incentives, it is important to establish an investment environment which encourages relocation to the area and services providers, in order to retain competitiveness. This makes organised investment support available, which can also address the small and medium enterprise sector employing a highly qualified workforce at home and abroad. It is also capable of displaying and communicating local attributes and opportunities in a competitive manner.

Another very important component, besides investment supporting marketing tools, is the development of the investment environment and ensuring the infrastructure required for this. By 2006, the region has already had 24 industrial parks, the majority of which are awaiting

enterprises that wish to relocate and have an appropriate technical infrastructure and related services. At the same time, some of the industrial parks within the region are already full and therefore - exclusively in such cases - new areas need to be involved. While for the majority, existing services need to be further developed, so that they can become capable of fulfilling micro-regional functions and providing an increasing number of services related to the enterprise incubation. In order to achieve this, entrepreneurial incubators are being established within the micro-regional centres that are capable of meeting general requirements and ensuring special conditions for start-up enterprises. In the case of larger and medium-sized towns technology transfer centres are set up and the services of already existing centres are improved and expanded.

In order to increase the level of competitive services of industrial parks and industrial premises, we plan to enlarge the scope and quality of these services, including the development of innovative services and technologies within the industrial parks.

In the case of infrastructural improvements, care needs to be taken that eco-innovative and low waste emission solutions are applied and that there is an aim to integrate the Best Available Technologies. The sites of new industrial parks and industrial zones must be planned with a view to the requirements of nature conservation and landscape protection. Natura 2000 areas must be protected in particular. Regarding new buildings and building construction, the application of energy saving solutions based on renewable energy sources is preferred, taking the selective waste management and the highest proportion of waste reuse into account for all developments.

Indicative list of types of operations:

- Active investment incentive activities, intense marketing activities and organisation of the communication of regional supply in order to attract foreign and domestic investment to the region.
- Within the industrial plant environment the development of industrial park infrastructure (aid to creating new industrial parks may be granted only on the basis of well-justified requests)
- Development of the services of existing industrial parks;
- Setting up, development of technology transfer centres
- Establishment of incubator houses, development of their services. (if implemented in industrial parks, then in industrial parks with local and regional significance)
- Infrastructure development of sites not classed as “industrial park”, primarily in existing brownfield areas.
- Supporting project preparatory activities for infrastructural improvements, in connection with specific actions

In the course of the implementation of the priority axis, we mean to take the option of flexible financing referred to in Article 34 Paragraph 2 of Regulation 1083/2006/EC, up to 10 % of the funds for the priority axis concerned. The crossfinancing option between the funds - if this is provided for in the invitation for proposals - may be resorted to by the project owners if the ESF type activities are directly linked to the implementation of an ERDF based project and these activities are required for the successful implementation of the project and/or are aimed at resolving a definitely local special problem.

5.1.3 Final Beneficiaries

- Municipalities and municipal associations;
- Cluster management organisations;
- Coordinator organisations for corporate cooperation networks;
- Employment centres;
- Small and medium enterprises;
- Non-profit organisations;
- Higher education and vocational training institutions;
- Commercial, industrial, as well as professional chambers of trade concerned with further training;
- Research units

5.1.4 Considerations Related to the Separation of Authorities and Coherence with other Operational Programmes:

Links to the so called Flagship projects

The actions set forth within the Regional economic development priority axis are related to the central flagship projects on “Development poles”, as well as “The development of the SME sector”.

Considerations regarding the separation of authorities for the Economic Development Operational Programme (EDOP):

EDOP supports direct enterprise development and modernisation, except for the development of tourism enterprises, which is part of the contents of the WPOP. The EDOP provides financial assistance to research and development and innovation activities, infrastructure, and start-up enterprises; in the case of innovation bridging institutions and their services, the development of the R&D infrastructure and services (research centres, technology/innovation parks), while from among bridging institutions technology transfer centres are provided with funding by the WPOP. Logistics centres belong to the EDOP; industrial parks, and incubator houses belong to the WPOP.

WPOP assists business consultancy relating to enterprise and market development, except for the development of pro-active investment promotion services and those linked to accessing foreign market as well as consultancy linked to JEREMIE type financial programmes. Cluster initiatives are assisted by the WPOP, except for innovation clusters linked to development poles.

Considerations regarding the separation of authorities regarding the Social Infrastructure Operational Programme:

The Social Infrastructure OP includes university development, which have high infrastructural implications, while the WPOP contains improvements based on regional cooperation.

Relation to the New Hungary Rural Development Programme (NHRDP)

The WPOP facilitates cooperation between enterprises, the devel of cluster organisations and R&D innovation transfers and it also provides opportunities for the participants of the agriculture sector.

In regard to the development of a competitive local economy, no aid can be provided from the regional operational programmes if the following parameters are met, for such beneficiaries can access assistance from the NHRDP:

- the 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).
- for an enterprise **more than 50 %** of whose net sales revenue or, in the case of an individual entrepreneur, of whose revenue included in his tax base, comes from **agricultural activities** (TEÁOR (the national system of classification of economic activities) No.: 01.11-05.02).
- investment aid for a micro-enterprise whose development project is **implemented in a village** meeting any of the following criteria:
 - its population density is below 100 persons/km² or
 - the number of its permanent residents is not in excess of 5000 people.

Relation of the priority axis to other actions

The economic development priority is directly related to tourism development actions, urban development, regional access, as well as environmental protection actions.

5.2 TOURISM DEVELOPMENT – RENEWAL OF PANNON HERITAGE

5.2.1 Priority Objectives

Objectives

Asset conscious and multi-faceted safeguarding and protection of the unique natural, historic and cultural heritage of the region, as well as high quality development of these assets in a cluster based cooperation, with a new, unique image, which comprises of the following:

- health tourism and recreation, leisure time improvements based on thermal waters;
- an integrated development chain of historic heritage and cultural heritage, supported by and complementing each other;
- support for thematic programmes and services organised on a micro-regional basis, around eco-tourism appropriate to the area;
- renewal of the system of tourism institutions in the region (setting up tourist destination management organisations).

In the course of the implementation of the priority axis we mean to take the option of flexible financing referred to in Article 34 Paragraph 2 of Regulation 1083/2006/EC, up to 10 % of the funds for the priority axis concerned. The crossfinancing option between the funds - if this is provided for in the invitation for proposals - may be resorted to by the project owners if the ESF type activities are directly linked to the implementation of an ERDF based project and these activities are required for the successful implementation of the project and/or are aimed at resolving a definitely local special problem.

Indicators

Type of the indicator	Definition of the indicator	Unit of measurement	Basis value	Target value	Source
result	Number of guest nights (per 1000 inhabitants)	number of units	3600	4200	CSO
result	Capacity utilisation of hotels	%	37,6%	45%	CSO

5.2.2 Interventions, types of operations

Expanding the Pannon thermal programme

The natural environment of the region has a characteristic image and uniqueness regarding spa waters, since there is a significant supply in terms of both quality and quantity. This is also the only place in Europe where there is a lake suitable for bathing all year round: Lake Hévíz. The quality development of medical services and of the environment raises the standard in those medical and thermal spas which already exist but whose service structure is incomplete. This, as well as the development of existing background infrastructures using

renewable sources of energy (e.g. the modernization of heating systems through the use of solar energy and waste incineration etc.) serves the purpose of maintaining a more healthy environment for all potential spas. Competition between various – mainly market oriented – medical spas is declining, while the scope of health tourism products, facilities and services based on cooperation and making use of the differences between medical and thermal waters is increasing and availability and accessibility is improving. Among developments, solutions with low land use requirements or brownfield solutions are at an advantage.

It is essential to renew the education system to make it capable of supporting health tourism services, as this is lacking at secondary level and higher education in the region and it is a prerequisite for quality development. Within the framework of the **quality** development of medical spa sites, medical and thermal spas which are primary support beneficiaries are key medical spas which are international destinations; secondary beneficiaries are existing medical and thermal spas and tertiary beneficiaries are new medical and thermal spas.

Indicative list of types of operations:

- Development of unique and specialised services at thermal and medical spas and their infrastructure for the purposes of health tourism, recreation and leisure (health oriented services connected to the local healthcare provider are at an advantage);
- Renewing the energy supply systems of thermal and medicinal spas, energy efficient technologies, with a view to the possibilities of utilising waste caloric energy from thermal water;
- Infrastructure and service improvements directly related to the use of supported tourist attractions, e.g. investments related to the improvement of access roads, cycle paths, public areas, parks and the improvement of safety;
- Supporting project preparatory activities required for the development of tourist attraction factors, in connection with specific actions.

Pannon Cultural Route

The utilisation of architectural components of historic and cultural heritage (castles, fortifications, other monuments of varying ages) following renewal, as well as festivals for maintaining traditions, historic themed events, as well as cultural packages organised around specific historical figures and archaeological sites are currently appearing within the region in a sporadic manner. All these require serious investment and funding; the lack of thematic (and in some cases timely) coordination means that complementary opportunities are left unexploited. *The cultural heritage is an attraction on its own, but it is also an important complementary attraction for those arriving with active relaxation and health objectives.* However, for municipalities with significant thermal and health tourism, as well as conference demand, the fact that there are no cultural events available for visitors, especially during wintertime, poses a problem. Also, there is no opportunity to visit other cultural attractions either, as some museums are frequently closed outside of the main season. This seasonality and scattered nature of tourist attractions locations is addressed by multi-faceted tourism programmes and thematic packages organised within the framework of the **Pannon Cultural Route**. Development of cooperation between international networks also helps. By utilising architectural cultural values we mean to facilitate their protection and to generate income for continued preventive maintenance. This will revitalise and preserve customs and traditions, enabling them to be presented and this will expand the cultural offering of the region, strengthening residents' identity awareness.

Actions need to be implemented as far as possible in coordination with the framework of regional thematic journeys, or in coordination with other types of tourist attractions in the region. Solutions with low energy demand which utilizes renewable energy sources, as well as those with low land use requirements or brownfield implementation have to be put at an advantage.

Indicative list of types of operations:

- adding tourism functions to castles, mansions, fortifications and church facilities, which facilitates their link with cultural tourism (renewal of buildings, the castle courtyard, castle gardens, cloisters and garths) and plays a role in creating new jobs;
- development and renewal as needed, as well as extension of visitor friendly services at museums, archaeological sites, and ruins, in order to increase visitor numbers and service levels at museums and to strengthen their role in creating jobs;
- infrastructure development of the location of cultural festivals in municipalities that are of international and national significance and play a key role in tourism (e.g. development of service infrastructure, securing and development of event locations, sound and light technology improvements, public safety components, implementation of festival locations) in order to increase the number of visitors and to create new and sustainable jobs;
- implementation of local information systems to help tourist navigation and the visibility of attractions (e.g. signs), which also include the creation of Internet based applications and cutting edge digital and printed information materials to ensure “on-line” access to the attractions, the digitalization of cultural heritage, marketing and event organisation efforts; the creation of better access requires development related to the removal of obstacles hindering the disabled¹⁴ and providing special presentation methods¹⁵ improvements
- infrastructure and service improvements directly related to the use of supported tourist attractions, e.g. investments related to the improvement of access roads, cycle paths, bicycle lanes, public areas, parks and the improvement of safety;
- supporting project preparatory activities required for the development of tourist attraction factors, in connection with specific actions.

Development of regional eco-tourism (active) programmes

Making use of tourism opportunities offered by the natural environment and the landscape represents the specific components of **eco-tourism**, targeted at presenting the local variety characteristic of the region. This also includes the ability to present the heritage of cultural landscapes broken down into **landscape unit programme packages**. The Szigetköz – Moson-Danube, Fertő region, a Hanság, Pannonhalma hills, Sokoróalja, Hetés, Őrség, Vendvidék, or the Little Balaton, Balaton, Rába River and climatic health resorts etc. have their own unique natural character, which, when offered to groups of guests in various target groups, may strengthen West Pannon’s specific branches of active tourism (e.g. horse riding, water and cycling sports, fishing), even as micro-regional programmes. In the case of eco-tourism improvements, their environmental sustainability plays a key role: the utilisation of tourism assets should not lead to their degradation in the long term. Accordingly, solutions

¹⁴ Attractions also become accessible to those living with a disability

¹⁵ The experience is also provided to those living with a disability, for example by providing captions in Braille

with low land use requirements and brownfield solutions should be at an advantage.

Indicative list of types of operations:

- development of national parks, nature parks and other protected natural areas (nature protection zones) for the purposes of tourism (establishment of visitor centres, development of training bases and training paths, establishment of areas capable of organising demonstration workshops and events, developing tourism paths);
- development of services and infrastructure related to nature and local cultural heritage, representing incentives for active tourism: the development of cycle paths and connected services (rental shops, bicycle centres, standard equipment, etc.) on a national and regional scale, narrow-gauge railroads for tourism, infrastructure improvements related to, water tourism and riverside active tourism, as well as the construction of theme based and experience parks related to eco-tourism, the renewal and maintenance of natural assets and shoreline sections that are showcased;
- implementation of local information systems to aid tourist navigation and the visibility of attractions (e.g. signs), which also include the creation of Internet based applications and cutting edge digital and printed information materials ensuring “on-line” access to the attractions, marketing and event organisation; the creation of better access requires improvements related to the removal of obstacles hindering the disabled ¹⁶ and for providing special presentation techniques,¹⁷ improvements
- infrastructure and service improvements directly related to the use of supported tourist attractions, e.g. investments related to the improvement of access roads, public areas, cycle paths, bicycle lanes, parks and the improvement of safety.
- supporting project preparatory activities required for the development of tourist attraction factors, in connection with specific actions.

Development of commercial accommodation and services

In connection with the development of attractions the quality of the accommodation capacities and services offered here should also be improved if foreign and domestic tourists' increasingly exacting demands are to be satisfied. The development of accommodation and ensuring compliance with modern quality requirements is warranted in places where there is a significant draw for tourists, and where this draw cannot be utilised for lack of existing accommodation capacity. As far as possible, it should involve the application of energy saving solutions that use renewable energy. It has to be ensured that obstacles for the disabled are removed at the accommodation, that family friendly services are provided and the accommodation is run in an environmentally friendly way. Supporting smaller scale operators is recommended.

Accommodation that appears in a manner specialised for the various products offered within the framework of various programme packages characteristic of the region and are attractive for those tourist target groups are established, or their quality is improved.

Indicative list of types of operations:

¹⁶ Attractions also become accessible to those living with a disability

¹⁷ The experience is also provided to those living with a disability, for example by providing captions in Braille

- Expanding commercial accommodation capacities to satisfy increasing demand through developing tourism attractions.
 - increasing the accommodation capacities at higher category commercial units offering high quality services
 - expanding lower standard accommodation capacities, where justified - subject to rates of return - linked to the ecotourism and active tourism offering developed on a regional basis. This activity offers an alternative income source primarily in disadvantaged rural regions, therefore its target group comprises micro-enterprises, small and medium-sized enterprises, and non-profit organisations.
 - creating new accommodations with high quality services, where justified (proven demand, without leading to over-supply), linked to the priority destinations of the region
- Developing the quality of commercial accommodation capacities, encouraging upgrade to higher categories:
 - infrastructure development of accommodation capacities to ‘expand the high season’ and to reach higher categories of convenience (e.g. installing energy saving cooling/heating systems, refurbishment, modernisation of buildings, etc.)
 - expanding services linked to accommodation (e.g. services assisting active spare time activities, e.g. bicycle rental, sauna, development projects for business tourism, e.g. conference facilities, introduction of family-friendly services etc.)’

Creation and development of local and regional tourist destination management organisations and tourist clusters.

Destination management organisation(s) provide help in the current regional disparity of individual tourism services, which, based on the existing system of institutions (e.g. Regional Marketing Directorate, Regional Tourism Directorate, Pannon Thermal Cluster, NGOs), provide efficient for the widest range of promotion of the West Pannon Region for tourism; this is done by establishing e-tourism portals and joint employment systems. Organisations need to be based on cooperation between representatives of the public, private and NGO sphere, within the tourism of a given region.

Indicative list of types of operations:

- development of projects for tourism and coordination of the activities, investigation of environmental impact;
- evaluating complex strategies to bring their destinations to market, to strengthen their position, to promote them, to raise the skills of human capital etc.
- marketing activity in impacted areas for tourism, sale of tourism services;
- creation and development of professional, scientific and organisational frameworks promoting the protection and sustainable development of locations on the UNESCO list of World Heritage sites, as well as those on the list of applicants, coordination and development of the joint cultural and tourism of World Heritage sites

5.2.3 Final Beneficiaries

- Municipalities and their institutions;

- Organisations financed by the central budget and their institutions;
- Consortiums of municipalities and non-profit oriented companies in which the municipality has majority ownership and which carry out activities in the public interest;
- Companies;
- Non-profit organisations, foundations, associations, as well as other legal entities that are non-profit and churches;
- Consortiums of non-profit organisations and municipalities;

5.2.4 Considerations Related to the Separation of Authorities and Coherence with other Operational Programmes:

Links to the so called Flagship projects

The renewal of the Pannon heritage priority is related to the flagship projects Thermal basin of Europe, Balaton all year round, Access for all in Hungary (accessibility) and Energy savings.

Relation to the New Hungary Rural Development Programme (NHRDP)

Within the framework of priority III of the New Hungary Rural Development Programme, support is provided within the framework of the action “Providing incentives for tourism activities” (code 313) based on Governmental Decree 110/1997 of the Utilisation of private accommodation for the purposes of tourism for the development of private accommodation, village heritage houses and village guest table programmes, with the exception of key medical locations, key resort locations, villages classified as medical or resort locations set out in annex 1 to the Regulation. The WPOP integrates the local quality opportunities supported by the EAFRD, with the development of local tourism opportunities in the region.

The ROPs focus on a general and coordinated development of the tourism attraction of a given region, while the NHRDP assists non-commercial private accommodation services in rural areas, along with agro-tourism services linked directly to various agricultural activities. Accordingly, the ROP provides finances to:

- the development of **commercial category** accommodation as specified in the effective relevant legislation,
- along with **tourism services but** not for **agro-tourism** services specified in the NHRDP, that is
 - occasional village and agro-tourism service providing activities specified in Article 59 of Act CXVII of 1995 on the personal income tax,
 - in the range of eligible municipalities specified in this measure (in villages with populations below 5000 or below a population density of 100 persons / km²), services closely linked to basic agricultural activities, such as equestrian, fishing, game, and forest tourism
- attractions and related infrastructure development: comprehensively,
- tourism destination management centres and services: with a territorial coordination objective comprehensively, regardless of size of municipality and of service provider.

Concerning wine-tourism, only projects above 100.00 euro support demand will be financed from the ROP resources, under 100.000 euro demand they will be supported by the New Hungary Rural Development Programme.

Relation of the priority axis to other actions

The priority has key relation to actions aimed at municipal rehabilitation and furthermore with priorities for nature and environmental protection, as well as transport improvements required for efficient implementation. The appearance of training courses which meet regional requirements is also important, for the development of human resources within the fields of health tourism and natural health. This action targets the development of services in tourism enterprises and the issue of providing incentives for investments through the priority of economic development.

In order for the objectives to be achieved, the pre-requisite is in harmony with the New Hungary Rural Development Programme, the Environment and Energy OP and the Transport Development OP during implementation.

5.3 URBAN DEVELOPMENT

5.3.1 Priority Objectives

Objectives

- Integrated rehabilitation of urban centres and rundown urban residential areas;
- Improvement of the living conditions for the disadvantaged population by improving municipal infrastructure;
- Development of urban community transport systems.

Indicators

Type of the indicator	Definition of the indicator	Unit of measurement	Basis value	Target value	Source
Impact	Approximation of complex activity indicator of the rehabilitated area towards city average	%	to be established in 2007	75 % of the average	MA
result	Number of offices newly established in the rehabilitated area	number of offices	0	400	MA
result	Number of people affected by rehabilitation	number of persons	0	30000	MA
Impact	Number of passengers using public transport	number of persons	124,941 (2005)	125,000	MA

5.3.2 Interventions, operations

Renewal of urban centres to safeguard values

The physical, technical, social and economic renewal of urban areas is necessary, with special respect to towns which function as a local centre. Similarly to environmental considerations, the reintegration of underused or unused areas into the settlement network and providing assistance in the change of use for these areas needs to be given a high priority. Regarding support, brownfield developments have an advantage compared to greenfield investments. In the case of renovated buildings, the improvement of energy efficiency (the utilisation of renewable sources of energy in relevant cases) is a high priority, as well as the ensuring disabled access.

In the course of the selection of projects and the preparation of the action plan, the conditions of granting aid are worked out through a consultation process. These conditions are aligned to the domestic urban development and town network development concepts and the local requirements. The so-called two-round procedure is intended to be applied in the process of project selection, enabling the finalisation of the project concept submitted in the first round, through consultations in the second. In the case of large towns, one pre-requisite for granting

aid to a project is the availability of integrated urban development strategies (plans). The number of towns in this region is small in comparison to that of villages, every town functions as a region centre, thus the intervention enables granting financial assistance to every one of the region's towns.

As a result of the actions, an attractive municipal environment and infrastructure can be created, living conditions and the business environment for enterprises and local organisations are improved. Therefore, this also plays a role in better utilisation of local economic potential and especially tourism. The better and safer municipal environment plays a role in enforcing appropriate land use and in the improvement of the settlement network. An attractive living space is created in the region for a highly trained workforce. The pre-requisites of local community life are provided for, which also helps reintegrate disadvantaged groups.

The mobilization of private capital and the application of repayable subsidies in the case of profitable developments play an important role in the implementation of urban development actions. Within the framework of the action, the WPOP intends to make use of the Jessica structure, a programme launched by the European Commission for sustainable urban development. Within the framework of this structure, the operational programme makes it possible to draw urban development funds into urban development actions which can be covered using EIB and CEB loan structures.

Indicative list of types of operations:

- Aesthetic renewal of settlement centres: development of cultural heritage components and areas with significance as historic monuments, functional revitalisation of urban centres, renewal of buildings within well separated parts of municipalities (façade, "street renewal" programmes, renewal of parts of municipalities)
- In addition to renewal, the improvement of energy efficiency in the case of public buildings is related to the action area;
- Transport improvements: public road development serving the purpose of accident free transport which takes the burden off central parts of the town; reduced traffic transport zones and pedestrian zones within action areas, construction of cycle paths and bicycle lanes in parts of the municipality and ensuring access; establishment and development of inter-modal transport nodes;
- Revitalization of existing greenery, increased green surfaces, park development;
- Damage elimination and revitalization in brownfield sites in the centre of municipalities, while adding of new public functions.
- Drawing up action plans, studies and detailed design plans in relationship with current and later public purpose rehabilitation phases;

In the course of the implementation of the priority axis we mean to take the option of flexible financing referred to in Article 34 Paragraph (2) of Regulation 1083/2006/EC, up to 10 % of the funds for the priority axis concerned. The complementarity function between the funds - if this is provided for in the invitation for proposals - may be resorted to by the project owners if the ESF type activities are directly linked to the implementation of an ERDF based project and these activities are required for the successful implementation of the project and/or are aimed at resolving a definitely local special problem.

Integrated urban rehabilitation activities in impoverished urban residential areas or housing estates threatened by impoverishment

The interventions are aimed to be integrated on the basis of the example of the URBAN II Community Initiative and by applying its principles. The URBAN programme has been launched specifically to alleviate problems resulting from urbanisation, aiming at integrated and complex renewal of parts of towns facing economic and social disadvantages (action areas), in unbroken and clearly delimited action areas. Providing remedies to concentrated economic, social, and environmental municipal problems contributes to the development of new economic, cultural, social and community functions and the strengthening of existing functions. This impacts life in neighbouring areas as well as that in the municipality itself. The action is intended to implement an integrated, social urban rehabilitation programme within the town. The demarcation of the action area may apply urban residential areas experiencing or threatened by deterioration (city centre type areas, segregated residential areas such as Roma quarters etc.) Area related actions include support for residential buildings with several apartments, so that timely actions can be employed to prevent housing estates with poor statuses from becoming ghettos later.

The programmes are based on the knowledge of the local level, on the exploration and identification of local problems and on cooperation between local residents, civil society organisations, and economic participants.

This action primarily concentrates on problems facing larger towns (Győr, Szombathely, Zalaegerszeg, Sopron, Nagykanizsa), where the signs of segregation and slum areas have begun to appear, or pose a risk to the further development of certain parts of the town. This action results in the public purpose rehabilitation of larger towns, where possible within the framework of a PPP structure. The so-called two-round procedure is intended to be applied in the process of project selection, enabling the finalisation of the project concept submitted in the first round, through consultations in the second. One pre-requisite for granting aid to a project is the availability of integrated urban development strategies (plans).

The mobilization of private capital and the application of repayable subsidies in the case of profitable developments play an important role in the implementation of urban development actions. Within the framework of the action, the WPOP intends to make use of the JESSICA structure, a programme launched by the European Commission for sustainable urban development. Within the framework of this structure, the operational programme makes it possible to draw urban development funds into urban development actions which can be covered using EIB and CEB loan structures. During the implementation of the action, the improvement of energy efficiency and in relevant cases, the potential to utilise renewable energy is a high priority, as is ensuring disabled access.

The action areas are designated primarily in observance of the set of criteria laid out in Article 47 of Regulation 1828/2006/EC (see annex 6.), regulating the conditions of renovating residential buildings (housing). The amounts that can be spent on renovating residential buildings are limited at project level, on the one hand by observing the strictly regulated internal financial ratios of projects, on the other hand, in coherence with Article 7(2) of Regulation (EC) No 1080/2006 of the European Parliament and of the Council concerning eligible areas, housing expenditure summarized for all OPs concerned shall be a maximum of 2 % of the total ERDF allocation.

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 ...".

Pursuant to the provisions of Regulation 1828/2006/EC, renovation of residential property may be eligible for EU co-financing if the target area where the renovation is to be carried out is experiencing or is threatened by physical deterioration or social exclusion. The deterioration of the target area must be confirmed by a system of selection criteria (indicators). According to the Commission Regulation 10 indicators may be used of which the target area must meet at least three (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.

The target areas eligible for social urban rehabilitation aid fall 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 (KSH):

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

Indicative list of types of operations:

- Creation and renewal of public areas – including public utility network and elimination of asbestos;
- Renewal and extension of public institutions (if related to a new community programme promoting the objectives of rehabilitation), establishment of community locations;
- Renewal and extension of cultural, sport and leisure facilities;
- Renewal of common areas in residential buildings with several apartments;
- Demolition of residential buildings (in special cases, only in case of the elimination of quarters where the residents moved out are moved to apartments with at least a basic comfort level and their social integration is supported by separate programmes also included in the proposal);
- Drawing up action plans, studies and detailed design plans in relationship with current and later public purpose rehabilitation phases;

In the course of the implementation of the priority axis we mean to take the option of flexible financing referred to in Article 34 Paragraph 2 of Regulation 1083/2006/EC, up to 10 % of the funds for the priority axis concerned.

The proposal programme and specific actions need to be based on a professional programme for the action area, the pre-requisite of which is a detailed presentation of the state of the area and agreement with local stakeholders who are to be involved in the programme.

Improvement of the infrastructural criteria of local and regional community transport

Increasingly crowded conditions in the larger towns of the region (Győr, Sopron, Szombathely, Zalaegerszeg, Nagykanizsa) and their conurbation environment, the environmental load caused by vehicle transport and insufficient community transport typical of smaller municipalities require the improvement and support of the conditions for local and regional community transport and services (development of P+R systems, bus lanes, bus bays, passenger transit services, railroad service facilities, bicycle parking, connecting cycle paths and lanes). Such developments are especially important within larger towns and their conurbations in order to decrease the congestion on public roads and the related environmental burden caused by transport. The creation and operation of integrated community transport systems is implemented in such a way that it is possible to involve railroad transport into conurbation transit systems to an greater extent. The issue of organisation of community transport is a significant component in the operation of conurbations and micro-regions; it has an impact of the mobilization of the regional labour market and thereby on employment.

Indicative list of types of operations:

- development of the inter-modal system of connections using the development of transport technology assets;
- construction, renewal and reconstruction of bus terminals, depots and railway waiting rooms based on passenger traffic considerations, development of activities providing help on public transport for those with physical disabilities, ensuring access also for cyclists (rail, ramp, cycle parking).
- improvement of the level of passenger traffic services, development of IT and spatial IT tools with consideration of inter-modality;
- Support for drawing up plans and studies to provide for the efficient transport organisation of each town, conurbation and micro-region;
- Support for smaller public procurement and investments (e.g. bus bays, bus U-turn facilities, waiting rooms) for the implementation of local plans in municipalities within micro-regions;
- Providing support for the creation and operation of regional and conurbation transport alliances.

5.3.3 Final Beneficiaries

- Municipalities and their institutions, municipal associations;
- Consortiums of municipalities and non-profit oriented companies in which the municipality has majority ownership and which carry out activities in the public interest;
- Organisations financed by the state budget and their institutions;
- Non-profit organisations, foundations, associations, as well as other legal entities that are non-profit and churches;
- Consortiums of non-profit organisations and municipalities;
- Public purpose development companies set up in joint cooperation by municipalities and the private sphere, with municipal majority ownership;
- Companies operating local transport.

5.3.4 Considerations Related to the Separation of Authorities and Coherence with other Operational Programmes:

Links to the so called Flagship projects

The priority axis is related to the flagship projects Environment – clean city, green surroundings, Transport, Access for all in Hungary and Energy savings.

Separation of authority regarding the Transport Development Operational Programme (TOP):

The TOP supports investment in urban rail transport, linked to fixed track transport as well as the development of the closely related inter-modal systems (P+R) which help decrease the number of cars in crowded towns.

Relation to the New Hungary Rural Development Programme (NHRDP)

Eligible settlements:

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

Relation of the priority axis to other actions

The priority relates in a key way to the action for tourism development and furthermore to priorities serving natural and environmental protection, as well as transport improvements required for efficient implementation. The connection with Priority 5 facilitating the development of human public service infrastructure is also important.

5.4 ENVIRONMENTAL PROTECTION AND TRANSPORT INFRASTRUCTURE

5.4.1 Priority Objectives

Objectives

- Providing help in the application of environmentally friendly systems which are in line with the settlement network and the landscape, increasing environmental consciousness;
- Safe water of good quality in line with the EU Water Framework Directive
- Improvement of internal access criteria for the municipalities and regions by the developing the lower level public road network and the cycle path network.

Indicators

Type of the indicator	Definition of the indicator	Unit of measurement	Basis value	Target value	Source
outcome	Number of residents with adequate waste water treatment	number of persons	0	15,000	MA
outcome	Number of residents with adequate waste water treatment in the framework of the projects to which aid has been granted	number of persons	0	30,000	MA
output	Length of new roads (four and five digit)	Kilometres	0	50	MA
output	Length of renewed roads (four or five digit)	Kilometres	0	400	MA
output	Length of new bicycle roads	kilometres	0	75	MA

5.4.2 Interventions, operations

Wastewater management for small municipalities

Due to the settlement network of the region, the number of municipalities with a burden below 2,000 resident equivalent (RE) is low. These municipalities are located far from each other and in isolated areas. In many cases, they are located in areas with a water base that is especially sensitive and frequently visited by tourists. While the implementation of a sewage network in towns and densely populated areas is not only essential, but also economic, the method of wastewater management in small municipalities and sparsely populated areas needs to be evaluated for the purposes of both economics and environmental protection. Since it is not necessary to use a complex sewage system connecting several municipalities and central wastewater cleaning in all cases within these areas, it is ensured that wastewater is retained and treated locally.

Indicative list of types of operations:

Waste water treatment in **conurbation areas and municipalities below 2000 resident equivalent (RE)** [as specified in Government Decree 30/2006. (II. 8.)] with the aid of combined technical solutions, near-nature waste water treatment and proper individual waste water deposition by giving preference to small facilities, as part of the Individual Waste Water Treatment National Implementation Programme:

- Investment aimed at natural wastewater cleaning and the construction of a public sewage system (for example, solutions consisting of tree plantations, lakes, root zones and a combination of these)
- Conventional (artificial) wastewater cleaning processes and construction of the related sewage network
- Facilities for professional individual wastewater placement: individual small wastewater deposit facilities, individual small wastewater cleaning equipment.
- Transporting from the site of communal liquid waste on axles and providing for its treatment
- Optimised and combined solutions of the above.
- Support for project preparation activities related to each action

Rehabilitation of municipal waste deposits

The goal of the intervention area is to strengthen protection against adverse impacts of municipal waste and to alleviate detrimental effects of municipal waste. The proposed operations apply only to waste management and rehabilitation tasks relating to duties of municipal governments.

Indicative list of types of operations:

- Exploring, identifying, eliminating, and rehabilitating the sites of carrion pits and carrion burial grounds.
- Closing, sealing, and rehabilitating municipal solid waste deposits and of earth-bed municipal liquid waste deposits.

Improvement of the quality of surface waters and mitigation of risks caused by surface water

In the case of waterways and lakes of regional significance, it is vital that good ecological condition is achieved and maintained, in line with the EU Water Framework Directive. In addition to thorough ecological planning and monitoring, these improvements play a role in improving the quality of the environment and life, as well as protection of the ground water. In national terms, the region is an area with a lower risk of flood. However, due to the varied landscape, renewal and modernization of precipitation drainage systems is called for in municipalities which are at risk. As a result of this action, environmental safety will improve, together with the quality of surface and underground waters, thereby improving the quality of life for those living in affected areas.

Indicative list of types of operations:

- Measures taken to protect the quantity and quality of our waters in water protection areas which are of regional significance:
 - River morphological and ecologically supported rehabilitation of waterways, lakes, cut-offs and forks in line with the EU Water Framework Directive

- Water retaining, water replenishment, water feedback in order to achieve “good quality” (development of the management of inland waters as water supply, regional retention of water, water replenishment, storage, water system rehabilitation)
- Investments related to the drainage of precipitation within municipalities;
- Protection of embankment walls in danger of collapse;
- Support for project preparation activities related to each action

Establishment and development of services related to safeguarding the environment

The protection of natural values is a particularly important aspect of the future vision of the West Pannon region. The lack of concern from the majority of the population for the environment makes the establishment and development of services capable of changing this and increasing environmental awareness important. In line with the local development projects of the regional operational programme we mean to carry out local and regional tasks that can lay down the region’s sustainable development in a long run.

In the course of the implementation of the priority axis, we mean to take the option of flexible financing referred to in Article 34 Paragraph 2 of Regulation 1083/2006/EC, up to 10 % of the funds for the priority axis concerned. The crossfinancing option between the funds - if this is provided for in the invitation for proposals - may be resorted to by the project owners if the ESF type activities are directly linked to the implementation of an ERDF based project and these activities are required for the successful implementation of the project and/or are aimed at resolving a definitely local special problem.

Indicative list of types of operations:

- Developments orientated to the protection, preservation, reconstruction and recognition of values at the areas important in respects of nature and environment protection.
- Welfare protecting developments in order to reduce noise and air pollution by formation of protective avenues and screens.

Development of regional transport links

The internal transport network of the West Pannon region is relatively underdeveloped. This is especially true of main roads along the north-south axis and roads providing access to smaller towns and municipalities. This has a negative impact on regional cohesion and the mitigation of internal inequalities, since access to new opportunities is made more difficult. The problem is especially significant in areas with outlying micro-villages, which are mostly along the border, as well as a high number of municipalities with no through road.

As a result of the action, the construction of roads with micro-regional significance and the renewal of bad quality roads will be taken care of in order to improve general access, as well as to provide quicker and safer access to micro-regional centres and larger towns. These improvements play a role in improving the operating environment for enterprises, as well as promoting the mobility of the population and the workforce, in order to provide better and safer access to places of work and public services. Quick and good quality access to public services in micro-regional centres and sub-centres is especially to be supported. Solutions with low land use requirement and brownfield solutions should have an advantage among the developments to be implemented.

More than 50% of the funds allocated to transport in NHDP will be spent for sustainable transport developments. The WPOP 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., 28. 52.) developments will be 51,17 %.

In selecting four and five digit roads, criteria of the quality of the road (40 % weight) and spatial development aspects (60 % weight) are applied. In the category of spatial development criteria the road's economic importance, better access to public services, the connection of the micro-region to a higher level main road, and improved access to region centres are taken into account. Projects submitted by entities in disadvantaged regions are also given a higher score.

Indicative list of types of operations:

- Renewal and construction of four and five digit roads, as well as roads between municipalities and bypass roads owned by the municipalities (in order to improve access to municipalities with poor access, increasing transport safety);
- Development of ferry stations and the connecting infrastructure that helps join public road across rivers, for public roads belonging to the above category;
- Development of a cycle path network along sections of roads with heavy traffic (primarily along single and double digit main roads and busy urban road sections).
- Support for project preparation activities related to each action

5.4.3 Final Beneficiaries

- Municipalities, municipal associations;
- Consortiums of municipalities and non-profit oriented companies in which the municipality has majority ownership and which carry out activities in the public interest;
- Organisations financed by the state budget and their institutions;
- Magyar Közút Kht.;
- Non-profit organisations, foundations, associations, as well as other legal entities that are non-profit and churches;
- Consortiums of non-profit organisations and municipalities;
- Organisations financed by the central budget and their institutions;
- Public development companies set up in joint cooperation by municipalities and the private sphere, with municipal majority ownership.

5.4.4 Considerations Related to the Separation of Authorities and Coherence with other Operational Programmes:

Links to the so called Flagship projects

The priority axis is related to the flagship projects Environment – clean city, green surroundings, Transport, Access for all in Hungary and Energy savings.

Demarcation regarding the Environment and Energy OP (EEOP):

Conurbations' waste water projects - in areas over 2000 RE as specified in Government Decree 30/2006. (II. 8.) - and if they are covered by EU derogation, are assisted by the EEOP. Furthermore, the EEOP supports those water management projects which relate to lakes and rivers of national significance.

In the rehabilitation area the EEOP co-finances projects crossing region borders and exceeding HUF 650 million while the WPOP provides financial assistance to rehabilitating other solid waste deposits, carrion pits, and earth-bed municipal liquid waste deposits not falling in this category.

Demarcation regarding the Transport Development OP (TOP):

The efficiency of the action is improved by development of main transport roads (single and double digit roads, as well as triple digit roads), aimed at improving access within the region and which is supported via the Cohesion Fund or the Transport Operational Programme. Fixed track transport projects are co-financed by TOP.

Relation to the New Hungary Rural Development Programme (NHRDP)

Within priority III of the NHRDP, actions “for safeguarding and modernising rural heritage” (code 323) support the functional renewal of buildings, structures, as well as natural features and public areas with local protection, in those municipalities eligible according to the Annex of the NHRDP. The NHRDP does not support the establishment of local basic infrastructure facilities (development of the public utility network, water drainage, paving, pavement and cycle path development, etc.)

Relation of the priority axis to other actions

The priority relates in a key way to the action aimed at tourism development and urban development and with priorities for transport development. The relation to the development of human services is also important for environmental awareness. Cycle paths for tourism purposes can be supported in priority axis 2 of the ROP.

5.5 DEVELOPMENT OF LOCAL AND REGIONAL PUBLIC SERVICES:

5.5.1 Priority Objectives

Objectives

- Ensuring access to public humanitarian services, taking the individual settlement network of the region into account and the improvement of services;
- The creation and development of a knowledge based information society, taking the local situation into account.

Indicators

Type of the indicator	Definition of the indicator	Unit of measurement	Basis value	Target value	Source
result	Number of students attending supported education/training institutions	number of persons	0	8,000	MA
result	Increase in the share of children in nursery schools	%	91 (year 2007)	93,7	CSO
outcome	Increase in the number of patients receiving high standard outpatient care services (in the case of supported clinics)	number of persons	0	to be established in 2007	NHF
outcome	Increase in the number of people receiving social services	number of persons	to be established in 2007	to be established in 2007	MA
outcome	Increase in the number of residents accessing broad band Internet at community points thanks to the programme	number of persons	0	20,000	MA

5.5.2 Interventions, types of operations

Development of health infrastructure and services

Due to the micro-village settlement network and the population's poor health, it is essential that *healthcare and related services are made more accessible* and provided on the locally as far as possible. The elimination of parallel active inpatient care provided by healthcare service providers (mainly small hospitals in towns) is also motivated by professional and cost efficiency considerations; organisation and implementation of chronic and rehabilitation services and outpatient forms of care is implemented in parallel with this. In order to focus resources, it is advisable that supporting therapeutic functions are concentrated at healthcare providers with existing professional programmes intended to supply these and that rehabilitation services using these functions are organised around these providers. Following active care, rehabilitation and monitoring of patients is required in the long term or on an

ongoing basis. Patients then need to be reintegrated into normal and provided with professional nursing; this decreases the burden on the family and results in the patients becoming self-supporting and capable of working. There is a need for creating integrated service providing systems to provide for the active and autonomous life of the elderly and to satisfy requirements of conditions that are characteristic of the elderly, along with expanding existing systems, for there is a shortage of wards providing active services for people over 65 years of age with several diseases simultaneously, in this region, where complex diagnostic, therapeutic, and active treatment activities could be carried out to improve elderly patients' conditions.

Indicative list of types of operations:

- infrastructural and IT development for basic healthcare services which are of local importance, where possible integrated in multi-purpose community centres;
- development of micro-regional outpatient centres by improving the necessary infrastructure and facilities of the existing institutional background, in line with the needs for such services in the micro-regions concerned;
- development of local care services for the elderly;
- setting up rehabilitation service centres, by developing rehabilitation services renewed in the wake of the restructuring of the health sector and in view of the necessary infrastructure and facilities
- Support for project preparation activities related to each action

Development of social infrastructure and services

In addition to improving employability, the successful labour market integration of disadvantaged people also requires social services. The development of the infrastructure of social services is a pre-requisite for ensuring the appropriate background of services, for the implementation of programmes aimed at improving those groups most threatened by social discrimination. Regarding access to social services, there are also significant local differences within the region and the appropriate level of services is mostly not guaranteed in the most disadvantaged areas: those with micro-villages and municipalities with no through road.

In the long term, modernising social services serves the purpose of mitigating regional differences, ensuring equal access to services and improving the quality of supply, facilitating the labour market and social integration of disadvantaged groups, such as women with small children living in micro-villages, the homeless, people with addictions, children and young people facing special problems, those with disabilities and the Roma. The task of improving access to public services is laid down in the law regarding people with disabilities, which appears as a requirement for councils of municipalities with a population exceeding 20,000.

Indicative list of types of operations:

- creating infrastructure background for social and child welfare basic service systems (child welfare service; provision of meals; family assistance service; home assistance; home assistance with signalling system; support service; community service provision), along with improvement of the existing systems, integrated in so-called multi-functional community centres;
- introducing services providing daytime care for children, providing the necessary infrastructure requisites, developing and expanding existing infrastructure (nursery, week

nursery, homeschool, supervising children at home, summer day care for children or day care camp type service, alternative services for children;

- Development of day-care for the elderly, people with disabilities, the homeless and people with addictions;
- creating conditions for equal access for people with disabilities, in the case of public buildings providing public services constructing the required structures for providing access for the disabled;
- supporting project preparation activities related to each action.

Development of public education infrastructure and services

Regarding the trained teachers available, their equipment and access to modern training infrastructures, the institutions in small municipalities cannot keep up those institutions that are larger and in a better situation. Models are launched which do not only ensure that the school is maintained, but also create conditions for the continuous development of quality, without increasing expenditures financed from the funds. The only guarantee for the survival of small schools is institutional cooperation. One bottom-up form of this type of cooperation is municipal governments and small schools creating a network in which they mutually share and utilise one another's resources, while raising the standards of education. The pre-requisites for efficient cooperation have been established with the appearance of multi-purpose associations, as have the opportunity for content development. Due to all of the above, infrastructure development within the region favours the establishment of cooperation between nursery schools, multifunctional micro-regional public education institutions, uniform schools in micro-regional centres and the uniform institutions for those with special needs, based on realistic requirements as well as micro-regional and micro-regional cooperation. One pre-requisite for the feasibility of development projects is the implementation of regional and micro-regional public education strategies aligned to the region's sectoral policy strategy (the West Pannon regional public education development strategy).

In order to eliminate segregation in education and to provide equal opportunities, the equality of opportunities for Roma children and young people and others with multiple disadvantages must be provided on the basis of pre-determined criteria that can be monitored, in all education development projects.

To actually ensure equality of opportunities, particular attention must be paid in all infrastructure development assistance projects to the situation in education of students facing multiple disadvantages and those facing disadvantages in the municipalities involved in the development project and in the public education institutions of the municipality concerned. It is particularly important to assess - by reviewing the education organisation practices of the institution or institutions concerned and by comparing the composition of institutions' students - whether the principle of elimination of segregation and the assistance to the education and social integration of disadvantaged students is observed in the municipality concerned.

Particular emphasis must be laid on the content and methodology development of institutions as well in order to enable public education institutions that have been renewed in terms of physical facilities become capable - with the aid of up-to-date methods of pedagogy - of properly addressing issues of segregation, disadvantaged situations, and provision for opportunities.

In the case of infrastructure development projects improving energy efficiency, utilisation of renewable energy sources where relevant and providing access to buildings for the disabled, are of particular importance.

Indicative list of types of operations:

- Development, reconstruction, renewal, modernisation and enhancement of the infrastructure public education and training institutions - involving technical/professional development and ITC improvement - and development of services required for organising more effective service provision (e.g. school bus, organising micro-regional schools), integrated - as much as possible - in so-called multifunctional community spaces,
- Development of student hostels linked to public education institutions, reaching a standard required for the provision of up-to-date services, thereby facilitating the accessibility of high quality education services.
- Supporting project preparation activities in connection with the various operations.

IT developments facilitating the evolution of the regional information society.

Integrated content, knowledge and service development programmes are launched to ensure meeting challenges of the information society and to provide for equal opportunities in access, taking into account the requirements of disadvantaged social groups, those living in micro-villages and of people who have been crowded out of the labour market. Digital equality of opportunity is only one of the dimensions of social problems which are closely related to other social problems. By providing info-communication access we provide for social and labour market participation of people with disabilities.

In the case of information technology development projects, there is a need for links to the central e-administration systems and to the goals of the modernisation of the public administration system. The IT public utility type programme provided for by central information society development projects need to be accompanied by local actions addressing social problems in a complex way, both in relation to application and to investment projects.

Indicative list of types of operations:

- The support of non-centralised community access points and services provided by existing tele-cottage network, based on local demand;
- Strengthening local community content development, establishing local, area level and regional content, mentoring interactive operation, establishment of integrated regional information systems;
- IT development supporting electronic workflows for official and internal municipal workflows for the municipalities, in a manner which is healthy and financially sustainable (connected to the application provider systems to be established within the framework of the Electronic Public Administration OP).
- Supporting project preparation activities related to each action.

Within the framework of this priority axis we would like to use the possibility of developing new, innovative

In the course of the implementation of the priority axis we mean to take the option of flexible financing referred to in Article 34 Paragraph 2 of Regulation 1083/2006/EC, up to 10 % of

the funds for the priority axis concerned. The crossfinancing between the funds - if this is provided for in the invitation for proposals - may be resorted to by the project owners if the ESF type activities are directly linked to the implementation of an ERDF based project and these activities are required for the successful implementation of the project and/or are aimed at resolving a definitely local special problem.

5.5.3 Final Beneficiaries

- Municipalities and their associations, municipal institutions;
- Non-profit organisations, foundations, associations, as well as other legal entities that are non-profit and churches;
- Companies;
- Health institutions;
- Social institutions;
- Educational institutions;
- Representative organisations of village caretaker services;
- Organisations financed by the central budget and their institutions.

5.5.4 Considerations related to the separation of authorities and coherence with other Operational Programmes:

Links to the so called Flagship projects

The priority is connected to the flagship projects titled 21st century school, Knowledge is chance, Chances for children, No one left behind, Accessibility for all in Hungary, Healthcare, as well as Non-stop administration.

Relation to other operational programmes:

The priority is closely connected to the State Reform OP, the Electronic Public Administration OP, the Social Infrastructure OP, and the Social Renewal Operational Programme.

The content developments comprised in the Social Renewal Operational Programme (SROP) are closely linked to the renewal of the infrastructure of public education institutions. In addition to various targeted programmes on the basis of the analysis of the situation in terms of equality of opportunities at the organisation operating the institution and at the institution itself, that have to be submitted on a mandatory basis with all public education institution development application, SROP provides additional development funds for implementing the equality of opportunities programme to resolve problems identified in the situation analyses.

Relation to the New Hungary Rural Development Programme (NHRDP)

The OP supports the 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 OP supports the development of 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 outskirts of the cities, towns and

these settlements.

The OP supports 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 NHRDP provides assistance to the development of single or multipurpose community and service providing spaces - carrying out other than mandatory local governmental or administrative functions - in villages, along with the continued development of rural basic services, including the services provided by the village and homestead caretaker network.

Relation of the priority axis to other actions

The priority is linked to those focusing on transport developments as a consequence of nature conservation and environment protection as well as access conditions in order to promote environmental awareness.

5.6 FINANCING THE IMPLEMENTATION OF THE WEST PANNON OPERATIONAL PROGRAMME (TECHNICAL ASSISTANCE)

Objectives: 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%

5.6.1 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%

5.6.2 Technical Assistance activities carried out under the West Pannon 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;

6. INDICATIVE LIST OF MAJOR PROJECTS

The West Pannon Operational Programme (WPOP) currently does not plan any major projects for the 2007-2013 period.

7. FINANCIAL ALLOCATION

7.1 ANNUAL FINANCIAL ALLOCATION OF THE WEST PANNON OP (TABLE A)

Reference (CCI) number for the operational programme: 2007HU161IB003

At current price in euros

Year		ERDF (1)	Cohesion Fund (2)	European Union Total (3)=(1)+(2)
2007	In regions without transitional support	65,205,692		65,205,692
	In regions with transitional support			
	Total	65,205,692		65,205,692
2008	In regions without transitional support	63,293,216		63,293,216
	In regions with transitional support			
	Total	63,293,216		63,293,216
2009	In regions without transitional support	60,309,072		60,309,072
	In regions with transitional support			
	Total	60,309,072		60,309,072
2010	In regions without transitional support	62,483,170		62,483,170
	In regions with transitional support			
	Total	62,483,170		62,483,170
2011	In regions without transitional support	70,936,210		70,936,210
	In regions with transitional support			
	Total	70,936,210		70,936,210
2012	In regions without transitional support	68,755,103		68,755,103
	In regions with transitional support			
	Total	68,755,103		68,755,103
2013	In regions without transitional support	72,770,430		72,770,430
	In regions with transitional support			
	Total	72,770,430		72,770,430
Total	In regions without transitional support	463,752,893		463,752,893
	In regions with transitional support			
	Grand total	463,752,893		463,752,893

7.2 PRIORITY BASED FINANCIAL ALLOCATION OF THE WEST PANNON OP (TABLE B)

Reference (CCI) number for the operational programme: 2007HU1611B003

At current price in euros

Priority Axis	Source	Mode of calculation of co-financing	Funding by the European Union (a)	Domestic financing (b) (=c)+(d)	Domestic indicative distribution		Total financing (e) = (a) + (b)	Ratio of cofinancing (f) = (a) / (e)	Data for information	
					State (c)	Private (d)			Other financial instruments	EIB loans
Regional economic development	ERDF	Public spending	71,305,470	12,583,318	12,583,318		83,888,788	85.0%	n.a.	n.a.
Tourism development - Pannon Heritage	ERDF	Public spending	109,573,484	19,336,497	19,336,497		128,909,981	85.0%	n.a.	n.a.
Urban development	ERDF	Public spending	88,293,607	15,581,225	15,581,225		103,874,832	85.0%	n.a.	n.a.
Environmental protection and transport infrastructure	ERDF	Public spending	93,059,226	16,422,217	16,422,217		109,481,443	85.0%	n.a.	n.a.
Development of infrastructure of micro-regional public services	ERDF	Public spending	84,824,451	14,969,021	14,969,021		99,793,472	85.0%	n.a.	n.a.
Technical assistance	ERDF	Public spending	16,696,655	2,946,468	2,946,468		19,643,123	85.0%	n.a.	n.a.
Total			463,752,893	81,838,746	81,838,746		545,591,639	85.0%	n.a.	n.a.

* Based on Section (1), Article 53 of Council Regulation 1083/2006/EC a) total accountable costs – also including public and private expenditures b) accountable public expenses

8. PROVISIONS CONCERNING THE IMPLEMENTATION OF 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.

8.1 MANAGEMENT

8.1.1 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 as well as with flagship projects);
- 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.

8.1.2 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 West Pannon Operational Programme are carried out by the NDA's Directorate General Managing Authority for West Pannon 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 – participates 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.

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.

8.1.3 Task of the 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 the 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 West Pannon Operational Programme

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

- West-Pannon Regional Development Agency Kht. (non-profit company)

The RDA has been working on regional development issues in the West-Pannon region since 1999. The agency has accumulated considerable implementation experience concerning both Hungarian and PHARE programmes. During the 2004-2006 programming period it participated in the implementation of the Regional Operational Programme as an intermediate body being responsible for both the preparation of project selection decisions and the providing of prospective applicants with information.

The organisation has an 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 Public 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.

8.1.4 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.

8.1.5 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.

8.2 MONITORING AND EVALUATION

8.2.1 Monitoring

Specific arrangements for the 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 Govt. Decree No. 255/2006. (XII8.). 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.

The Monitoring Committee debates the action plans referred to in chapter 8.1.1. 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.

8.2.2 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.

8.3 FINANCIAL MANAGEMENT AND CONTROL

8.3.1 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.

8.3.2 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

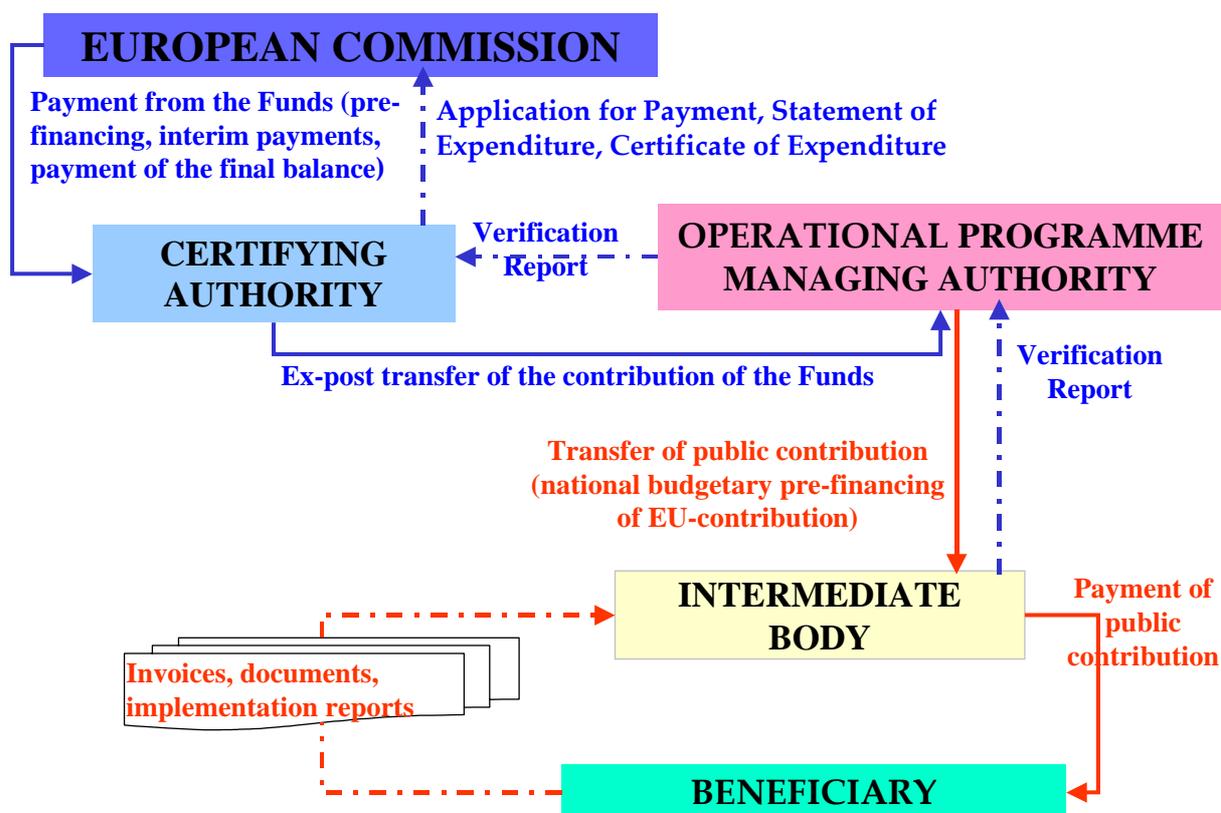
8.3.3 The Process of Payment to Beneficiaries

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.



8.3.4 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.

8.4 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.

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

8.5.1 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

8.5.2 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.

8.5.3 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).

8.6 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).

8.6.1 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.

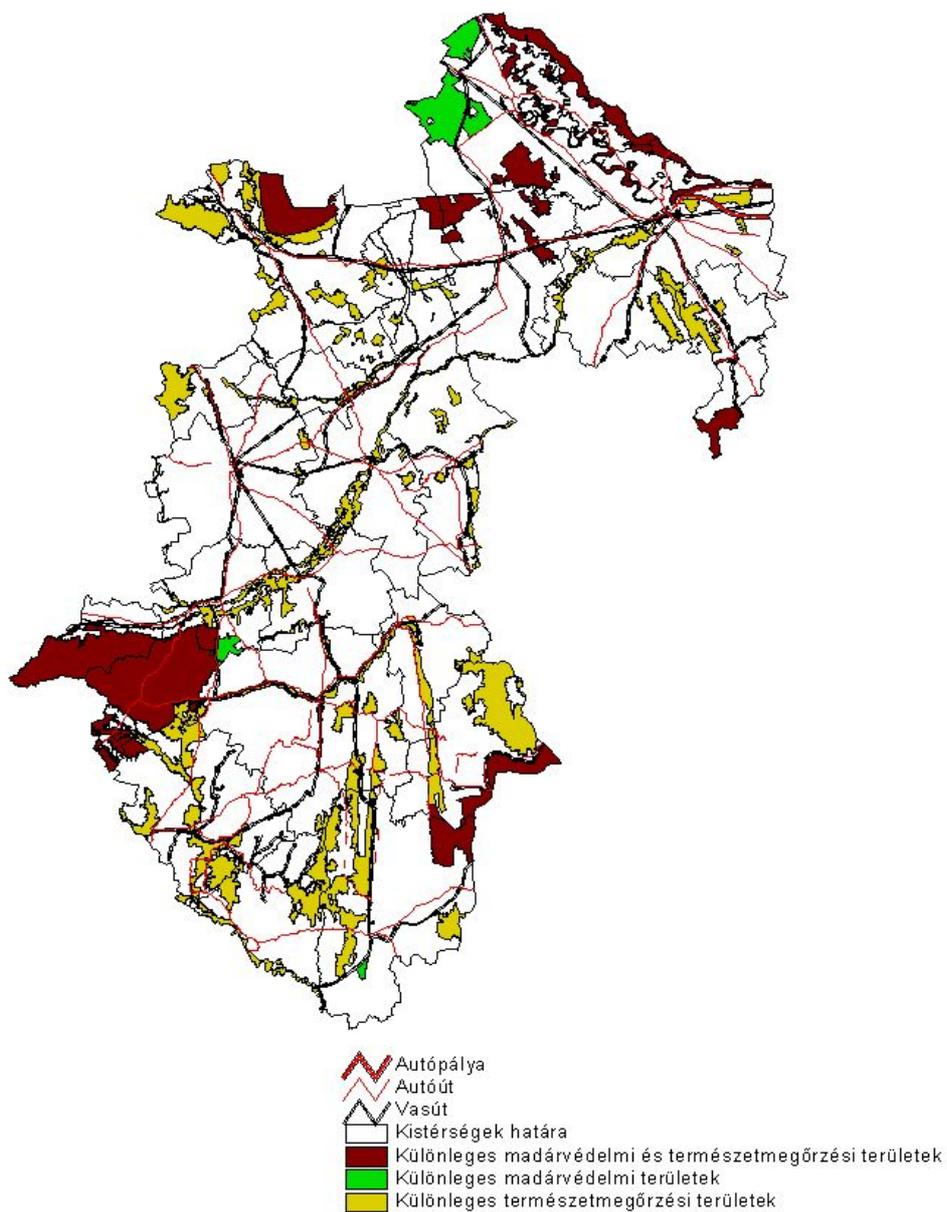
The documents will be supplied upon upload into the system. The documents will deem to have been sent to the Commission, only if they have been validated by the authorised persons. If the system is permanently inaccessible, especially if the deadline for the data delivery is endangered, the member state 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.

9. ANNEXES

Annex 1: NATURA 2000 Areas in the West Pannon Region¹⁸

1. sz. melléklet

Natura 2000 területek a Nyugat-dunántúli Régióban



Forrás: Környezetvédelmi és Vízügyi Minisztérium

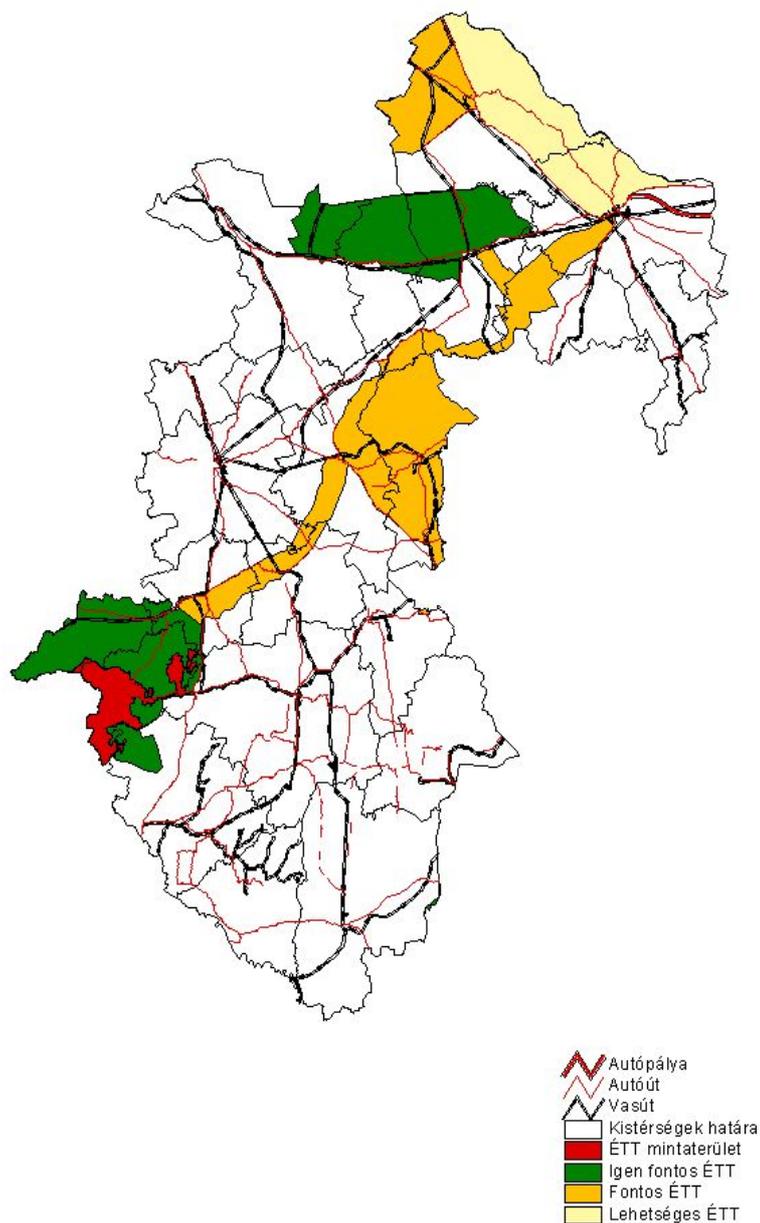
Source: Ministry of Environmental Protection and Water

¹⁸ Motorway, Express road, Railway, Micro-region border, Special bird protection and nature preservation areas, Special bird protection areas, Special nature preservation areas

Annex 2: Sensitive Natural Areas in the West Pannon Region¹⁹

2. sz. melléklet

Érzékeny Természeti Területek a Nyugat-dunántúli Régióban



Forrás: Környezetvédelmi és Vízügyi Minisztérium

Source: Ministry of Environmental Protection and Water

¹⁹ Motorway, Express road, Railway, Micro-region border, SNA sample area, Key SNA, Important SNA, Possible SNA

Annex 3 Contribution of Community Funds to the Funding of the Operational Programme

OP CCI number: 2007HU161IB003

Operational programme name: West Pannon Operational Programme

In EUR at current prices

Dimension 1: Priority theme

Code	euro
1	
2	
3	3 565 273
4	
5	10 695 820
6	
7	
8	58 071 265
9	
10	
11	
12	
13	3 180 917
14	
15	3 180 917
16	
17	
18	
19	
20	
21	
22	
23	37 968 164
24	17 710 052
25	
26	
27	
28	13 244 041
29	
30	
31	
32	

Code	euro
33	
34	
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	11 927 471
47	
48	
49	
50	2 791 777
51	
52	8 829 361
53	11 167 107
54	19 712 666
55	41 090 056
56	
57	2 191 470
58	
59	44 925 128
60	
61	52 307 619

Code	euro
62	
63	
64	
65	
66	
67	
68	
69	
70	
71	
72	
73	3 636 579
74	
75	42 959 601
76	22 902 602
77	11 875 423
78	13 912 587
79	6 785 956
80	2 424 386
81	
82	
83	
84	
85	15 026 990
86	1 669 665
Total:	463 752 893

Dimension 2: Form of Financing

Code	euro
1	463 752 893
2	
3	
4	
Total	463 752 893

Dimension 3: Regional breakdown

Code	euro
1	260 834 665
2	
3	
4	
5	186 221 573
6	
7	
8	
9	
10	
00	16 696 655
Total:	463 752 893

Annex 4: A brief description of some flagship programmes affecting the WPOP

1. “No one left behind”

‘We are not giving up on anybody’ is a flagship programme assisting the development of disadvantaged micro-regions where the Roma communities make up substantially higher than average proportions of the total local population. In the framework of this programme special complex assistance is provided in the following two ways: by elaborating target group specific, thematic financial and procedural elements for the operations of the relevant OPs and by providing assistance to strengthen the capacities of the target groups to receive assistance. The regional operational programmes contribute to achieving these goals primarily by the following interventions: development of social services for strengthening social inclusion, improvement of businesses’ competitiveness and development of regional transports.

2. Chances for children

The goal of the ‘Chances for children’ flagship programme is to prevent child poverty, to lay down foundations for successful careers later on in education and the labour market - including a successful and happy childhood and adulthood thereafter - that is to provide equal opportunities for children and young people born into poor families. Another goal is prevention, including the prevention of social exclusion of disadvantaged children and of passing down poverty from generation to generation.

From among the operational programmes this are linked most closely to increasing social inclusion and improving employability as well as to the goal of high quality education and provision of education specified in the Social Renewal operative programme. The regional operational programmes contribute to improving the opportunities of children by implementing various elements of the priority aimed at improving local and regional services.

3. The school of the 21st century

I. Renewal of the contents of the schooling system (SROP)

1. Competence based education, education, and training of children in need of special education
2. Education and training of migrant students and those belonging to nationalities
3. Inclusive school programme, to provide equal opportunities for children facing multiple disadvantages and for Roma students

II. Quality assurance and effective public education (development of a comprehensive measuring, evaluation and quality assurance system) (SROP)

III. Infrastructure paradigm change in the Hungarian schooling system

1. Spreading the 'Smart School' infrastructure and improving the effectiveness of public education (SIOP + CHR)
2. Renewing School Programme (ROPs) - application scheme
Refurbishment of some 700 institutions, modernising their heating and lighting systems

4. Access for all in Hungary

Priority I.: Providing physical access (services of central bodies (**SIOP + CHR**))

1. Constructing access to public buildings
2. Sign language interpreting services and alternative - augmentative communication service

Priority II.: Providing physical access (public services operated by municipal governments) (**ROPs**)

1. Equal opportunity in accessing public services
2. Providing access to other infrastructure projects (not only after the project has been completed!)

Priority III.: (**SROP**)

1. Methodology centres focusing on the issue of providing access
2. 'Universal design' pilot project
3. Training programmes and individual instrument application scheme

Priority IV.: From the development of urban and suburban public transport (purchasing vehicles accessible for the disabled) (**TOP**)

V Other

1. Instrument rental service
2. Training helper dogs
3. Network of sign language interpreters
4. Subtitles on TV

5. Development poles

The following elements of the Competitiveness pole are implemented from WPOP

- Regional business environment infrastructure development
- Assisting regional and interregional cooperation
- Development of information and innovation services

Annex 5. West Pannon Operational Programme-consultative bodies

Győr-Moson-Sopron County Directorate, Tax and Finance Authority
National Federation of General Consumer Cooperatives and Business Associations Co-op Hungary
Balaton Development Council
Zsolt Borkai – Mayor of Győr
South Zala Murahíd Letenye Multipurpose Society
Dr. Sándor Rácz and György Reuter – Győr Civil Control Association
Dunapataj Mayor's Office
Northern Transdanubia Environmental Protection and Water Management Directorate
Northern Hungary Regional Environmental Protection Centre
ESZME group
Fertő-Hanság National Park Directorate
Institute of Geodesy, Cartography and Remote Sensing
Economic and Social Council
Gottsegen György National Cardiology Institute
Győr-Moson-Sopron County Employment Centre
Győr-Moson-Sopron County Regional Development Office
Network Regional Innovation Association
Federation of IT Enterprises
Federation of IT Enterprises, Western Transdanubia Operational Programme
Industrial Parks Association
Körmend Local Government – Mayor István Bebes
National Local Government Federation of Communities, Small Settlements and Small Regions
Gyula Landor – Mayor of Olaszfa
Hungarian Innovation Federation
Magyar Telekom
National Society of Conservationists
Hungarian Academy of Sciences – Károly Szegő
Foundation for the Natural and Cultural Heritage of Hungary
Nagykanizsa Mayor's Office Tendering Office
Western Transdanubia Social Policy Council
National Centre for Spinal Disorders
National Regional Development Civil Conciliation Forum

Pannonhalma Multipurpose Small Region Society
Reflex Environmental Protection Association
Ferenc Ruzsics – Keszthely-Hévíz Small Region Multipurpose Society
Ecology Studio Foundation
Pannon Conservation Federation
Zala County Local Government
Zala County Education and Pedagogical Institute
Vas County Federation of Sport Fishing Associations
Szentgotthárd Mayor's Office
Szigetköz Nature Protection Association and Lower-Szigetköz Society of Local Governments
Vas County Local Government Office
Vas County Regional Development Office

**Annex 6. Benchmarking values for criteria selected pursuant to Article 47(1) of
Commission Regulation (EC) No 1828/2006**

West Pannon OP

Indicator type	Criteria threshold in traditional urban areas	Criteria threshold in housing estates	Reference data ²⁰
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 10%	minimum 7%	5,5%
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 3%	minimum 2%	1.7%
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 9%.	minimum 7%	5.5%
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%	6.8 % (2001)
More support (units) distributed from recurring social subsidies provided by local governments in the area of action with reference to urban average per households. (Eligible forms of support: recurring social aid, every form of housing subsistence support, recurring child protection support, debt reduction support.) Source of data: declaration by local governments	Number of recurring social subsidies is at least 1.5 times urban/district average with reference to the number of households	Number of recurring social subsidies is at least 1.3 times urban/district average with reference to the number of households	
PARTICULARLY RUNDOWN ENVIRONMENT (Compliance with criterion requires fulfilment of at least one of the indicators.)			
High rate of inhabited housing in residential buildings with more than 5 floors in towns with populations exceeding 50,000 capita.		minimum 60% rate of housing located in buildings with more than 5 floors	13.4%

²⁰ 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.

Source of data: declaration by local governments		in towns with populations exceeding 50,000 capita	
High rate of housing without amenities, reduced amenities and of make-do housing within inhabited housing in 2001 Source of data: Hungarian Central Statistical Office, 2001 census data	Minimum 25%		6.6%
High rate of maximum single-flat housing within inhabited housing in 2001 Source of data: Hungarian Central Statistical Office, 2001 census data	minimum 30% in towns with populations exceeding 50,000 capita, and minimum 20% in town with populations less than 50,000 capita		10.6%