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"Carpathia 2003-2011"



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STRATEGY

OF CROSS-BORDER
CO-OPERATION DEVELOPMENT
IN CARPATHIAN REGION

"CARPATHIA 2004-2011"

(proposal)

UKRAINE
POLAND
SLOVAKIA
HUNGARY
ROMANIA



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INTRODUCTION

The integration of the Central European countries into the European Union leads to the changes in geopolitical situation on the European continent that requires adjustment of EU policy towards direct neighbouring countries. In this connection the further developed and future-oriented strategy of cross-border cooperation development of the EU takes the primary importance, as well as new strategy of cross-border cooperation among the countries of Carpathian region based on European principles. The task to formulate the new instrumental to promote and to finance the common cross-border projects is especially important for frontier communities and regions of Ukraine which from May, 2004 acquired the status of direct neighbour of the expanded EU.

The importance of modern development of cross-border cooperation of Ukraine in accordance with European criteria is caused by a number of objective reasons that are already influencing the Ukrainian frontier regions development or will be determining its future in short-term and middle-term perspectives, namely:

1. external political rapprochement strategy of Ukraine with the EU that considers cross-border cooperation to be one of the tools of European integration of the country. About this indicates the content of the Strategy and National EU Integration Program of Ukraine that define the cooperation of regional and local governments as one of the ways of the European integration of the country;
2. inclusion of cross-border cooperation into the priority list of State Concept of Regional Policy approved in May, 2001. This document defines that one of the principles of regional policy is the "adjustment of international cooperation in the sphere of regional policy, the approach to national legislation in this issue to the norms and standards of EU as well as the development of cross-border cooperation as an effective mean of strengthening interstate relations and handling regional problems". To the means of state interests realisation in the sphere of regional policy belong "the stimulation of cross-border and interregional economic links and integration development, the creation of corresponding industrial-financial groups, other contemporary forms of economy;
3. attention of the government of Ukraine to the issue of activation of Ukrainian regional and community participation in cross-border co-operation (the passing of the Ukrainian Law About Cross-border Co-operation dated 18th of November 2003 is a good evidence of such attention). This creates the opportunity to approbate (in Transcarpathian region in particular) various ways of actions harmonization of regional policy of Ukraine with the regional policy of the EU;
4. the formation of new external border between the EU and Ukraine;
5. the opportunity to use the experience of cross-border cooperation of western regions of Hungary and Poland that during the second half of the 90-ies of the 20th century functioned as EU "external regions" and got the access to the new forms of EU assistance.

Specific role in the coming years will be played by those territories of Ukraine that are part of the Carpathian region, especially by the Transcarpathian region that can become an ordnance yard for working through the possible mechanisms and forms of the cooperation between the EU and Ukraine. This is explained firstly by the region location on the crossing part of Ukrainian boundary with four countries that in May, 2004 acquired the membership in the EU, secondly by the formation of a unified and geographically compact cross-border region with the help of Transcarpathia and neighbouring administrative and territorial units in Poland, Slovakia, Hungary, Romania united by self-adding economy structure, traditional external economic links, the level of human resources development and, consequently, the existence of common general problems that can be effectively handled in the frames



of cross-border cooperation. In 2004 the Transcarpathian region de facto acquired the status of the EU "external region", that is the territory adjacent to regions of Hungary, Slovakia, Romania and Poland that will be receiving significant financial help from EU Structural Funds since their development level is 75% lower than average European.

In Poland the aim of this Strategy corresponds with the Fifth Development Priority of National Development Plan (NDP) for 2004-2006, namely: "Strengthening of regional development potential and prevention of separation of single territories". Hungarian and Slovakian NDP's for 2004-2006 consider "achievement of more sustainable regional development" as one primary objectives. In Romania National Development Plan for next two years defines "favouring to sustainable participation of all Romanian regions in the social-economic development process" as one of the priorities. Also in Romania cross-border co-operation is the middle-term priority of National Adaptation Programme Acquis.

The readiness to cooperate of Ukraine and neighbouring Central European countries (especially the Transcarpathian region with its neighbouring border regions) is demonstrated by the international agreements and other documents signed:

- Agreement between the governments of Poland and Ukraine on interregional cooperation dated 23.05.1993;
- Agreement "On good-neighbourhood relations and cooperation between Ukraine and Romania" dated 17.07.1997;
- Agreement between the Cabinet of Ministers of Ukraine and the Government of Slovakia on cross-border cooperation dated 05.12.2000;
- Agreement between Ukraine and Hungary on cross-border cooperation dated 11.11.1997;
- Concept on common development of border regions in Ukraine and Hungary (Transcarpathian Regional Council, Council on Territorial Development Szabolcs-Szatmar-Bereg region, 2003);
- Concept on common development of border regions in Ukraine, Hungary and Romania – INTERREGIO (Transcarpathian Regional Council, Szabolcs-Szatmar-Bereg Regional Council, Territorial Development Council of Szabolcs-Szatmar-Bereg region, 2003);
- Agreement INTERREGIO on trilateral cooperation of Transcarpathian region (Ukraine), Satu-Mare region (Romania) and Szabolcs-Szatmar-Bereg region (Hungary) signed in 2000;
- Agreement on interregional cooperation between Transcarpathian region in Ukraine and Kosice region in Slovakia signed in 1999;
- Agreement on interregional cooperation between Transcarpathian region in Ukraine and Presov region in Slovakia signed in 2000;
- Agreement between Transcarpathian Regional Council and Podkarpatske voivodship in Poland on cross-border cooperation signed in 2002.

In the context of contemporary western EU expansion, factual division of Carpathian region countries by strict EU and NATO borders and with the aim to minimize possible negative consequences of European integration processes, it is necessary to acquire the highest possible involvement of border regions of Ukraine, Hungary, Romania, Slovakia and Poland in the optimal forms of cross-border cooperation (CBC). And it is necessary to apply the strategic approach for definition of these CBC forms.

For development of cross-border cooperation strategy "Carpathia – 2004-2011" the following territories were designated as target regions: **Transcarpathian region (Ukraine), Szabolcs-Szatmar-Bereg region (Hungary), Podkarpatske voivodship (Poland), Presov and Kosice regions (Slovakia),**



Satu-Mare and Maramures regions (Romania). The fact that the experts of the Agency of Regional Development and Cross-border Cooperation "Transcarpathia" (further – agency "Transcarpathia") has detached this particular territory can be explained by the unity factor that is determined by the similar economic structure and external economic links system, the human resources characteristics and common natural environment systems, especially river basins. These factors stimulated the appearance of common needs and problems for local and regional government bodies and population of the territories indicated above. Besides, these administrative and territorial units are neighbouring close to border regions and their cross-border cooperation encourages interaction and rapprochement of neighbouring territories in the context of EU expansion process.

Among the priorities and EU new policy directions proclaimed in the Message of European Commission for European Council and Parliament "Expanded Europe – Neighbouring Countries. New Structure Of Relations With Our Eastern And Southern Neighbours" (March 11, 2003) it is stated that "the constituent part of EU interests is the cooperation both on the bilateral level and on the regional level"... the aim of which is "to overcome the core obstacles of political instability, economic vulnerability... poverty and social isolation."

In the message of European Commission "Preparation to Implement the New Tool for Cooperation" (July 1, 2003) it is stated that the main task of the renewed cross-border cooperation must become the achieving of the objectives to encourage firm economic and social development of EU border territories, especially by means of neighbouring border regions economy involvement into European markets; common handling of environmental problems, health protection, organized crime; ensuring effectiveness and safety on borders including the fight against illegal immigration; promotion of human contacts on close to border territories. There are two planned stages to complete these strategic tasks:

1. in years 2004-2006 – by means of directive coordination of financial resources of traditional programs TACIS, PHARE, INTERREG (on borders of central European countries and Ukraine, Moldova, Byelorussia and Russia). For this purpose the "Programs of Good-Neighbourhood" will be launched on the borders that will be being prepared and submitted for European Commission consideration mutually by partners of both EU border sides. These documents are elaborated in the framework of the existing financial instruments and have status of INTERREG III A programmes/ Tacis Cross-border Co-operation Programme;
2. after year 2006 – the formation of a separate and independent of other programs "good-neighbourhood tool" that will allow the partners to submit those initiatives for EU consideration that would combine the elements of cross-border cooperation and regional border area development in order to approach the territories level development that are divided by borders.

This innovation is especially important for the Carpathian region that from the geographic point of view divides Polish, Slovak and Hungarian territories that became EU members in May 2004, Romania that will be granted this opportunity in 2007, and the Transcarpathian region in Ukraine, the EU integration perspectives of which are not yet clearly outlined.

Cross-border cooperation especially in the Carpathian region is not effective if it is not accompanied by coordination of territory and sectoral programmes. A balanced development of close to border regions becomes possible only through the elaboration of common development programs and creation of preconditions for "reflective" field projects. This causes the need to work out a common strategic document that would outline the mutual vision of cross-border territory development priorities that are a ground for elaborating operational programs.

The idea to implement the strategic approach to cross-border cooperation development in the Carpathian region was suggested by the Agency of Regional Development and Cross-border



Cooperation "Transcarpathia" (Uzhgorod, Ukraine) that was founded on January 11, 2002 by Transcarpathian Regional Council in order to run non-profit projects that are aimed at all-round development of the regional territory. ARD "Transcarpathia" performs the function to establish cross-border and interregional cooperation between the government bodies and development institutions of different forms of property.

In order to increase the effectiveness and predictability of cross-border cooperation development the Agency suggested a strategic approach to handle common problems in cross-border cooperation of close to border regions of Ukraine, Poland, Slovakia, Hungary and Romania. Due to European Commission assistance within TACIS program especially to the project "Carpathia 2003-2001" – Strategic Approach to Cross-border Cooperation Development in Carpathian Region" that has been carried out since November 12, 2002 it became possible to create the environment for effective work of international expert group from five countries that together elaborated a program document.

For the elaboration of Cross-border cooperation strategy development in the Carpathian region the following **methodology** has been chosen:

1. the formation of common (for border territories of the five countries of the Carpathian region) organizational mechanisms of program document development: international network of partners; and international expert group;
2. the use of expert method for writing the basic text of the Strategy, especially the formation of expert groups for each of the chosen cross-border cooperation development priorities in the Carpathian region;
3. the completion of the final version of the Strategy by various subdivisions representatives of local and regional government bodies of Carpathian region, and also the use of elements of public expertise;
4. the use of SWOT analysis methods and statistical analysis for defining the current status and perspectives of cross-border cooperation development in the region in average term periods;
5. the elaboration of operational programs of priority directions in cross-border cooperation in the region as a basis for the Strategy mentioned above;
6. legitimisation of cross-border cooperation strategy development in the Carpathian region (2004-2011) by the corresponding decisions of regional and local government bodies of the Carpathian region.

The idea of this strategy elaboration already on the initial working stage was supported by the Transcarpathian Regional Council and Transcarpathian Regional Administration. This work became one of the priorities of cross-border cooperation regional program for the year 2003 (Approved by Decision #105 in the Fourth Session of Transcarpathian Regional Council dated December 27, 2002).

For increase the effectiveness and working coordination over the Strategy a network of partnership organizations and international expert groups has been created that included regional government bodies and development organizations from five countries of Carpathian region, namely:

Ukraine:	Transcarpathian Regional Administration Agency of Regional Development and Cross-border Cooperation "Transcarpathia"
Poland:	Government of Podkarpatske voivodship Lesko District State Administration Rzeszow Agency of Regional Development
Slovakia:	Presov Self-Governing region Snina District State Administration Presov Agency of Regional Development



Hungary:	Regional Development Association "KUIT" Regional Development Agency of Szabolcs-Szatmar-Bereg Region
Romania:	Maramures Regional Council Government of Satu-Mare City The Centre of Small and Medium Enterprises Support (SAB) in Satu Mare

The main fundamentals of the CBC Development Strategy were elaborated during the partner meetings that took place on 27-28th of February 2003 (Mukachevo, Ukraine), 26-27th of March 2003 (Mukachevo, Ukraine), 29-30th of May 2003 (Uzhgorod, Ukraine) and 21-23rd of October 2003 (Uzhgorod, Ukraine).

The problem of discrepancy of calculation methodologies or lack of some statistical data about national territories of Carpathian region has occurred during the work on the Strategy. Thus the statistical information is proposed in the form of separate analysis of Ukrainian, Polish, Slovakian, Hungarian and Romanian territories. However, experts and partners complete the SWOT-analysis of the whole target cross-border region.

As a result of partnership government bodies cooperation and development organization and having taking into account the EU experts' recommendations there were defined the development priority directions in cross-border cooperation in the Carpathian region by 2011. According to the defined priorities an **international expert group** was created that included specialists and scientists from each country. One of the results of the Carpathian region experts and also the representatives of the Association of European Border Regions (AEBR) co-operation was the completion of SWOT analysis work of each of the previously defined cross-border cooperation priorities and the elaboration of operational cross-border programs. These particular results became the basis for working out the integrated Strategy of cross-border cooperation development in the Carpathian region by 2011.

PART 1.

STATUS ANALYSIS AND THE STRATEGIC VIEW OF CROSS-BORDER COOPERATION DEVELOPMENT IN THE CARPATHIAN REGION IN THE PERIOD OF 2004-2011 YEARS

1.1. STATISTICAL ANALYSIS OF CARPATHIAN REGION NATIONAL TERRITORIES DEVELOPMENT

1.1.1. Transcarpathian region (Ukraine)

Transcarpathian region (Transcarpathia) is located on the territory of North-Eastern Carpathians (Eastern Beskids and Mormoros peaks) and between the Carpathian zone and Middle Danube lowland.

The total area of Transcarpathia is 12,800 sq km. As stated on January 1, 2004 the population of Transcarpathian region made a total of 1251.1 thousand people (according to the All-Ukrainian census from December 5, 2001 the population of the region counted 1258.3 thousand people) that made up 2.6% of the country population. 37% of the population is urban, 63% is rural. The capital town is Uzhhorod that has the population of 117.1 thousand people. Population density is 97.7 people per sq km and with this figure Transcarpathia ranks the sixths place in Ukraine.

The Transcarpathian region consists of 13 districts, 11 towns (the towns of regional subordination are Uzhhorod, Berehove, Mukachevo, Khust and Chop; the towns of district subordination are Svalyava, Irshava, Tyachyv, Vynohradovo, Rakhiv and Perechyn), 19 city-type settlements and 579 village-type settlements. The predominant part of Transcarpathian territory (86%) is mountainous area the highest peak of which is Goverla of Chornohorsky mountain ridge (2061m). The region borders four countries: Poland on the northern west (the border length is 33.4 km), Slovakia on the west (98.5 km.), Hungary on the south (136.6 km), Romania on the southern east (205.4 km).

According to the All-Ukrainian census of 2001 the following nationalities are inhabiting Transcarpathia: Ukrainians 80.5% of the population (1010.1 thousand people); Hungarians (12.1 %, 151.5 thousand people); Romanians (2.6%, 32.1 thousand people); Russians (2.5%, 31.0 thousand people); Gypsy (1.1% 14.0 thousand people); less that 1 % are Slovaks, Germans, Jews, Byelorussians, Czechs, Poles, Armenians and Azerbaijani. The second lowest death rate level in Ukraine (after Rivne region) is in Transcarpathia.

The capable of working population of Transcarpathian region in 2003 was 753.3 thousand people. The official unemployment level stated on January 1, 2004 was 4.5% (32.9 thousand people), though according to the representative research from 2003 the number of unemployed people was 42.2 thousand people. The most of the economically active population (37%) is employed in agriculture and forestry. The part employed in the industry is 13 %, in the building industry – 12 %, in transportation and communication – 4.8 %, in trade – 11.5 %. In the fields of non-manufacturing spheres the predominant part (12 %) are employed in education, health protection and social help services. In the field of economic management and public service 3.5% of economically active population is employed.

Gross added value in Transcarpathia in 2002 was 3211 million UAH or approximately 602 million USD, that is on 9.0% more than in 2001. Gross added value per head in 2002 was 2557 UAH or 480 USD which is one of the lowest figures in Ukraine.



A part of the manufacturing industry and services in total amount of gross added value in Transcarpathia decreased in recent years to the benefit of agriculture that is currently 1/3 (29%) of Transcarpathian economy structure. As stated on August 1, 2004 there were 16.8 thousand entrepreneurs working in Transcarpathia.

As stated on January 1, 2004 there were 506 enterprises with direct foreign investment functioning in Transcarpathian region. During the foreign investment period USD 190.5 million of direct foreign investments was attracted to the region. According to the figures of attracted invested value the region ranks 10th place among other regions in Ukraine, according to the value per head – 6th place. The investments to the regional economy have been made by partners from 46 countries all over the world. Throughout the whole investment period the majority of direct investments have been made from the following countries:

- the USA – USD 36.8 million (18.9 % of total value);
- Germany – USD 25.8 million (13.2 %);
- Austria – USD 24.1 million (12.3 %);
- Hungary – USD 22.0 million (11.3 %).

The structure of foreign investments according to the economy industries is the following:

- industry – USD 154.1 million;
- retail and wholesale trade – USD 16.4 million;
- forestry – USD 3.6 million;
- building – USD 2.0 million;
- agriculture – USD 0.8 million;
- additional transportation services – USD 2.4 million.

Privileged conditions of investment activities function on the territory of the region: special regulations of investment activities (the Territory of Priority Development - TPD) and Special Economic Zone (SEZ) "Transcarpathia". The number of investment projects that have been realized with these regulations (as dated on January 1, 2004) was 129 of total estimate value USD 618.8 million. The investments valued USD 169.2 million have been attracted starting from the realization of these projects, USD 48.36 million of these in 2003. As stated in the beginning of 2004 the enterprises in TPD and SEZ created 16.6 thousand of vacancies, the total value of products sold and transportation expedition services provided was UAH 1975.8 million, including UAH 1093 million in 2003.

In the structure of industry the most part as stated on January 1, 2004 take machine-building – 25.1 %, food industry and farming product processing – 21.2 %, wood production – 20.4 %, light industry – 8 %, petrochemical industry – 5.8 %.

Along with manufacturing field an important part in the Transcarpathian economy is taken by tourism and recreation: there are 227 tourism and recreation establishments, out of these there are 20 spas, 23 health centres and holiday hotels, 97 rest bases and boarding-houses. According to the monitoring done by Tourism and Resort Administration of Transcarpathian Regional State Administration, they provided services to almost 195 thousand holiday makers that is 34.1 thousand more (21 %) than in 2002.

In 2003 in Transcarpathia 194.9 thousand of students went to 722 secondary schools of all property forms. The basis of education system was made by 20 public institutions (attended by 20 thousand of students), among these were 3 vocational training schools 14 profession lyceums. There functioned 4 public higher education institutions of III-IV accreditation levels (Uzhhorod National University, Mukachevo Technological Institute, Uzhhorod State Institute of Informatics, Economics and Law, Mukachevo Humanitarian Pedagogical Institute) and 2 institutions of private property form



(Transcarpathia Hungarian Pedagogical Institute, Ukrainian Theological Academy), 14 higher education institutions of I-II accreditation levels and 3 of private property form. 19 organisations conducted scientific research and development (among these were the regional branches of National Academy of Sciences of Ukraine) where 884 people were employed. Besides, there are functioning pre-school and out-of-school institutions.

In the cultural sphere there are 6 museums, 5 professional theatres (Ukrainian Regional Theatre of Music and Drama, Puppet Theatre, Russian Regional Theatre of Drama, Hungarian Theatre of Drama, Private Theatre "Benefice") and 6 concert organizations.

1.1.2 Podkarpatske voivodship (Poland)

Podkarpatske voivodship is located in the South East of the Republic of Poland and borders with Slovakia (131 km) and Ukraine (235 km). The important cities of the province are Rzeszow, Stalyova Volya, Meltsi, Denbitse, Jaslo, Jaroslav, Sanok and Krosno. Transport infrastructure is represented by railway lines (969 km), and network of roads with solid pavement (14067 km).

The territory of Podkarpatske voivodship totals 17,890 km², population – 2,131,000 people, density of population averages 119 people per km² (particularly in Beschadsky district this index comes to 26 people per km² that is the lowest index in Poland). The population growth dynamics comes to 13,546 people a year, migration averages 1,627 people a year. One of the peculiarities of the Polish border territory is low urbanization level (41%), the average index in the country is 61.8%. Natural population growth level averages + 2%.

Age distribution of population of the voivodship determines domination of the able-bodied citizens (1,271,500 people). Youth totals 555,600 people, number of people of retirement age totals 304,300 people. Unemployment rate averages 17.2% in the province, number of population employed – 926,500 people. GDP amounts to 2932 Euro per head.

Within the total land area a considerable part is used for agricultural purposes (52.8%) with the average national index – 59.5%. The high level of scattered territorial structure of the farms in Podkarpatske voivodship (82.3% of farms have the acres up to 5 ha) presents a considerable obstacle for effective farming production.

The most industrialized districts of Podkarpatske province with highly developed technical infrastructure and a great number of businesses including those with foreign capital are Stalyova Volya, Meltsi, Denbitse, Jaslo and Jaroslav. At the same time in such districts as Peremishl, Sryzhuv, Kolbushov and Ropchy-Sendzichuv agriculture prevails and they are characterized by low urbanization and industrialization level.

Economic structure of the province is the following: agriculture employs 48.2% population; service sector – 31.7%, production sector – 20.1% population. Foreign investments within the economy sector amount to USD 2 billion, and per capita – USD 938. The main economy sectors with foreign investments are service sector (USD 1.1 billion), industry (USD 0.8 billion), construction engineering (USD 0.1 billion).

Among the higher education institutions it is worth to mention the Technological University in Rzeszow, the University of Rzeszow, the University of Information Technologies and Management, the Business School of Rzeszow.



1.1.3. Kosice and Presov regions (Slovakia)

Kosice and Presov regions are situated in the Eastern part of the Slovak Republic. The area of both regions totals 10,459 km². Number of population residing in Kosice and Presov regions totals 1,111,177 people, density of population – 113.5 people per km² in Kosice region and 88.0 people per km² in Presov region. The dynamics of population increase: 4361 people a year, migration rate averages -90 people a year.

The total area of Presov region is 8593 km² that approximately makes up 18% of Slovakia territory. The High and Low Tatras are situated in the North East. What concerns population (784 451 people), it is one of the biggest regions of the country. The most part of population lives in urban area. Presov region is subdivided into 13 districts, the biggest towns are Presov, Bardejov, Humenne, Kezhmark, Levoca, Medzilaborce, Poprad, Sabinov, Snina, Stara Lubovna, Stropkov, Svidnik, Vranov-nad-Toplyov.

Presov region borders with Poland in the North (length of the border is 320km), in the East with Ukraine (30 km). In the West it borders with the regions of Zilina and Banska Bistrica, in the South with Kosice region. On the border with Poland there are entry points with Visne Komarni – Barvinok, Palota – Radozhitse, Circ – Luletshev, Tatranska Javorina – Bukovina; important is reconstruction of new entry point for freight transport between Mnisek nad Popradom and Koniecna. The car entry points with Ukraine are Visne Nemecke-Uzhgorod: Ublya-Malyj Bereznyj, and in progress is the project for the entry point reconstruction Ulich – Velykij Bereznyj. Also there are entry points for railway transportation Matiovce-Pavlove and Cierna nad Tissoju-Chop.

The road E 50 goes through the region territory (Bratislava – Zilina, Poprad – Presov – Kosice – Mikhalovce). The bus and trains network covers the majority of region towns, although the network of rail transport needs to be reorganized and modernized. There is also an international airport in Presov region – Poprad Tatri, as well as local airports in Humenne, Sabinov and Presov. In Kosice region there is an international airport Kosice.

Concerning the level of regional economy development, in 2000 Kosice region produced 13.3% GDP of Slovakia amounted 123 713 000 SK that makes 161 458 SK per capita. Correspondingly Presov region produced 9.0 % GDP of Slovakia amounted 83 715 000 SK that makes 106 496 SK per capita. Kosice region, according to the data of the 31st of December 2000, totals 767 256 people (20.60 % - of young, 62.26 % - employed and 17.14 % - pensioners), correspondingly Presov region totals 787 483 people, 23.03 % - young, 61.03 % - employed and 15.94 % – pensioners.

The majority of population works in the field of services: in Presov region – 56.8 %, in Kosice region – 63.0 %. In agricultural sector accordingly 6.9 % and 5.1 % of all employed people are working, in industry – 36.4 % and 31.9 %. Food and engineering industries are dominating in the industry sector in Presov region, and metallurgy, production and sale of electricity and gas are dominating in Kosice region.

The number of unemployed people in Kosice region was 89.3 thousand people (17.6% of all unemployed), correspondingly in Presov region – 83.1 thousand people (16.4%).

As stated on 2001, 2.4 % of all foreign investments into Slovakian economy were invested into Presov region and 16.4 % into Kosice region. Thus by amount of investments Kosice region has the second rank (after Bratislava region) in Slovakia. Presov region has the lowest rank.



1.1.4. Szabolcs-Szatmar-Bereg region (Hungary)

Szabolcs-Szatmar-Bereg region is situated in the North East part of Hungary and borders with three states: with Slovakia in the North (5 km of border), Ukraine in the North East (136.6 km), Romania in the South East (93.5 km). The present-day region was formed in 1951 when the separate small parts of the former comitat territories Szatmar and Bereg were united.

The region is situated on the Hungarian Plain and spreads over the 78% of Upper Tissa territory; the highest peak is Hoportyo (183m). The territory totals 5937 km² that makes 6.4% of the whole territory of the Hungarian Republic; by area the region occupies the sixth position in the country. In total there are 229 settlements, out of which one regional centre – Nyiregyhaza and 19 other towns. The region is subdivided into 10 statistic territorial regions and 17 districts with local self-governing.

In Szabolcs-Szatmar-Bereg region lives 5.8% of Hungary population that according to the data of the 31st of December 2001 totals 588000 people. The population of the regional centre is 117000 people. In 2000 population density averaged 99 people per km² that is for 10 persons/km² lower than the national index. Approximately a half of population (47%) lives in towns.

Approximately 93% of region population are Hungarians; the largest minority is made up by Romas (26 thousand people, 5% of total population), Germans (727 people) and Ukrainians (472 people). Due to low natural population growth level in the region in 2001 it decreased for 311 people and as a result of migration population decreased by 1437 people.

In 2001 Szabolcs-Szatmar-Bereg region produced 3.3% GDP of Hungary in the amount of 486 billion Ft. (USD 2240 million), that averages 826000 Ft. per capita. By GDP index per capita the region occupies the last but one position among other regions of Hungary.

Economy structure is following: the share of such branches as agriculture, stock-breeding, forestry and fish industry makes up 9.1% of industry, and 16.8% of construction engineering; 10.8% of service; 17.6% of trade and repair companies. Over three tenths of population (31%) are employed in industry, 13% – in the field of education, 13% - administration, 10% - medicine and social service, 9% - trade and repair services provision and 3% in farming, forestry and fish industry. In 2001 unemployment rate averages 9.6% (national rate – 5.7%).

In 2001 there were 1119 companies with foreign capital working in the region with total turnover of 2174 billion Ft. The major part of investments originates from the USA, Germany and Switzerland. At present there are seven sites in the region that have the status of industrial parks and they are located in Nyiregyhaza, Csenger, Fehergyarmat, Nyirbator, Mateszalka, Tuzser and Zahony.

About 20 thousand students studied in 47 general secondary schools of Szabolcs-Szatmar-Bereg, 7400 pupils at 18 vocational schools (day-time section). The higher education is provided in the following institutions: Nyiregyhaza Institute, Medical Faculty of Debrecen University, Faculty of the Information Institute of Gabor Denes, The Greek Catholic Religious Institute of St. Atanasz as well as branches of the Institute of Finances. In 2000 there were 59 research institutes functioning in the region that employed 472 scientists. The cultural life of the region is diverse: there are 1 theatre, 46 cinemas, 27 museums, and 212 libraries of the local governments.



1.1.5. Satu-Mare and Maramures regions (Romania)

Satu-Mare and Maramures regions are situated on the North West border of Romania. In the North the territories border with Ukraine (Transcarpathian region), in the West Satu-Mare borders with Hungary (Szabolcs-Szatmar-Bereg region).

The region covers the lowland of rivers Samos, Tur and Krasna, and in the East are situated the mountain highlands of Avas and Gutin (the highest peak is Kishkovesch (Pietroasa) – 1,200m high). Total area of Satu-Mare is 4,418 km², and it makes up 1.85% of the state territory. The total acres of Maramures district – 6,304.4 km². Out of 60 settlements there are 4 towns: Satu-Mare (regional centre), Nadykaroly, Avasfelfosfalu and Tasnagy. In Maramures district there are two towns: Baia-Mare (regional centre) and Siget.

Population of Satu-Mare region totalled 388.9 people in 2001, density of population 88.0 people/km². Birth rate in 2001 (10%) was lower than death rate (13%). Population of Maramures district totalled 510.1 people, density of population (80.9 people/km²). Increase of population is negative – 1.1 %.

The population urbanization level in Maramures district averages 52.6%. In 2001 GDP per capita amounted to 3,563 USD. Within the Maramures economic structure service sector dominates (49.3% of employed population and 38.4% of GDP). In agriculture the average of employees is 2.8% and 17.8% of GDP; in industrial sector – 30.9% GDP, which employs 47.8% of the district population. Number of unemployed people is 3,900 people that makes up 6.1% of the total population of the district.

Within the economic structure of Satu-Mare region agriculture plays an important role: in 2001 this branch employed 48.6%; industry and construction engineering – 27.0%; service sector – 24.0%; forestry – 0.4%. The average unemployment rate at the local level is lower than the national average one: correspondingly 3.1% and 8.7% at the end of 2001.

There are 350 enterprises with foreign stock and the biggest are the representations of concerns Steilmann, Electrolux and Draxlmaier. Foreign investments coming in the region are mainly concentrated within trade, service sector and construction engineering.

The part of foreign investments in Maramures district is 53 millions USD, that averages 104 dollars per head. The major part of foreign investments is found in wood-processing industry – USD 22,300,000; in food industry this index amounts to – USD 9,600,000; in extractive industries – USD 5,600,000; in timber industry – USD 3,900,000.

In Satu-Mare region there are 26 secondary schools, 27 lyceums and 8 post-lyceum education institutions. Higher education is provided to students at the branch of the University Babes-Bolya in Kalosvar and at the branch of the University of Vasil Goldis in Arades. In 2001 there were 12,852 pupils studying at the secondary general schools, while at the secondary education institutions 2,169 students. Satu-Mare region has a network of cultural institutions: theatres, Philharmonic Society, 60 libraries, 1 permanent cinema, 4 multifunctional cultural centres, 17 museums, 2 art galleries.

The most important higher education institutions of Maramures district are the North University in Baia-Mare, Babes-Bolyai University, Goldis University, Marmatia University and Theological Institute.



1.2. SWOT-ANALYSIS OF CROSS-BORDER DEVELOPMENT IN CARPATHIAN REGION

1.2.1. General conditions for cross-border cooperation development in Carpathian region

Border zone territory of Carpathian countries is situated on the crossroad of Transeuropean and Eurasian trade routes, power circuits and infrastructure systems.

It is possible to take advantage of favourable geopolitical location of Ukraine, Poland, Slovakia, Hungary and Romania border zone territories by searching common economic and other regional benefits, its harmonization with national priorities of all countries and with the main tendencies of intergovernmental cooperation. The traditions of cross-border cooperation among the countries formed in the second half of XX century can also contribute to it.

In spite of the considerable distinctions existed in the target regions development of the five countries, they have many common characteristics. These are similar geographic and climatic conditions, possibilities for development of agricultural and other related sectors that have traditionally been the basis of the regional economics during the centuries. The specificity of the whole region is the ethnical diversity of its population in general and boundary delimitation of the ethnical groups in particular that divide the territory into five countries.

At the same time the provincial location of the Carpathian region with regard to the national centres have negative social and demographic consequences. Namely, there is a considerable part of the unemployed in comparison with the national statistics, high level of migrant population, especially worker class migration. A new threat for the regional development is its provincial location as to the rest of the European Union territory and new exterior EU border formation may adversely affect the cross-border cooperation effectiveness among the territories of Poland, Slovakia, Hungary, Romania from one side, and of Ukraine on the other.

Among the advantages in the sphere of strategic and spatial development planning of Carpathian target border zone territories are the activities of special development institutions (e.g. regional development agencies), the availability of mutually elaborated development concepts of border territories of the Carpathian region.

SWOT-analysis demonstrates the following strong and weak general characteristics for the development of cross-border cooperation in Carpathian region, and also contributes to the detection of the following potential opportunities and threats:

1. General conditions for the cross-border cooperation development in Carpathian region	1. General conditions for the cross-border cooperation development in Carpathian region
Strengths	Weaknesses
- Favourable geopolitical location - Linking among the West, South and East Europe - Experience and traditions of cross-border cooperation among various social groups	- Peripheral location with respect to the EU, as well as to the national centres - External EU border - Limitation of different EU programme scopes aimed at supporting cross-border cooperation
Opportunities	Threats
- New EU initiatives concerning the neighbouring countries (Ukraine), that are directed to the support of the cross-border cooperation in the different fields and to the security of borders	- Complication of the conditions for the cross-border contacts because of visa regulations among the new EU members and Ukraine (from 2007 – Schengen regulations)



- Support by the European Union of the simplified EU border crossing by Ukrainian citizenry living in the border zone - Raising of qualification level of government members in the field of cross-border cooperation - Creation of free trade zone between EU and Ukraine	- Lack of support for cross-border cooperation among the new EU members and Ukraine from the national governments and EU - Re-orientation of economic production to the internal national markets and to the common EU market (Poland, Slovakia, Hungary, Romania)
2. Population	2. Population
Strengths	Weaknesses
- Traditionally strong family relations in the population of neighbouring countries - Local patriotism of population - Considerable level of free human resources - Ethnic diversity and ethnic tolerance of population	- Increase in the number of elderly people - Decrease of birth-rate - High migration level
Opportunities	Threats
- Level increase in social mobility of population - Educational and professional level increase of human resources	- Further economic recession and intensification of social crisis in peripheral sub regions - Work class migration of population from border zone regions - Expansion of negative social phenomena within the population
3. Spatial planning, location of settlements	3. Spatial planning, location of settlements
3.1. Spatial planning	3.1. Spatial planning
Strengths	Weaknesses
- Existence of national legislation on spatial planning in all target countries - Initiating the work in the elaboration of common cross-border programme documents	- Difference in national legislation on spatial planning issues - Low level of local communities participation in the spatial planning process
Opportunities	Threats
- Practical implementation of common cross-border programme documents in the field of spatial planning - EU support of initiatives concerning the spatial planning in cross-border	- Complication of the common cross-border spatial initiatives implementation through the EU border
3.2. Settlements location	3.2. Settlements location
Strengths	Weaknesses
- Even settlement distribution on the whole territory of Carpathian region - Administrative and territorial reform realization in the new EU countries	- Big quantity of small towns/villages - Remoteness of small towns and villages from regional centres
Opportunities	Threats
- Improvement in the infrastructure connections among built-up areas and regional centres - Administrative and territorial reform realization in Ukraine and enlargement of territorial communities	- Difficulties in offering basic social privileges in all built-up areas - Difference increase in accessibility levels to the transportation and communication infrastructures in different built-up areas



1.2.2. Infrastructure

The Programme territory has favouring conditions for development of transit transportation, well developed road network. Though mainly roads are low quality that is the reason for delays in passenger traffic and freight transportation.

General infrastructure analysis of Carpathian region target territories gives grounds to conclude that its development level is not sufficiently high, especially in transportation infrastructure. The quality of roads does not meet the necessary requirements of intensity and capacity both in separate sectors and in general. Taking into account an important geopolitical and geoeconomic role of border zone regions, one of the main tasks for infrastructure development is also the reconstruction of existing and building of new cross border terminals among the countries of Carpathian region while taking into account the corresponding European standards. The existing number of Border Crossing Terminals (BCTs) is not satisfied, and their technical condition does not meet the needs of passenger traffic and freight transportation.

SWOT-analysis demonstrates the following strong and weak general characteristics for infrastructure development in Carpathian region and also contributes to the detection of the following potential opportunities and threats:

4. Infrastructure	4. Infrastructure
Strengths	Weaknesses
- Favourable geopolitical location in the «North-South», «East-West» directions - Network existence of the East-West links and transit corridors of national and European importance Border zone infrastructure: - Functioning of the border crossing terminals (BCT) among the majority of border zone territories; the BCT creation between Ukraine and Poland, Ukraine and Romania, additional BPC between Ukraine and Hungary - A developed system of logistic terminals, the extensive transport junction «Chop – Zahony – Chierna-nad-Tissa» functionality on Ukrainian-Hungarian-Slovak border - Passing through the territory of the transport Corridor №5 region (Trieste-Ljubljana-Budapest-Bratislava-Chop-Lviv) Transport: Roads: - Sufficiently good quality of the roads infrastructure of the 1st and 2nd levels (Slovakia, Hungary), in the direction of Hungarian-Ukrainian border "Vienna-Budapest-Lviv" - High-way construction in Slovakia in the direction of "Poprad-Presov-Mikhalovce-Uzhhorod" - M-06 "Kyiv-Chop" highway rehabilitation in Ukraine.	- Limited access to the whole region and low technical and technological levels of the whole infrastructure Border zone infrastructure: - Shortage of border crossing terminals, particularly on the border between Ukraine and Poland, Ukraine and Romania; low traffic release capacity of the functioning BCTs on the Ukrainian, Hungarian and Slovak borders. - Absence of the joint border checkpoints. - Queue existence and duration of border crossing procedures. Transport: Roads: - Insufficient quantity of road infrastructure of the 1st level (highways) - Limited capacity of the roads - Bad condition of the road infrastructure of the 2nd level (regional, local roads) in all countries of Carpathian region - Absence of border zone road infrastructure - Low development level of public transport



<u>Railway:</u> - Basic railway junction among all the five countries of Carpathian region - Relatively high quality of railways in Slovakia (mostly electrified) - Relatively low cost of railway travel - High traffic capacity of the transport junction «Chop – Zahony – Chierna-nad-Tissa» (Ukraine-Hungary-Slovakia) - Availability of the functioning narrow-gauge railroads	<u>Railway:</u> - Absence of complex junction of the railways among all the five countries, only 37 km of roads on the Polish side - Absence of consolidation in the railway system on the Ukrainian side of Carpathian region (Uzhhorod-Chernivtsi) - Low level of the electrification - Different railway types in Ukraine and its neighbours, lack of deep parallel entries in railway systems
<u>Air transport:</u> - There are national airports in all the five border regions (some of them with a limited number of international flights – Slovakia, Poland)	<u>Air transport:</u> - Small quantity of regular flights within the Carpathian Euroregion - Undeveloped system of freight transport - Insufficient number of transit passengers and cargo flights
<u>Water transport:</u> - Availability of the passenger and freight junction at the Hungarian side of Tissa river - Using rivers Tissa and Samos for tourism development in Hungary, Romania, Ukraine	<u>Water transport:</u> - Insufficient use of the Carpathian rivers transport resources - Lack of state support within the sphere of water transport development
<u>Communication infrastructure:</u> - Developed infrastructure of telephone communication and mail service - The main settlements are covered by the system of mobile telephone communication - Rather well developed Internet connection system, increase of public access to Internet (Internet cafe)	<u>Communication infrastructure:</u> - Lack of state system support of the IT development - Poor telecommunication system - Absence of common for all Carpathian region mass media - Lack of the high-quality Internet access channels
Opportunities	Threats
<u>Border infrastructure:</u> - Construction of the joint border checkpoints and introduction the corresponding procedures on the borders of Ukraine with the EU countries - Utilisation of EU resources, directed to the network of border crossing points development (BCP) at it external borders, in particular creation of extra points between Ukraine and the neighbour countries around the periphery of Transcarpathia region - Improvement of the border crossing process (customs control technologies, border passing length and others)	<u>Border infrastructure:</u> - Insufficient local and national authorities financing of infrastructure development - Border crossing complication for passenger traffic and freight transportation as a result of visa regime between Ukraine and neighbour countries - Lack of infrastructure development financing in the border regions from national and local authorities - Existence of barriers within the procedures of the BCP reconstruction after the EU expansion (except for Ukraine and Romania till 2007) - Insufficient development and long distance between the international shipping operations



- Development of BCP infrastructure	that will reduce profitability of shipping as well as low technical and technological level of this shipping operations
<u>Transport:</u> <u>Roads:</u> - Realization of plans of improvement and expansion of the national network of the 1st level roads (Hungary, Ukraine); particularly in frameworks of International transport corridor "Kritskiy - 5" - Availability of an agreement for improvement and connecting the transport corridor North-South with the European East West corridor - Possibility of rapid filling of the absent cross-border frameworks with relatively low financial costs <u>Railway:</u> - Utilisation, reconstruction of traditional system of railway junctions between the border regions of Poland, Slovakia, Hungary, Ukraine and Romania, particularly the narrow-gauge railways and the possibility of its reconstruction - Railway electrification of Carpathian region <u>Air transport:</u> - Cooperation development among the existing airports of Carpathian regions - Infrastructure using of former military airports - Increase of flights number thanks to the increase of the general population income level <u>Water transport:</u> - Development of the water junction system between Tisa and Danube - Building a port on the river Tisa in Chop district (Ukraine) <u>Multimodal transport:</u> - Potential to develop the logistic and service centres, as well as combined terminals	<u>Transport:</u> <u>Roads:</u> - Absence of North-South junctions construction - Shipping reorientation from the CIS countries to Europe through Ukraine to Russia and Byelorussia - Lack of comprehension on the national levels of Carpathian region countries of the meridian transport lines importance - Transport ways pass the protected territories <u>Railway:</u> - Closing of the Poland railway junction with the remaining territory of Carpathian region <u>Air transport:</u> - Competition among the existing airports - Closing of the airport in Uzhhorod (Ukraine) that stand on the border with Slovakia due to the membership of Slovakia in the NATO and EU <u>Water transport:</u> - Signing process delay of international agreement on the problems of international navigation on the Tisa river <u>Multimodal transport:</u> - Lack of co-ordinated international multimodal transport development strategy
<u>Communication infrastructure:</u> - Communication system development and automation of the mail system	<u>Communication infrastructure:</u> - Technical stagnation of development - Population can hardly use the advanced communication services - Information isolation of the border regions



1.2.3. Economy

The common characteristic of the target area is low level of economic development in comparison with related national figures. The existence of outmoded machinery and industry technology, lack of industrial innovations also relates to the common characteristics of region economic development. In spite of the dynamic development of services sphere, the considerable quantity of opportunities caused by the territory border situation, is not used. Economic activities mainly concentrate in cities.

The level of attracted foreign investments is not sufficient. On the whole Programme territory exists the lack of business support institutes and informational entrepreneurship infrastructure.

The main problem of the labour market is discrepancy between requirements of employers and type of qualification of potential employees. At the same time the high percentage of unemployed people, increase of qualification level of youth, competitive level of labour costs can become attractive factors for potential investors. And it will lead in future to economic development of the region.

The priority of border regions economic development of all five countries is the forming of market competitive economy, effective using of advantages, caused by the geoeconomic territory situation. Other important task is the mechanism forming of cross-border economic co-operation between Poland, Slovakia, Hungary, Romania, on one hand, and Ukraine on other hand, in conditions when its territories will be on different sides of European Union.

Further economic development of cross-border region analysis will be realized by determination the following fields of economic activity as enterprise development, small and middle business; technologies and innovations development; population qualification and labour-market investigation.

SWOT-analysis demonstrates following strong and weak characteristics of economy development in Carpathian region, and also favour to identify following potential opportunities and treats:

5. Economy	5. Economy
5.1 Enterprise and SME	5.1 Enterprise and SME
Strengths	Weaknesses
- Availability of relatively cheap labour resources - Activity and entrepreneurship of population - Traditional cross-border contacts between the entrepreneurs of Carpathian region and short distance to potential cross-border sale markets - Existence of high quality resource base for food and forestry industries - Growing interest of potential investors - Well developed SME support organizations network (at the national and regional levels) - Access to the EU programmes (PHARE, ISPA, SAPARD in Poland, Slovakia, Hungary, Romania) - Access to the EU TACIS programme (Ukraine)	- Low level of enterprises innovation activities and of their technological development - Lack of investments and limited access to financial resources - Unsatisfactory implementation of the legislation in business support - Not balanced business support institutions structure - Insufficient level of lingual and business skills at Carpathian region entrepreneurs



Opportunities	Threats
- New market relations forming - Application of high technologies - Consumer market development - Growing interest of potential investors to some industrial sectors or territories - Transportation infrastructure improvement - Services sector part growing - Favourable conditions for experience share and know-how transfer - Improvement of business supporting organizations and their networks - Business CBC support by the regional authorities, chambers of commerce and others specialized organizations	- Lack of foreign investments as compared with the western regions of the EU new associated member countries - Competition among regions - Long distances between border regions and national centres - Differences in legislations that negatively affect CBC and unforeseen changes within the national policies of business support - Introduction of visa Schengen regime
5.2 Technology and Innovations	5.2 Technology and Innovations
Strengths	Weaknesses
- Functioning of universities in all target frontier regions - Existence of polytechnics in all target frontier regions - Creation of research and innovation institutions	- Poor traditions within the sphere of theoretical and applied researches, new technologies elaboration - Poor links among the scientists and inventors of the border regions - Insufficient financing of the researches from state and international organizations
Opportunities	Threats
- Development and support of research activity in the sphere of scientific, technological and innovation activity - CBC in the field of science and 'know-how' - Technologies exchange organizations creation - Development of advanced telecommunication infrastructure - Specific consulting CBC role and use of the existing potentials can further access to innovations, researches and technologies	- Access to innovations and technologies is difficult for SMEs in rural areas - Fiscal policy of the national governments - Lack of financial resources for new technologies purchasing and application
5.3 Qualification and labour market	5.3 Qualification and labour market
Strengths	Weaknesses
- Competitive market of human resources - A great number of skilled unoccupied population - Sufficiently high level of youth education	- High level of structural and of long-term unemployment - Educational level of employees does not correspond to the requirements of employers - Lack of the efficacious state/ regional/ international programmes in unemployment overcoming - Lack of agreements about the mutual employment between the countries of Carpathian region
Opportunities	Threats
- Use of production comparative accounts advantages on the territory of Carpathian region	- Insufficient number of work places that answer the needs of potential employees

- Increase of professional qualification of human resources, especially, as result of actions realization concerning the increase of qualification and the retraining of the present human resources - Work places increase in custom and frontier infrastructure	- Skilled staff leave the country - Increase of social pathologies - Illegal migration - Lack of the reorganized educational programmes - Deterioration of the national and European economic conjuncture
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1.2.4. Environment, nature and rural development

All territory of the Carpathian region have the same natural conditions, and owing to the low level of industry production and to the considerable rural territory, the existence of untouched and well preserved ecological systems is possible. Climate conditions are favourable for the rural development, and existence of reach and various landscapes, of cultural traditions at multi national population favour to the development of alternative sources for population employment and in general for rural development. At the same time industrial activity, which does not meet the European standards of environment protection, disafforestation, low ecological culture of population, not always considerable infrastructure development negatively affect ecological balance in the region and rural development in general.

The following analysis of environment, nature and rural development of cross-border region, will be making in such following fields as environment development and investigation of rural multi functional development.

SWOT-analysis demonstrates following strong and weak characteristics of environment protection and rural development in Carpathian region, and also favour to identify following potential opportunities and treats:

6. Environment, nature and rural development	6. Environment, nature and rural development
6.1. Environment	6.1. Environment
Strengths	Weaknesses
- Similarity of geographical, biodiversity, climate conditions on all territory of Carpathian region - Existence of preserved and untouched ecological systems - Comparatively pure environment and relatively stable ecological situation - Good quality of surface and ground water - Comparatively great number of national parks and natural reserves - Similar situation in the sphere of ecology and environmental protection on all territory of Carpathian region - Existence of elaborated international standards in the sphere of environmental protection	- Divergence of national legislations within the sphere of environmental protection - National policies of Transcarpathian region countries do not take into account the local problems of environment - Insufficient realization of international standards within the sphere of environmental protection - Lack of information about the state of environment in Carpathian region - Insufficient awareness raise activities among population on environment state issues - Low ecological culture of population - Excessive utilization of forest resources - Not developed system of wastes utilisation



- Similar mentality of region population as to environment - Activity of Non-profit Organizations orienting on research of environment	
Opportunities	Threats
- Using the similar approaches towards solution of the ecological problems on the frontier territories - Elaboration of common plans and projects for environmental protection, environment protection monitoring network - Co-operation of ecological public organizations particularly oriented to environment research - Using international agreements in the sphere of environmental protection and sustainable development	- Natural disasters - Non-observance of the national legislations - Changes in national policy concerning the environment - Lack of financial resources for investigating industrial effect on the environment, its protection in general, water and wood resources management - Lack of financial resources for intake dams, reservoirs, polders, capacities building that guarantee the drainage of superficial waters in region rivers - Incompleteness of works in automatic information and measuring systems combination of anti-flood Tissa basin countries protection
6.2. Multifunctional rural development	6.2. Multifunctional rural development
Strengths	Weaknesses
- Favourable geographical position - Good climatic conditions, particularly for rural economy development - Sufficient water resources - Considerable human resources - Possibility to receive education in the specialized agricultural schools - Institute of private property on agricultural destination soils - Financial support from state - Sufficient quantity of agricultural machinery	- Considerable quantity of mountain settlements with extreme conditions of living and of agricultural production - Negative after-effects of floods on agriculture - Small quantity of drainage systems - Partially high soil acidity, insufficient quantity of phosphorus and magnesium in soil - High unemployment rate in rural territories due to surplus of labour forces - Insufficient human mobility that live in rural areas - Insufficient education level and professional level of farmers - Existence of problems with soil privatisation - Insufficient level of farming profitability because of the low prices for agricultural products - Farm fragmentation - Low level of production specialisation and concentration
Opportunities	Threats
- Development of intensive and laborious branches of rural economy - Creation of good quality and ecological pure foodstuff - Low prices on agricultural products in comparison with other EU countries - Closer co-operation among agricultural produ-	- Soil degradation - Slow application of modern achievements of biology in agriculture - High percentage of agricultural production while the markets of correspondent products are limited and influx of cheap goods from Western is high



- cers and processing industry - Reconstruction of the processing companies in the sphere of timber cutting and agriculture - Establishment of co-operatives including those aimed at joint operation of machinery - Improvement of education system within the sphere of agriculture - Establishment of professional CBC agricultural associations - Support in candidate countries of rural areas development of member-countries and neighbour-countries by the European Union	- Quotas on agricultural production in the EU new member states - Increase of unemployment rate on the rural territories - Development of structural changes in the agricultural sector - Steadily of problems in land privatisation - Lack of investment capital for agricultural economy and for processing companies
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1.2.5. Tourism

Reach and various natural, cultural and historical environment of Carpathian region are pre-conditions of tourism as one of border territories development priorities of Poland, Slovakia, Ukraine, Hungary and Romania, and particularly of its cross-border co-operation. Besides objective factors, existence of basic infrastructure, dynamic development of village green tourism can favour to the potential development of tourism, and also the traditional attention of authorities and local population in general to this alternative of regional development. Furthermore development of CBC in the field of tourism, especially by meaning of creation of common sectoral strategy and common products, can favour to expansion of tourism services market and to general social-economic growth of all national territories.

The following analysis of tourism development will be made in such following fields as development of tourism infrastructure, rural tourism and cultural heritage.

SWOT-analysis demonstrates following strong and weak characteristics of tourism in Carpathian region, and also favour to identify following potential opportunities and treats:

7. Tourism Strengths	7. Tourism Weaknesses
- Region is ecologically pure, characterised by landscapes and biological diversity - Status of development priority in all the border territories of the Carpathian region countries - Public awareness of protection necessity of the environment as an important element for tourism development - Experience in the sphere of cross-border tourist projects and products development	- Lack of border crossing points designed for tourists (pedestrian and bicycle) - Underdeveloped tourism product, especially common for the whole Carpathian region - Lack of marketing for region tourism possibilities - Lack of information for potential visitors about regional monuments - Lack of skilled personnel, especially those speaking foreign languages - Lack of financial resources for tourism development
Tourism infrastructure: - Existence of material and technical base of tourism	Tourism infrastructure: - Undeveloped from technical point of view and insufficient tourism infrastructure



- Functioning of some tourism information centres - Increase of night shelters for short-term tourists stay Rural tourism: - Starting up of the permanent green tourism agro-farms foundation process - Gradual stable increase of services level - Partially existing institutional support (Hungary) Cultural heritage: - Reach historical/cultural heritage (cities, castles, churches) - Multinational population - Good knowledge by the population the historical and cultural values of region	- Insufficient quantity of comfortable accommodation facilities for tourists accommodation in the region Rural tourism: - Absence of clear and precise legislative base for income taxation of persons working in rural tourism - Absence of quality standards for agro-farm green tourism services - Shortage of financial resources for development - Shortage of information centres and of tourism services advancement centres - Lack of knowledge of rural population about tourism development Cultural heritage: - Poor state of many historical and architectural monuments (especially in Ukraine and Romania) - Undeveloped crafts as the elements of tourism products - Shortage of cross-border tourism routes and maps with marked objects of local historical and cultural monuments
Opportunities	Threats
- Great potential for increase of CBC recreation and of tourism in the region - Development of marketing concepts for regional tourism products - Common cross-border approach towards promotion and monitoring of tourism development - Human resources development in sphere of tourism - Opportunities for tourism development, due to the EU expansion Tourism infrastructure: - Improvement of material and technical base, restructuring of tourism objects - Forming of common cross-border tourism centre - Access improvement to the financial resources, necessary for tourism infrastructure development, in Poland, Slovakia, Hungary and Romania after EU expansion Rural tourism: - Human resources development, increase of rural population employment	- Danger of environmental pollution - Lack of vision of the tourism sector perspective development in the Carpathian region - Non-coordinated actions of different border territories within the sphere of tourism; competition between target territories - Introduction of Schengen regime between Ukraine and neighbouring countries of Central Europe Tourism infrastructure: - Lack of access to financial resources (Ukraine) - Political and economic instability in region Rural tourism: - Non sufficient regulation of rural tourism by existing legislation (Ukraine)



- Increase of rural population knowledge about tourism opportunities of the region and increase of opportunities for its practical usage - Establishment of regional associations of rural tourism and businessmen - Access to financial flows by rural entrepreneurs Cultural heritage: - Local traditional product development - Increase of cultural perception of the local population as well as of foreigners interest to the Carpathian region - Co-operation of non-profit organizations, associations and community in the sphere of cultural heritage protection	- Introduction of unfavourable taxation regime Cultural heritage: - Worsening of the material and technical monuments state - Shortage of capital for restoration of the destroyed monuments
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1.2.6. Social and cultural integration

Compactness of Carpathian region territory and common historical and cultural heritage favour evenly to the social and cultural integration. This process may be accelerated in case of cross border problems solution between countries of region, renovation of co-operation institutional infrastructure between different community and national groups.

The following analysis of social and cultural integration will be made in such fields as development of social and cultural co-operation and networks, state of national minorities, cross border co-operation institutional support.

SWOT-analysis demonstrates following strong and weak characteristics of social and cultural integration in Carpathian region, and also favour to identify following potential opportunities and treats:

8. Social and cultural integration	8. Social and cultural integration
8.1. Social and cultural co-operation and networks	8.1. Social and cultural co-operation and networks
Strengths	Weaknesses
- Proximity of the regions that creates favourable conditions for common culture expansion and for co-operation - Common cultural heritage - Existence of the educational establishments system in each frontier region - Skilled staff that works in sphere of education, culture and sport - Existence of social services system and health protection on whole territory of Carpathian region	- Language barrier (partially) - Mental barrier for development of Transcarpathian links - Poor contacts among cultural organizations and associations - Existence of everyday problems at border-crossing - Diversity of the administrative structures of the regions that complicates activities coordination - Poor state of technical equipment at the medical institutions



	- Out-of-date system of social protection - Low communication quality - Lack of general communication base
Opportunities	Threats
- Increase of educational and cultural co-operation level - Creation of above-regional importance universities - Increase of co-operation effectiveness between development organizations (agencies of regional development), community organizations. - Skilled staff proliferation - State and social support of cultural heritage development - Support of various European organizations in the sphere of culture, education. - Concentration of substantial social partners potential both on national and cross-border levels - Improvement of border-crossing points operation quality - Development and dissemination of new informational technologies	- New external EU border (visa regime, everyday problems at the border, new barriers of cultural transfer) - Differences in educational systems, health protection systems, social protection - Skilled staff leaves the Carpathian region - Growth of competition between the border region of Carpathian region - Shortage of financial resources
8.2 National minorities	8.2 National minorities
Strengths	Weaknesses
- Common history and cultural heritage of ethnic minorities that live in the region - Similar structure of national minorities at both sides of border - Similar interests concerning the cultural development - Lack of considerable language barriers - Family ties of people from different countries of Carpathian region - Wide network of non-profit organizations and associations - Existence of Carpathian Euroregion structures that favour the development of inter ethnic contacts - Functioning state committees existence for national minorities	- Existence of «blank spots» in common history - Substantial differences in legislations dealing with the national minorities - Shortage of informational support for national minorities development - Visa regime introduction - Everyday problems at the border - Facultative character of co-operation among non-profit organizations and associations
Opportunities	Threats
- Improvement of information flows - Co-operation establishment and cultural links expansion among social organizations of Carpathian Euroregion national minorities - Extension of cultural contacts - Solving the problems of labour migration - Cross border associations creation	- Extension of differences in social and economic development of national minorities in different countries of Carpathian region - New barriers establishment due to the EU expansion, particularly closing of the border crossing points with simplified procedures for the border population

- Establishment of self-government structures of national minorities	- Negative impact of illegal migration
8.3. Institutional support of cross-border co-operation	8.3. Institutional support of cross-border co-operation
Strengths	Weaknesses
- Cooperation between local authorities - Cross-border structures activity, particularly of Carpathian Euroregion - Functioning of agencies of regional development and other development institutions in all territory of Carpathian region	- Competition among the existing and new cross-border structures - Partially insufficient decentralization of responsibilities and financial resources - Insufficient economic, financial and human resources for CBC development in rural areas - Poor quality of telecommunication infrastructure - Lack of statistical information
Opportunities	Threats
- Growing interest towards reinforcement of social, cultural and economic integration in all the border regions of Carpathian region - Improvement of co-operation between agencies of regional development and other development institutions - Improvement of integration processes coordination via using of existing cross-border structures opportunities - Strengthening of co-operation among local/regional mass media	- Conflict of interests between the existing CBC structures or/and national/ regional/ local authorities - Language barrier - Insufficient skills for using available support programmes of Europe Union

1.3. STRATEGIC APPROACH TO THE DEVELOPMENT OF CROSS-BORDER COOPERATION IN THE CARPATHIAN REGION

Cross-border co-operation among the territorial communities or authorities, that are under jurisdiction of the neighbour state directed on comprehensive development of the border regions via promotion of trade-economic, co-operative-production, research and technical contacts between the border administrative territorial regions, implementation of common programmes on environmental protection, prevention of natural and man-caused catastrophes, development of border infrastructure and intensification of contacts within the humanitarian spheres at the interregional level.

The border territories of Carpathian region play an important role within the international co-operation in the territorial and dimensional plane as the zones of direct interactions of the economics of Ukraine, Hungary, Slovakia, Poland and Romania and also on the political plane. As a result of the EU enlargement in 2004 to the East, the frontier regions of Poland, Slovakia, Hungary obtain the status of a specific contact zone of partner interaction of the neighbour countries with a fundamentally different geopolitical status: Ukraine as off-block, non-nuclear country and the CIS member; Poland, Slovakia



and Hungary as the NATO member states and the EU associated member states; Romania as the representative of the second group of candidates to associate EU and candidate for joining the NATO. Border regions of Poland, Hungary and Slovakia from May 2004 are located on the new external borders of the European Union with Ukraine. This geopolitical change and, especially, the fact that these countries will join the Schengen zone in 2006-2007, can have a destructive influence upon the system of cross-border cooperation in general and as well as on Ukrainian-Polish, Ukrainian-Hungarian, Ukrainian-Slovak co-operation. Only practical implementation by states and by its border regions of concrete common projects, first of all in the economic sphere, can efficiently counteract to the possible negative influences of new separating lines in Europe upon the Ukrainian-Hungarian, Ukrainian-Polish, Ukrainian-Slovak and Ukrainian-Romanian interstate and interregional co-operation.

Common strategic approach of Carpathian border regions to the cross-border cooperation is influenced by row of factors – legal base (European Framework Convention on Cross-border Cooperation Among the Territorial Communities or Authorities (ETS No106, 21 May 1980) and additional protocols, Directive 2000/60/EC about the Framework Structure of European Union in Water Policy, 23 October 2000", important geopolitical situation of region, peripheral location of all the cross-border region, depressive state of social and economic development, necessity of foreign investments attraction, existing traditions of cross-border cooperation, wide unused possibilities in the sphere of economic, transportation infrastructure, tourism, social and cultural integration development, forming of the region with common natural and ecological systems.

Geoeconomic profits of neighbour border regions of abovementioned countries are due to the situation at an intersection of Transeuropean and Euroasiatic trade and economic, transport and infrastructure, production and cooperation, material and energetic and others flows. To realize the potential of geostrategic advantages the border regions can first of all determine spheres of similar economic and other regional interests, its harmonization with the general interests of state and with tasks of international cooperation.

In spite of objective advantages for regional development today live conditions on the target territory cannot be considered attractive due to weaknesses identified during the SWOT-analysis completion, especially its peripheral situation concerning national and European centres. Thus the **main aim** of the Strategy of Cross-Border Co-operation Development is securing of formation of border region, which is dynamically developing and is attractive for habitation thanks to favourable social-economic, cultural and ecological conditions, by means of increase of the integration level of target border territories of five countries.

The overall development vision of the strategy "Carpathia 2004-2011" is to secure the emergence of well integrated cross-border area covering the border regions of the five different countries, which is dynamically developing and attractive for habitation thanks to an improvement of socio-economic, cultural and ecological framework conditions.

All activities undertaken to realise the strategic vision shall take into consideration the following **basic principles**:

1. sustainable development of cross-border region;
2. equal opportunities for people of all sex, social and, especially, ethnic origin.

Territorial development of the Carpathian cross-border region, realised by means of close co-operation among the border regions, will contribute to achieve the following **goals**:

1. To reduce the peripheral situation of the Carpathian cross-border region relative to the European Union and to national centres and to neutralise negative effects originating from

- peripherality on the socio-economic development as well as to proactively use the advantages of the EU enlargement process;
2. To use cross-border co-operation at all levels (local and regional co-operation, central state support programmes and coordinating initiatives) in order to support further integration of Carpathian border regions in Poland, Slovakia, Ukraine, Hungary and Romania in the long-term.

Strategic objectives of priority directions development of cross-border cooperation in Carpathian region submit to foregoing main aims.

1. Strategy objectives for infrastructure development:

- Creation of conditions for free traffic of men, goods, services and capital in Carpathian region;
- Establishment of new border crossing points, increase of operation efficiency of the existing entry points by matching the border crossing regulations with the EU standards and present-day needs;
- Increase of existent border crossing points functioning effectiveness, establishment of EU border crossing standards;
- Roads network creation that connect all countries of Carpathian region;
- Ensuring of transportation intermodality;
- Improvement of communication structure relatively to EU standards;
- Application of modern technologies in communication;
- Communication structure integration of all border territories in single cross-border network.

2. Strategy objectives for economy development:

- Sustainable and balanced SME development in Carpathian region;
- Effective utilisation of regional internal resources (economics potential, scientific and technical ideas, man and financial resources), particularly by using of cross-border cooperation mechanism;
- Information exchange improvement among the entrepreneurs of all the five countries of Carpathian region;
- Creation of conditions that favour to increase the internal and external investments;
- Neutralisation of negative effects caused by an introduction of the visa regime on the Ukrainian border for cross-border economic relations;
- Creation of favourable conditions for successful technologies and innovations development in Carpathian region;
- Innovative technologies application, particularly domestic, in various spheres of economy;
- Ensuring of reciprocal cooperation among scientific institutions of border territories;
- Techno-parks creation, realization of other innovation actions that promote the application of modern technologies;
- Elaboration and realization of common programmes of unemployment overcoming in region, avoidance of mutual competition on the labour market.

3. Strategy objectives for environment protection and rural area development:

- Elaboration and realization of single biosphere policy in Carpathian region;
- Ecological river basins regeneration and integrated management of river basins within the entire Carpathian cross-border region;
- Creation of incomes alternative sources for population that live in rural regions, particularly through the local handy craft, production and tourism development;
- Balanced utilisation of soil resources taking in account the local traditions of farming;
- Development of region traditional speciality by modern technologies introduction;
- Activisation of local population and their involvement into elaboration and realization of rural areas development common programmes;
- Ensuring of sustainable ecologically pure foodstuff production.



4. Strategy objectives for tourism development:

- Development of Carpathian region tourist infrastructure in line with the European standards using the available base and creating new tourist attractions;
- Attraction to Carpathian region the attention of native and foreign tourists as to the territory with popular tourist products;
- Common tourist products development and improvement institutional and information integration;
- Rural tourism development by rural tourism objects network creation in all Carpathian region;
- Information centres network creation and centres of rural tourism services advancement;
- Teaching to rural population the business carrying out bases and the rural tourism standards;
- Renovation and development of traditional trades as integral part of region tourism appeal;
- Restoring the emergency cultural and historical monuments of region;
- Increase of tourism appeal of region by restoration and further saving of cultural and historical monuments;
- Making and realization of cross-border projects with the aim of common cultural and historical heritage recovery of Carpathian region.

5. Strategy objectives for social and cultural integration development:

- Protection and rehabilitation of specific historical, social and cultural assets and proactive use of jointly shared resources throughout the entire Carpathian cross-border region;
- Improvement of information interchange, particularly creation of information network;
- Development or creation of common mass media (radio/television/magazines/web-sites) and of information centres;
- Programmes coordination of social protection and of social non protected levels of population protection;
- Increase of social and cultural integration level of national minorities in Carpathian region, in particular of Gypsies;
- Cooperation development among organizations of national minorities;
- Dissemination of the cross-border cooperation ideas in all the border regions;
- Participation of the social and cultural partners in the region with the aim of communicating a holistic picture of the region and creating a pool of multipliers that promote the regions and contribute to implement the strategy.

With an aim for achievement of these objectives Strategy of Cross-Border Co-operation Development in the Carpathian Region (2004-2011) must be implemented in close relation with main directions of regional policy of Ukraine, Poland, Slovakia, Hungary and Romania and with appropriate programmes of European Union.

Effectiveness of co-operation will depend on the efficiency of institutional infrastructure of cross-border co-operation development, in particular, realization of this Strategy (see Part 3).

PART 2. OPERATION PROGRAMMES

Priority 1: Infrastructure

Overall objective:

Infrastructure development that favours to free border crossing, to increasing of goods and services flows along the thruways and to free communication exchange.

Sub-priority 1.1: Border infrastructure

1.1.1 Objectives:

1.1.1.1 Overall objective:

- Ensuring of goods and people free circulation through the borders of Carpathian region countries

1.1.1.2 Strategic objectives:

- Establishment of new border crossing points, increase of operation efficiency of the existing entry points by matching the border crossing regulations with the EU standards and present-day needs;

1.1.1.3 Mid-term objectives (2011):

- Construction and opening the entry points: Roztoki Gorni – Ruske Sidlo (Poland/Slovakia), Volosate – Lubnia (Poland/Ukraine), Yablunivka – Kamarzana (Ukraine/Romania), Siget – Solotvyno (Romania/Ukraine), Holmo – Diakovo (Romania/Ukraine).

1.1.1.4 Short-term objectives (2006):

- Increase of traffic capacity of the entry point Chop/Zahony (Ukraine/Hungary), reconstruction of the bridge paving through river Tissa;
- Increase of traffic capacity of the entry point M.Bereznyj – Ublya (Ukraine/Slovakia);
- Reconstruction of international road entry point “Uzhgorod-Vyshnye Nemetske”;
- Elaboration of scientific grounded proposals to the national governments and EU concerning problems solving that hinder free movement of people, goods and cargo transport through the Transeuropean transport corridor No5, particularly on the Ukrainian territory.

1.1.2 Target groups:

- National governments;
- Local authorities;
- Transport companies;
- Logistic companies;
- SME;
- Potential investors;
- Citizens.

1.1.3 Types of activities:

- Reconstruction of the bridge pavement through the river Tissa in location of entry point “Chop-Zahony”;
- Creating a system of efficient control at the borders over movement of cargo and transport that have radio-active chemical pollution or things suitable for running terrorist activities;
- Development of customs and logistic services.



1.1.4 Expected results/outputs:

- Increased cargo, passenger and investment flows;
- Increase of living level and standards.

1.1.5 Implementation structure:

- National governments;
- Local authorities;
- Customs service
- Customs terminals;
- Contractors;
- Scientific and analytical centres and institutions.

Sub-priority 1.2: Transport infrastructure

1.2.1 Objectives:

1.2.1.1 Overall objective:

- Assistance to goods and services flows increase along the roads of Carpathian region in the directions West-East, North-South.

1.2.1.2 Strategic objectives:

- Building roads joining all the five countries;
- Securing transport services intermodality;
- Elimination of obstacles for cargo transportation development.

1.2.1.3 Mid-term objectives (2011):

- Building of a high way between Satu-Mare (Romania) and Mateszalka (Hungary)

1.2.1.4 Short-term objectives (2006):

- Establishment of the logistic centre "Autoport Khust";
- Creating a 3 km zone in the Chop/Zahony location of simplified movement of cargo vehicles in order to develop transportation intermodality;
- Establishment of a single virtual logistic centre Chop/Zahony;
- Connection to Zahony border vehicle terminal of the transit of cargo motor transport through railway;
- Building of an informational system that would unite major consumers, producers of the region as well as actors of cargo transportation activity within the framework of transport corridor No5.

1.2.2 Target groups:

- National governments;
- Local authorities;
- Transport companies;
- Logistic companies;
- SME;
- Potential investors;
- Citizens.

1.2.3 Types of activities:

- Building and reconstruction of roads;
- Construction of the roll terminal.

1.2.4 Expected results/outputs:

- Increased cargo, passenger and investment flows.

1.2.5 Implementation structure:

- National governments;
- Local authorities;
- Cargo terminals, logistic centres;
- Contractors.



Sub-priority 1.3: Communication infrastructure

1.3.1 Objectives:

1.3.1.1 Overall objective:

- Improvement of communication infrastructure in the whole Carpathian region meeting the EU standards as well as present-day needs.

1.3.1.2 Strategic objectives:

- Use of advanced technologies in the field of communications;
- Integration of communication infrastructure of all border regions into one common cross-border network.

1.3.1.3 Mid-term objectives (2011):

- Establishment of common telecommunication network of the Carpathian region;
- Forming of common cross-border TV channel;
- Increase of modern communication facilities utilisation level by the region population.

1.3.1.4 Short-term objectives (2006):

- Ensuring systematic state support in the field of informational technologies(IT) development;
- Renovation and development of telecommunication infrastructure;
- Establishment of a common cross-border TV studio.

1.3.2 Target groups:

- National governments;
- Local authorities;
- Transport companies;
- Logistic companies;
- SME;
- Potential investors;
- Citizens.

1.3.3 Types of activities:

- Creation of a communication network;
- Forming of a common TV studio and a TV channel
- Renovation of the communication infrastructure.

1.3.4 Expected results/outputs:

- Establishment of an integrated communication network that would connect all the border regions of the Carpathian region as well as would serve as an efficient communication intermediary between the East and the West.

1.3.5 Implementation structure:

- National governments;
- Local authorities;
- Contractors;
- Scientific and analytical centres and institutions.



Priority 2: Economy

Overall objective:

Creation of conditions for balanced economic development of the Carpathian region that will favour the increase of living standards by stable enterprise and SME increase, technological and innovation level of production extension and increase of work places.

Sub-priority 2.1: Entrepreneurship and SME

2.1.1 Objectives:

2.1.1.1 Overall objective:

- Sustainable and balanced SME development in Carpathian region.

2.1.1.2 Strategic objectives:

- Efficient use of domestic resources of the regions (economic potential, human and financial resources, scientific and technical innovation ideas,) also via CBC cooperation;
- Cross-border cooperation of SME, in particular by improvement of informational exchange;
- Creating conditions facilitating attraction of internal and external investments;
- Better linking science and business;
- Neutralization of negative sequent of visa regime introduction on the Ukrainian border.

2.1.1.3 Mid-term objectives (2011):

- Restructuring of enterprises functioning within the traditional industrial sectors of the region;
- Penetration to new sales markets of SME production through improvement of its competitiveness and promotion of the Carpathian region at both domestic and foreign markets;
- Improving investment attractiveness of the region via expansion and amelioration of relevant technical infrastructure;
- Contacts and cooperation relations establishment among the SME representatives of Carpathian region countries, common activity concerning attraction of external investments;
- Lobbying of legislation adopt favourable for SME development, cross-border cooperation, attraction of investments.

2.1.1.4 Short-term objectives (2006):

- Strengthening and improvement of the SME support institutional network (chambers of commerce, business-centres, business-incubators and others);
- Realization of training programmes for entrepreneurs;
- Creation of an informational portal in order to ensure access to information concerning the SME development in Carpathian region, and also about the potential possibilities of investments attraction

2.1.2 Target groups:

- SME of the region;
- Potential entrepreneurs;
- Institutions that support SME development;
- Potential investors;
- Scientific and analytical centres and institutions.

2.1.3 Types of activities:

- Small enterprise development at the cost of state enterprises reconstruction;
- Forming of business-incubators and other business support institutions network;
- Organization of expositions, business meetings and others business events that favour contacts among entrepreneurs;
- Information Internet-portals establishment.



2.1.4 Expected results/outputs:

- Balanced economic development of borders territories in all five countries of the Carpathian region.

2.1.5 Implementation structure:

- Cross-border network of SME support organizations;
- Local authorities;
- Entrepreneurs.

Sub-priority 2.2: Technology and innovations

2.2.1 Objectives:

2.2.1.1 Overall objective:

- Creation of favourable conditions for successful technologies and innovations development in Carpathian region.

2.2.1.2 Strategic objectives:

- Innovative technologies application, particularly domestic, in various spheres of economy;
- Creation of conditions for cooperation among research institutions in border regions in all of five countries.

2.2.1.3 Mid-term objectives (2011):

- Establishment of techno parks;
- Realization of innovation activities that promote the use of innovative technologies;
- Support of research institutions.

2.2.1.4 Short-term objectives (2006):

- Establishment of innovation centres and their network;
- Elaboration and implementation of common CBC projects within the sphere of technology development;
- Creating a common database of innovations and innovative technologies;
- Elaboration and application of regulations favourable for technologies and innovations application;
- Experience exchange among the regions.

2.2.2 Target groups:

- Universities;
- Research centres and institutions;
- Scientists;
- Entrepreneurs;
- Business-incubators, techno parks and others institutions of business development and innovation support.

2.2.3 Types of activities:

- Organization and carrying out of research and practical conferences;
- Increase of financing of the research institutes;
- Establishment of a patent shop;
- Production needs monitoring;
- Support of high technologies sector development;
- Establishment of institutions that would stimulate application of innovations.

2.2.4 Expected results/outputs:

- Increase of technological development level of the border regions of the Carpathian region as well as creation of favourable conditions for effective innovations application within all spheres of national economy.

2.2.5 Implementation structure:

- Research institutes and education institutions;
- SME representatives.



Sub-priority 2.3: Qualification and Labour market

2.3.1 Objectives:

2.3.1.1 Overall objective:

- Creation of improved conditions on the labour market that will favour the lowering of unemployment rate in the Carpathian region.

2.3.1.2 Strategic objectives:

- Attracting investments into the Carpathian region with the aim of new jobs creation;
- Efforts coordination in the border regions of all five countries aimed at overcoming unemployment and also to eliminate inward competition at the labour market.

2.3.1.3 Mid-term objectives (2011):

- "Retention" of skilled experts in the region;
- Elaboration and implementation of joint programmes aimed at overcoming unemployment in the region;
- Integration of labour markets of all the border regions into a single one.

2.3.1.4 Short-term objectives (2006):

- Improvement of human resources business skills by carrying out of training programmes;
- Creating new jobs;
- Development of an institutions network that will solve the unemployment problem in the region;
- Monitoring of labour market state in region.

2.3.2 Target groups:

- Unemployed people;
- Pupils and students;
- Enterprises;
- Employment centres.

2.3.3 Types of activities:

- Carrying out of training and education programmes;
- Contacting of foreign investors;
- Marketing of the Carpathian economic location;
- Cross-border co-operation of regional agencies, of Chambers of industry and commerce and of chambers of crafts;
- Joint events for specific groups of enterprises;
- Support to existing small and medium-sized enterprises in the region or to enterprises that are in the way of development.

2.3.4 Expected results/outputs:

- Strengthening of small and medium-sized enterprises;
- New external investment and extension of existing enterprises;
- New forms of enterprise based co-operation;
- Lowering the rate of unemployment;
- Solving conflicts of interests at the labour markets in the border regions particularly of illegal labour migration.

2.3.5 Implementation structure:

- Employment centres;
- Local executive state authorities;
- Enterprises;
- NGOs;
- Educational institutions.



Priority 3: Environment, nature and rural development

Overall objective:

Ensuring of stable Carpathian region development, establishment of alternative income sources for people living in rural areas and carrying out of biosphere policy that will favour to environmental protection

Sub-priority 3.1: Environment

3.1.1 Objectives:

3.1.1.1 Overall objective:

- Ensuring of stable region development and realization of biosphere policy in Carpathian region;

3.1.1.2 Strategic objectives:

- Ecological river basins regeneration of Carpathian region;
- Improvement of environment situation in the region.

3.1.1.3 Mid-term objectives (2011):

- Ecological improvement/regeneration of the river basins of the Carpathian region;
- Organization of works to transform normative and legal base in sphere of water resources in accordance with requirements of European water directive

3.1.1.4 Short-term objectives (2006):

- Identifying of the main ecological areas and also main ecological and nature protected sites;
- Forming an ecological monitoring system also aimed at timely prevention of man-caused catastrophes, radioactive and chemical pollution, floods;
- Dams construction, coast-protecting structures, channels improvement of small and middle rivers;
- Building of retaining reservoirs, polders and reservoirs for drainage regulation of superficial water;
- Establishment of unified automatic information and measuring monitoring system of water situation in the border waters.

3.1.2 Target groups:

- All population of Carpathian region.

3.1.3 Types of activities:

- Creating infrastructure in the sphere of environmental protection (EP);
- Forming a regional system of ecological monitoring, especially carrying out of common inspections of potential ecological dangerous objects within frameworks of whole Tissa river basin;
- Common activities elaboration concerning risk decrease of man-caused wrecks;
- Improvement of water quality, particularly purifying of sewage, particularly adapt of common control methodologies of water state and quality;
- Improvement of small and middle rivers channels and carrying out of floods prevention activities;
- Proposals preparation concerning creation of common international objects of nature protection fund;
- Creation and regeneration of unique transnational reserve "Carpathians";
- Carrying out of common trainings of Tissa basin countries correspondent institutions in liquidation of man-caused wrecks aimed to minimization of its sequences;
- Creation of international insurance fund for compensation paid caused for environment sequent to man-caused wrecks;



- Carrying out of water consumption common measuring and of water quality control tests in Tissa, Uzh, Latoritsa basins;
- Carpathian region population awareness raising activities holding and teaching about environmental protection by primary, secondary, higher education institutions and mass media;
- Signing of intergovernmental agreements of indemnification caused to the environment by man-caused catastrophes;
- Signing of intergovernmental agreements concerning common objects creation of nature protection fund.

3.1.4 Expected results/outputs:

- Improvement of ecological situation in the whole Carpathian region, prevention of man-caused and natural catastrophes;
- Increase of living standards and rural areas population well-being.

3.1.5 Implementation structure:

- Ecological institutions in five countries;
- Land management services;
- Authorities;
- NGOs;
- Scientific institutes engaged in EP policy;
- Entrepreneurs.

Sub-priority 3.2: Multifunctional rural development, including agriculture.

3.2.1 Objectives:

3.2.1.1 Overall objective:

- Creation of alternative income sources for people living in rural areas and balanced use of land resources with due regard to local farming traditions;

3.2.1.2 Strategic objectives:

- Development of traditional specialty of the region via application of innovative technologies;
- Motivation of local population and their involvement in the implementation of the joint rural development programmes.

3.2.1.3 Mid-term objectives (2011):

- Improvement of rural areas population living standards;
- Assistance provision in organization of farming industry that more appropriate to the region conditions;
- Creating and developing sustainable production of environmentally sound products.

3.2.1.4 Short-term objectives (2006):

- Establishment and development of local production in rural areas;
- Making small-scale equipment and inventory for local farms;
- Biomass utilization;
- Development of informational infrastructure.

3.2.2 Target groups:

- Population of whole Carpathian region rural areas.

3.2.3 Types of activities:

- Development of the tourism product "The Green Carpathians";
- Establishment of a coordination centre at the ARD.

3.2.4 Expected results/outputs:

- Increase of living standards of rural population;
- Balanced agricultural development in the region.

3.2.5 Implementation structures:

- Local authorities;
- Farmer associations;
- Farms;
- Private sector of rural areas.

Priority 4: Tourism

Overall objective:

Ensuring competitiveness of the Carpathian region in tourism sphere by cross-border cooperation development, in particular in sphere of tourism infrastructure development, rural, cultural and historical tourism development.

Sub-priority 4.1: Tourism infrastructure

4.1.1 Objectives:

4.1.1.1 Overall objective:

- To develop tourism related projects that are in line with the regional and cross-border development opportunities.

4.1.1.2 Strategic objectives:

- Attracting domestic and foreign tourists to the Carpathian region as a territory with popular tourist products
- Common tourist products development and improvement institutional and information integration.

4.1.1.3 Mid-term objectives (2011):

- Development of common tourist products and improvement of institutional integration;
- Quality improvement of the tourist products and services;
- Development of tourist informational services and forming an informational network;
- Common promotion of the Carpathian region.

4.1.1.4 Short-term objectives (2006):

- Elaboration of cross-border programmes needed for the implementation of the General Strategy of tourism development in the Carpathian region;
- Development of marketing concept for tourism products;
- Creating and restoring pedestrian and bicycle cross-border tourist routes in particular creation of an circular route among Ukraine, Slovakia and Poland: "Lubnia-Volosate, Malyj Berezny-Ulych, Ruske Sidlo-Roztoki Horne";
- Establishment of national/ regional tourist associations;
- Creation of databases (cultural, historical monuments, roads, hotels, restaurants and others);
- Introduction of communication system among tourism enterprises of region via Internet and other modern communication facilities;
- Staff training in the field of tourism and their exchange, in particular programme realization of staff training in sphere of tourism in different fields (hotel business, active tourism, extreme tourism and others).
- Lobbying the establishment of new border crossing points at the authorities for visa regime with Ukraine introduction negative sequences neutralization.

4.1.2. Target groups:

- Border regions population;
- Potential customers of tourism product.



4.1.3. Types of activities:

- Construction of new and reconstruction of old tourist infrastructure facilities;
- Marketing strategy elaboration in particular establishment of product "corporate identification";
- Establishment of informational centres and of information products concerning tourism potential of region;
- Staff training particularly training programmes;
- Building new entry points;

4.1.4. Expected results/outputs:

- Increased number of tourists in the Carpathians;
- Improved economic situation in the region due to tourism development.

4.1.5. Implementation structure:

- Tourist infrastructure facilities owners;
- Local authorities;
- Tourist associations.

Sub-priority 4.2: Rural tourism

4.2.1 Objectives:

4.2.1.1 Overall objective:

- Rural tourism development through creating a network of rural tourist sites throughout the Carpathian region.

4.2.1.2 Strategic objectives:

- Development of rural areas via green tourism development
- Renovation and development of traditional trades as integral part of region tourism appeal.

4.2.1.3 Mid-term objectives (2011):

- Creation of additional income possibilities in the agricultural sector by strengthening rural tourism;
- Motivating rural population in order to expand the range of tourist services;
- Creating a network of informational centres and rural tourism services promotion centres;
- Improving the normative base regulating rural tourism development.

4.2.1.4 Short-term objectives (2006):

- The development and implementation of common tourists projects in the field of green tourism;
- Establishment of cross-border co-ordinating centre;
- Creating databases of rural tourism including tourism catalogues creation;
- Rural population training on fundamentals of business and on rural tourism standards.

4.2.2 Target groups:

- Rural population;
- Tourist agencies and associations;
- Local authorities.

4.2.3 Types of activities:

- Creation of overnight stay facilities on farms/rural exploitations;
- Reconstruction and rehabilitation of particularly protected buildings in rural areas for needs of rural tourism;
- Establishment of associations in the field of rural tourism;
- Running training programmes;
- Access ensuring to legislation and advice.

4.2.4 Expected results/outputs:

- Development of rural areas due to the increased welfare of citizens;



- Improvement of living standards in rural areas.

4.2.5 Implementation structure:

- Cross-border coordinating centre;
- Cross-border network of tourism associations.

Sub-priority 4.3: Cultural heritage

4.3.1 Objectives:

4.3.1.1 Overall objective:

- Preservation and rehabilitation of the region's cultural heritage and its cross-border and international promotion.

4.3.1.2 Strategic objectives:

- Restoring the emergency cultural and historical monuments of region;
- Drawing public and institutions attention (incl. Europe) to the problems of the region's cultural heritage preservation in the region.

4.3.1.3 Mid-term objectives (2011):

- To improve tourist attractiveness of the Carpathian region via restoring and further preserving of cultural and historical heritage;
- Reconstruction and development of traditional handicrafts as an integral part of the tourist attractiveness of the region;
- Legislation improvement in sphere of historical and cultural monuments preservation.

4.3.1.4 Short-term objectives (2006):

- To involve public in order to solve problems of restoration and preservation of the cultural heritage;
- Restoring old and creating new tourist cross-border routes around cultural and historical monuments of the region;
- Experience exchange among the regions on the problems of preservation and restoration of archaeological and other monuments;
- Population training of cultural heritage preservation grounds;
- Elaboration and implementation of the CBC projects aimed at joint restoration of the cultural and historical heritage of the Carpathian region.

4.3.2 Target groups:

- Tourists;
- Local population;
- Archaeological organization and associations;
- Local authorities.

4.3.3 Types of activities:

- Joint promotion of tourist products of the Carpathian region;
- Preservation, restoration and monitoring of the cultural monuments;
- Development of local prominent monuments;
- Support and popularisation of local producers and crafts (carrying out of festivals, fairs);
- Educational programmes for local population.

4.3.4 Expected results/outputs:

- Restoration and preservation of the cultural heritage and traditions of the region;
- Improvement of cultural and moral education of youth.

4.3.5 Implementation structure:

- Local authorities;
- Organizations that preserve and develop the cultural heritage of region.



Priority 5: Social and cultural integration

Overall objective:

Increase of social and cultural integration level in Carpathian region, in particular of national minorities with aid of cross-border cooperation mechanism between the institutes of different social sectors.

Sub-priority 5.1: Social and cultural co-operation and networks

5.1.1 Objectives:

5.1.1.1 Overall objective:

- Increase of social and cultural integration level in Carpathian region by forming the new initiatives and networks.

5.1.1.2 Strategic objectives:

- Cross-border use of social and cultural potential of all the border regions of the Carpathian region in order to make closer co-operation in all spheres.

5.1.1.3 Mid-term objectives (2011):

- Improving the level of social, cultural and educational exchange within the framework of the Carpathian region;
- Improving informational exchange in particular creating an informational network;
- Educating a citizen that inheres democratic civic culture;
- Coordinating the programmes of social security and concern for unprotected population groups;
- Elaboration of common calendar plan of sport events in Carpathian region.

5.1.1.4 Short-term objectives (2006):

- Collecting information and databases creating;
- Establishing cross-border contacts among local authorities and organizations;
- Establishing relevant structures/ institutions / organizations;
- Elaborating and implementing joint projects;
- Identifying and involvement of financial resources.
- Carrying out of common sport events.

5.1.2 Target groups:

- Population of region;
- NGO's;
- Educational, social, cultural sport and recreation associations and institutions;
- Local authorities.

5.1.3 Types of activities:

- Establishment of coordination and information centres;
- Developing a web site and other information resources;
- Staff training and retraining;
- Language probation of pedagogical employees;
- Support of national minorities education;
- Arranging of target international camps for children (6-16 age old), including lingual, international sport camps;
- Experience exchange programmes realization.

5.1.4 Expected results/outputs:

- Increase of social and cultural exchange level and of integration.

5.1.5 Implementation structure:

- Information/coordination centre;
- All target groups.



Sub-priority 5.2: National minorities

5.2.1 Objectives:

5.2.1.1 Overall objective:

- Increase of social and cultural integration level of national minorities in the Carpathian region.

5.2.1.2 Strategic objectives:

- Integration of the Carpathian region national minorities into one single transnational community;
- Social integration of Gipsies in region.

5.2.1.3 Mid-term objectives (2011):

- Co-operation development among the organizations of national minorities;
- Programmes of national minorities support realization;
- Social integration of Romas in the region;
- Development/ establishment of common mass media (radio/TV/magazines/ web site) and informational centres.

5.2.1.4 Short-term objectives (2006):

- Carrying out of festivals and other cultural events in the region;
- Statistical and sociological analysis of the minorities in the region and databases set up;
- Development and implementation of joint projects/ programmes;
- Establishment of relevant institutions and organizations of national minorities;
- Working out a mechanism to finance non-profit organizations of national minorities.

5.2.2 Target groups:

- Institutions of national minorities;
- Representatives from national minorities.

5.2.3 Types of activities:

- Creating of coordination cross-border network of national minorities informational centres that will search for financial resources;
- Running training programmes with the aim of national minorities organizations activity coordination;
- Development and implementation of the exchange programmes;
- Popularisation of national cultures.

5.2.4 Expected results/outputs:

- Establishment of a coordination centre and coordination of the CBC network of the informational centres activity;
- Forming the notion of the Citizen of the Carpathians (Carpathian transnational community).

5.2.5 Implementation structure:

- Coordinating centre;
- Cross-border network of information centres.

Sub-priority 5.3: Institutional support of cross-border cooperation

5.3.1 Objectives:

5.3.1.1 Overall objectives:

- Formation of the well developed and integrated CBC institutional system and new CBC institutions and organizations.

5.3.1.2 Strategic objectives:

- Dissemination of the CBC ideas in all the border regions;
- Revival of the local authorities and NGOs activities aimed at their reciprocal cross-border co-operation;



- Development or creation of common mass media (radio/ television/ magazines/ web-sites) and of information centres.

5.3.1.3 Mid-term objectives (2011):

- Development of the national laws concerning CBC in all countries of Carpathian region;
- Improving reciprocal co-operation among local authorities and NGOs of border regions.

5.3.1.4 Short-term objectives (2006):

- Forming a network of the existing institutions and organizations that work in the sphere of cross-border cooperation;
- Creating a database and web site concerning the state of CBC in Carpathian region;
- Training programmes realization for CBC expert;
- Joint projects and programmes realization;
- Using private and state communication facilities and mass media in order to improve informational exchange.

5.3.2 Target groups:

- Local and regional authorities;
- NGO's;
- Mass media.

5.3.3 Types of activities:

- Information centres establishment;
- Carrying out of training programmes;
- Elaboration and realization of exchange programmes;
- Popularisation of CBC in all the border regions of five countries.

5.3.4 Expected results/outputs:

- Developed and functioning cross-border institutional system/network.

5.3.5 Implementation structure:

- Integrated network of local development agencies;
- Local authorities;
- NGO's;
- Entrepreneurs.

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