



Tisza EGTC

Cohesion Analysis and Integrated Development Strategy

Extract



Established along the Hungarian-Ukrainian border, Tisza EGTC is the first territorial grouping with a non-EU entity as one of its members (the Zakarpattia region in Ukraine). The grouping, joined by neighbouring Szabolcs-Szatmár-Bereg county in Hungary and headquartered in Kisvárda, was created to strengthen territorial cohesion and to promote Ukraine's Euro-Atlantic integration.

Following the establishment of the EGTC, we have prepared a 300-page long in-depth state of play analysis and strategic plan to support the proposed interventions. To provide a wider access to their work, the authors have proposed and assisted in the creation of an English version. The aim of this brochure is to provide a summary on the state of play and to give a brief and basic insight into the strategic plan.



COHESION ANALYSIS

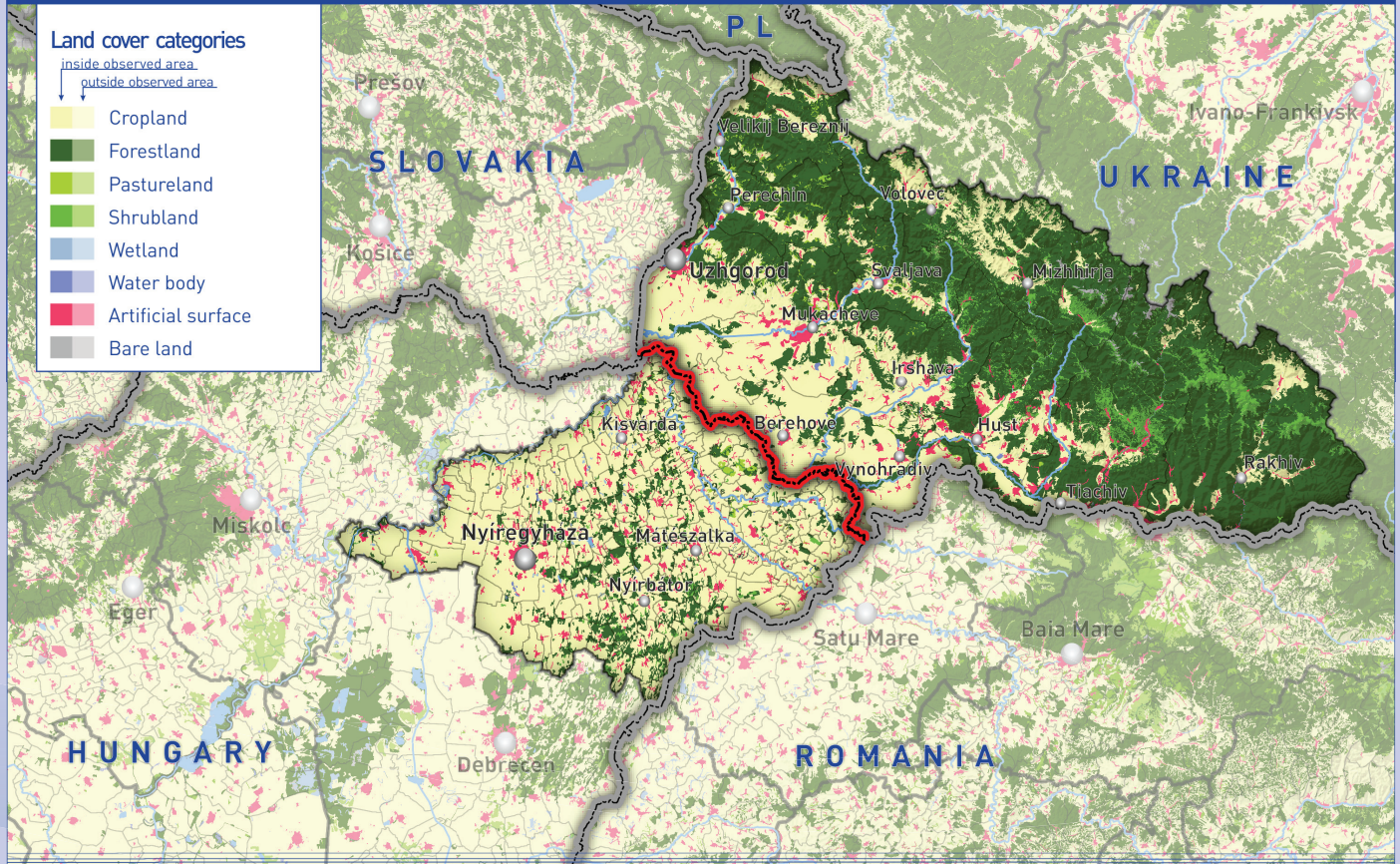
Our status analysis, forming a basis for the strategy development, is based on cohesion aspects. We conducted a cohesion analysis and grouped our findings into territorial, economic and social categories. The analysis of territorial cohesion is based on regional features with regard to landscape characteristics, urban networks, border crossing opportunities and institutional relations. The cohesion of various economic sectors is in large part discussed under economic cohesion, highlighting the region's shared and complementary economic characteristics, with special emphasis on deficiencies, areas of poor coordination and future potentials, particularly of infrastructure development. Social aspects include the analysis of the region's demographic and social conditions, existing social relations, labour migration and employment opportunities. Following the summary of identified cohesion challenges, we conclude by providing a planning framework, paying attention to align our material to all relevant programmes and plans developed at local, regional, national and EU level. This slightly unconventional assessment method better serves the identification of integrated regional and sectoral development opportunities as well as the strategic planning process.

Land cover in Tisza EGTC

Land cover categories

inside observed area
outside observed area

- Cropland
- Forestland
- Pastureland
- Shrubland
- Wetland
- Water body
- Artificial surface
- Bare land



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Source: <http://glc30.tianditu.com/>

Food industry companies by region and activity in Tisza EGTC



Employment as % of population by region in Tisza EGTC, 2011

Out of 10...

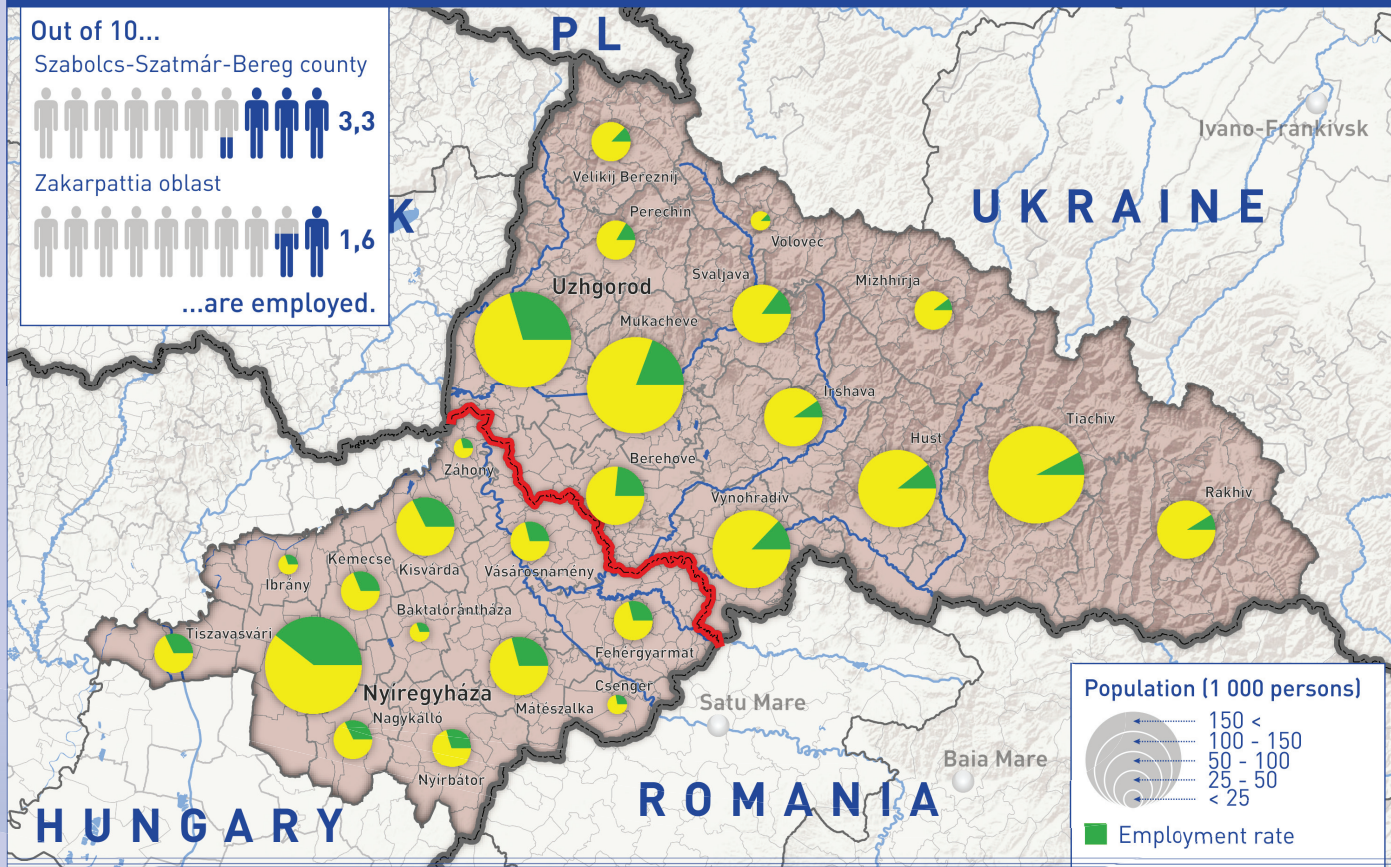
Szabolcs-Szatmár-Bereg county



Zakarpattia oblast



...are employed.



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Source: TEIR, Ukrstat

Factors strengthening and weakening cohesion

The table below summarises the main findings of our assessment (those concerning cross-border cooperation), which serve as a basis for setting up a system of objectives. The adopted challenge-response method identifies potential territorial challenges and assigns strategic responses to them. These responses do not imply individual projects and may be considered interventions integrated in complex programmes.

Table 1: Factors of cohesion and related strategic responses

Weakens cohesion	Strengthens cohesion	Strategic response
increasing flood risks, defensive, dam based flood control	existing flood control cooperation, landscape management opportunities	exploitation of landscape management potentials
financial and administrative burden in Ukraine, inadequate environmental capacities	environmental expertise and professional experience	environmental management cooperation (including waste management)
energy deficit	feasible shift to renewable resources, energy modernisation	promotion of renewable energy resources
poor water utility service (particularly in Ukraine)	cooperation in drinking water supply and wastewater treatment	coordination of public utility services
significant environmental risks, sources of pollution	joint risk prevention, rehabilitation programs	raising public awareness, joint actions on environment protection
rivalry and uncoordinated, parallel logistics capacities	establishment of an industrial and logistics zone in Záhony-Chop region	industrial and logistics cooperation

Weakens cohesion	Strengthens cohesion	Strategic response
weak intercorporate relations and cooperation, bureaucratic obstacles	existing joint ventures, local business knowledge	support for economic networking
poor industrial infrastructure, incubation services, investment and business promotion in Ukraine	interest in investment opportunities, industrial zones to be developed	joint investment promotion and business development ("incubators")
Schengen border with strict border control	border crossing point development opportunities	support for border infrastructure investments
city influencing zones split by the border	functions suitable for harmonisation	development of the EGTC's institutional relations and its institutional role
poor access to cross-border healthcare services	access to cross-border healthcare services	improvement of cross-border healthcare services (for health and medical tourism)
rudimentary cross-border polycentric municipal cooperation area	town-twinning in development	intermunicipal knowledge transfer within the grouping
significant differences between Hungarian and Ukrainian vocational training standards	cross-border migration of students and lecturers to Hungary, know-how in Hungary	cross-border vocational training, adult education management (practical training in Hungary, guest lectures, etc.)
students' one-way migration to Hungary, human capacities weakening the attractiveness of each side of the border	higher education capacities and cooperation	joint curriculum development and course profile planning
unemployment and skilled labour shortage	cross-border commuting	regional employment cooperation

Weakens cohesion	Strengthens cohesion	Strategic response
aging and emigration on the rise	upgradeability of the social and welfare system	improvement of the social economy (including silver economy)
rudimentary agricultural manufacturing industry in Ukraine	relatively developed agricultural manufacturing industry in Hungary	increasing the degree of processing of agricultural produces, common capacity building
lack of sectoral and intersectoral collaboration	presence of agents who represent smaller producers and coordinate production	cooperation between sales and production
significant differences between the two countries in the development of agricultural technologies and devices	agricultural expertise in Hungary, more favourable species structure, knowledge transfer	establishment of a common knowledge base (agricultural innovation and technology cooperation)
low value added production, dependence on external manufacturing capacities	manufacturing industry based on raw materials of Eastern markets	manufacturing industry improvement based on Eastern markets
rich traditions, intellectual cultural heritage	competent event and festival management in Hungary	harmonised cultural heritage management
absence of common tourism branding, marketing and destination management	successful cross-border initiatives, connectivity and attractiveness of tourist attractions	cross-border integrated tourism development (of destination management, services and infrastructure)
low level of foreign language proficiency and multilingualism	bilingualism in Zakarpattia	language education development

INTEGRATED DEVELOPMENT STRATEGY

Objectives of the planned developments

Development scenarios

The fulfilment of the strategic objectives of EGTCs and other cross-border institutions can be evaluated through the level of integration of the governance framework. From this perspective, we have outlined three potential scenarios:

- according to the **erosion scenario**, the EGTC fails to perform the role it has been assigned.
- according to the **maximalist scenario**, not only does it accomplish its initial objectives, but it also gains a leader role in the cohesion process of the Ukrainian-Hungarian border region, or even of the wider Tisza region.
- according to the **optimal scenario**, successful cooperation depends on the exploitation of endogenous resources, the favourable land and geopolitical position, the integration of the regional labour market, knowledge accumulation and transfer, the common cultural heritage and the settlements' observed willingness to cooperate.

The optimal scenario outcome depends to a large extent on the success of the cross-border regional development of this EGTC as an institution in a rural and strongly agricultural region on the periphery of European integration, characterised by persistent labour market problems, rather poor knowledge transfer and limited bargaining power.





Endogenous objective sources

In accordance with the above principles and the findings of our cohesion analysis, we find that the EGTC development objectives can be drawn from the following **local and potential energies**:

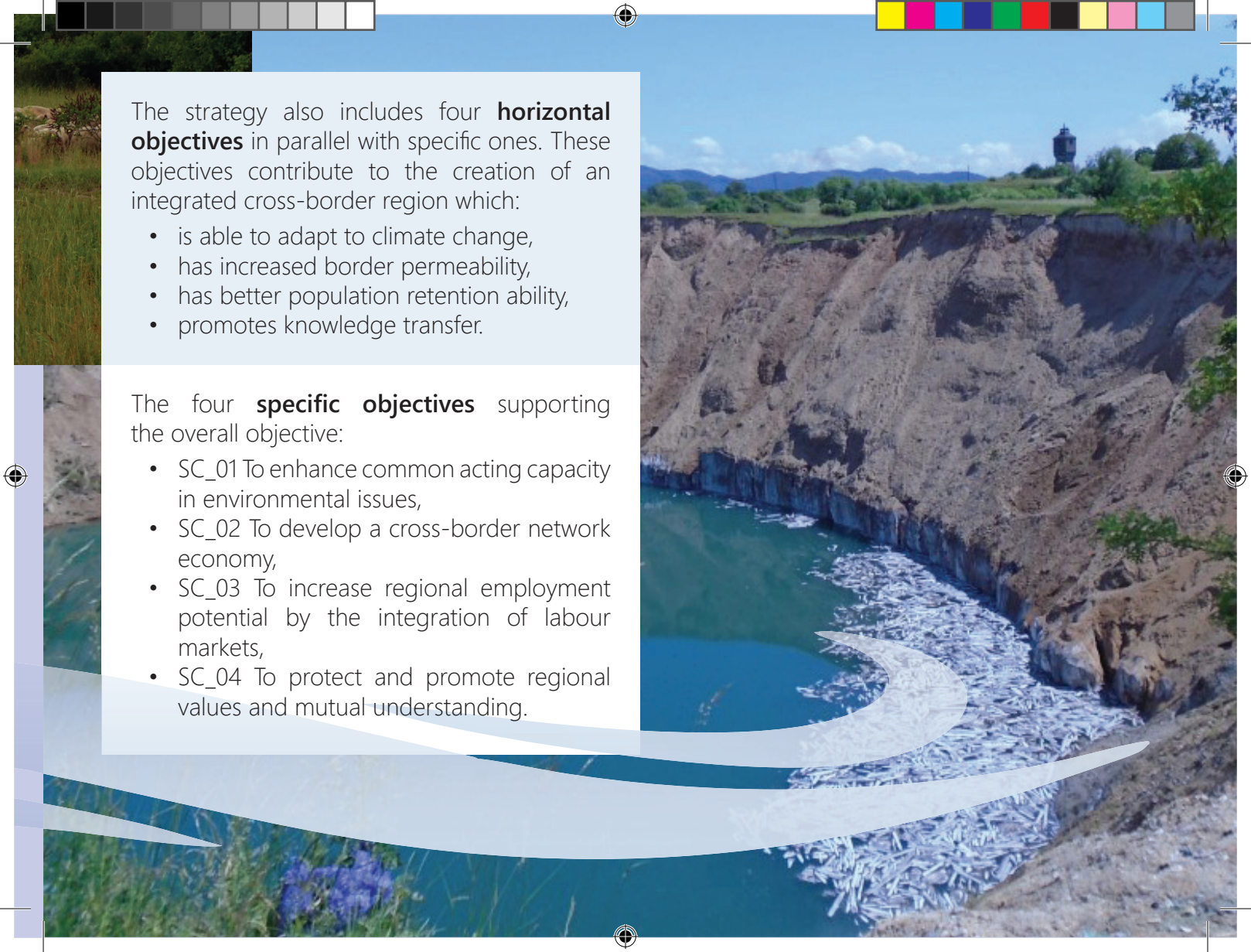
- Landscape potential (agricultural and touristic features)
- Geopolitical position (external borders, the Eastern opening – proximity of Eastern markets)
- Labour force (sources, vocational training opportunities)
- Skills (knowledge transfer)
- Cultural heritage, openness
- Willingness to cooperate (town-twinning programmes)

Objectives

The hierarchy of objectives consists of two levels: the overall objective and specific objectives. The overall, ultimate objective is the **creation of a border region with high level of EU integration**. To this end, the region as well as its agents shall be coordinated in a way that specific objectives contribute to the European integration process and to benefiting from this integration. Integration at European level includes the bilateral integration of cooperating parties in the EGTC region, for a regionally, economically and socially integrated region. Thus, the EGTC has a mission of supporting Ukraine's European integration, which can be further encouraged by EU-supported developments including

- the accession to European transport and economic networks,
- environmental interventions with a special focus on Tisza river,
- the facilitation of border crossing,

all aimed at strengthening cohesion between the two sides of the border. The EGTC plays an important role in facilitating access to EU law, EU institutions and the Single Market, and in involving the Western Ukrainian region in the economic development and governance process of the European Union.



The strategy also includes four **horizontal objectives** in parallel with specific ones. These objectives contribute to the creation of an integrated cross-border region which:

- is able to adapt to climate change,
- has increased border permeability,
- has better population retention ability,
- promotes knowledge transfer.

The four **specific objectives** supporting the overall objective:

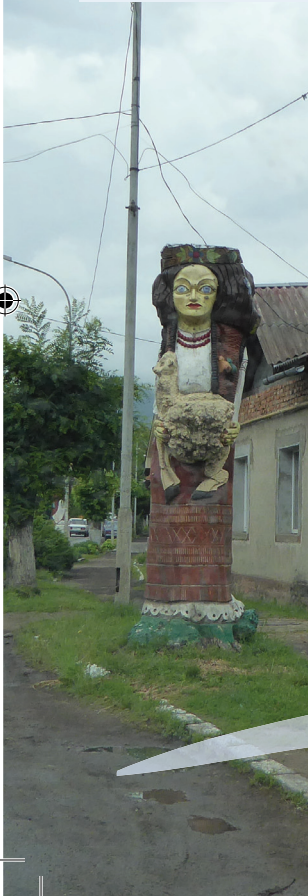
- SC_01 To enhance common acting capacity in environmental issues,
- SC_02 To develop a cross-border network economy,
- SC_03 To increase regional employment potential by the integration of labour markets,
- SC_04 To protect and promote regional values and mutual understanding.

Functions of Tisza EGTC

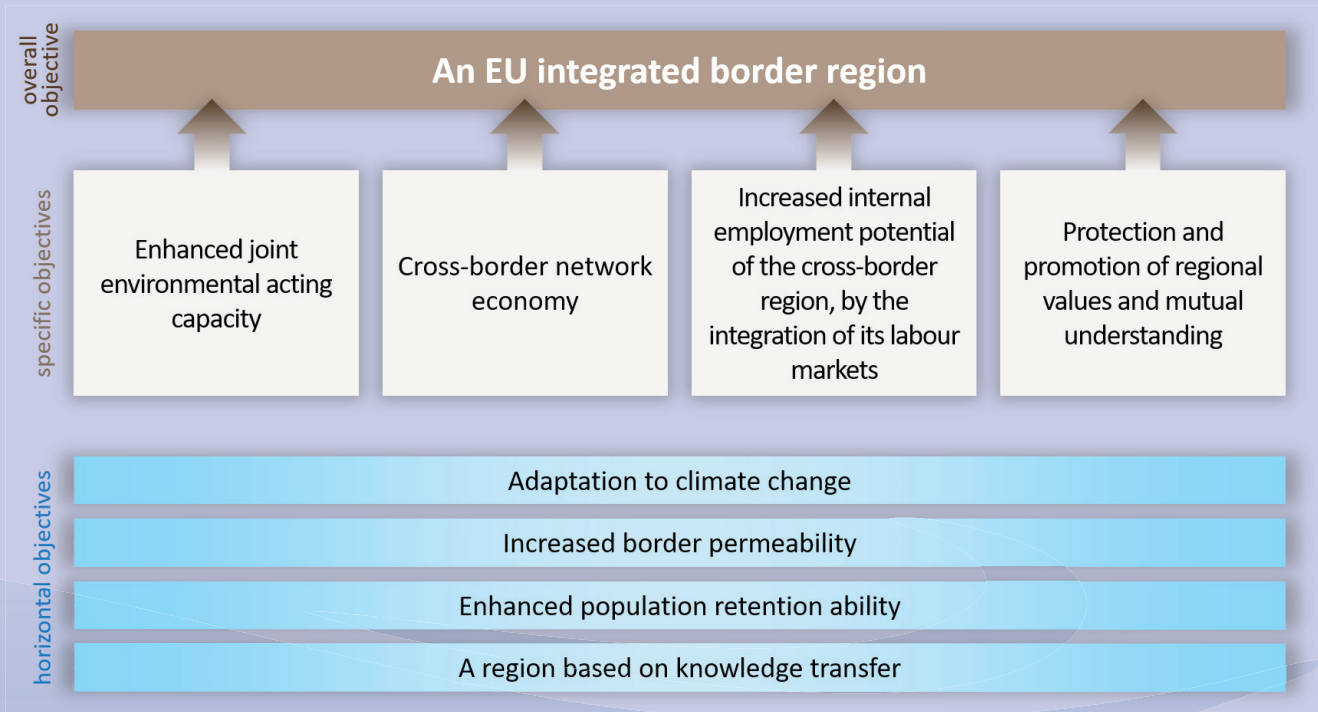
The strategic plan of the EGTC includes objectives and interventions that aim to identify and support its **potential role as a regional institution**. In the light of the above, the strategy focuses on the following functions of Tisza EGTC:

1. **Promotion of Euro-Atlantic integration.** The grouping functions as an interface of exchange of integration experience, active knowledge transfer, dissemination of good practices, ensuring Ukraine's presence in the EU as well as its candidacy in the political agenda, and reducing the degree of separation by the border.
2. **Fund coordination.** Having an independent legal entity in both countries, not only does the EGTC improve absorption capacity on either side of the border but it also ensures the legality of the use and transfer of EU and other funds.
3. **Promotion of interinstitutional coordination.** In this respect, the grouping supports the institutionalised, strategic, long-term cooperation of stakeholders in the cross-border region.
4. **Institution maintenance.** The EGTC's independent legal entity recognised by both states is its most important advantage compared with other regional cooperations. As a result, it may establish businesses and institutions and employ staff and thus exploit regional competences.

Strategy instruments are designed to support these functions.



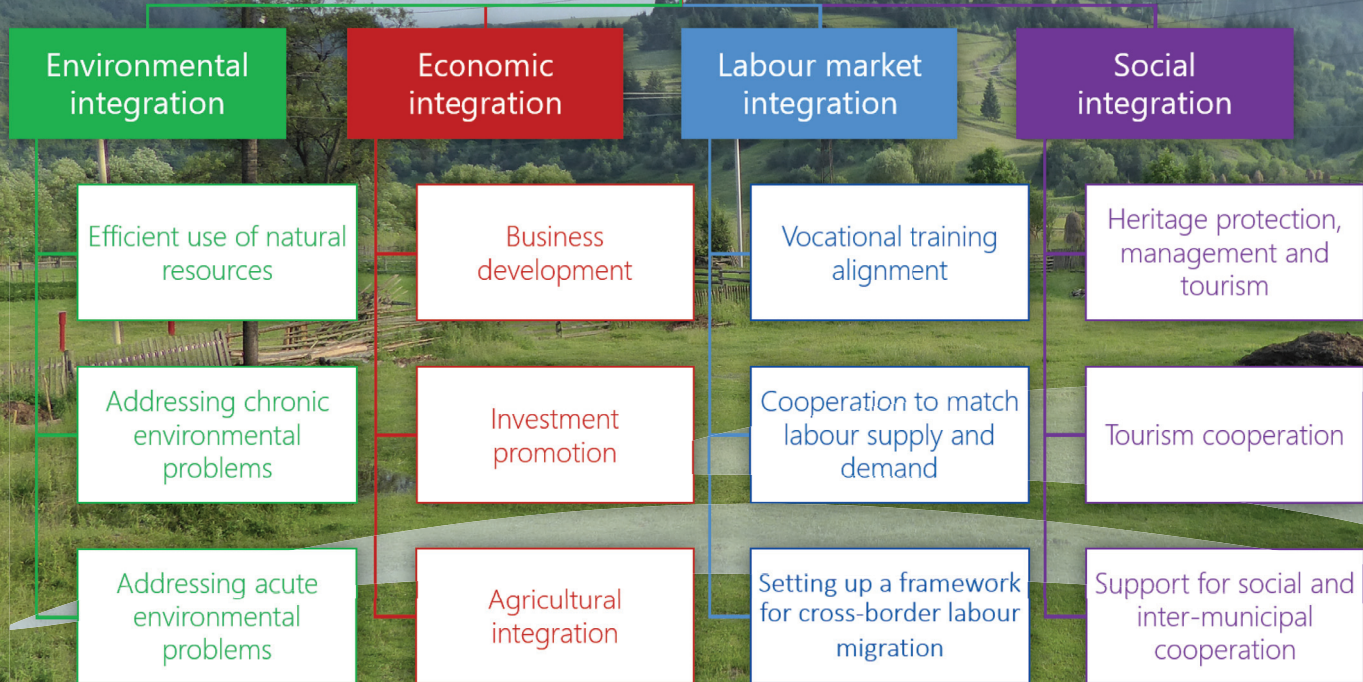
The structure of objectives presented above and the elements of the intervention plan are integrally related to ensure the realisation of the optimal scenario.

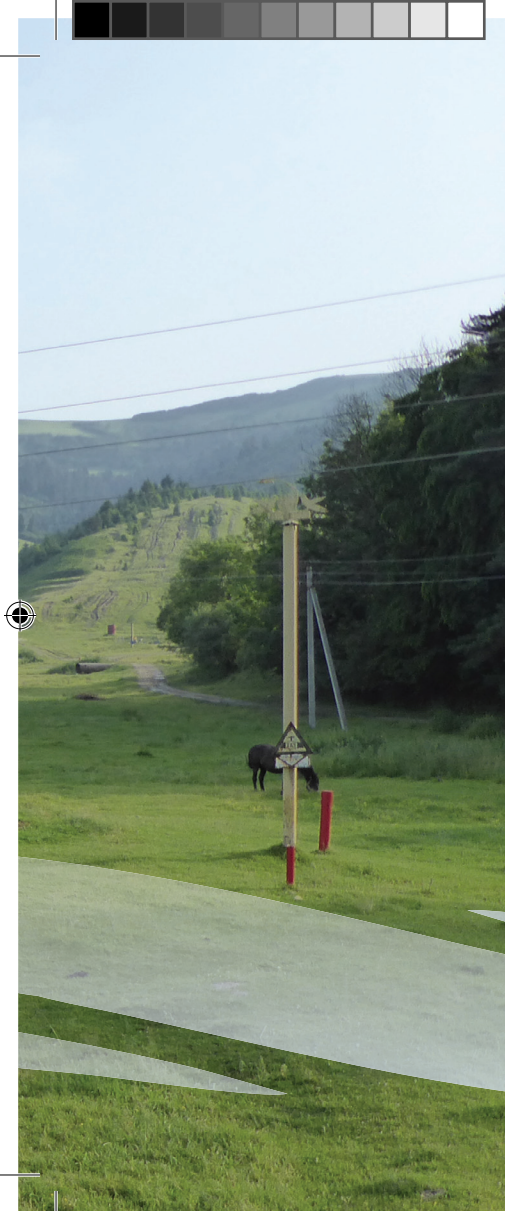


Proposed priority axes

The overall objective and specific objectives are supported by the following instruments: priority axes, integrated interventions and including further actions. Interventions are organised around four priority axes, each made up of three integrated interventions with a varying number of actions.

INTEGRATED INTERVENTIONS SUPPORTING STRATEGIC PRIORITY AXES





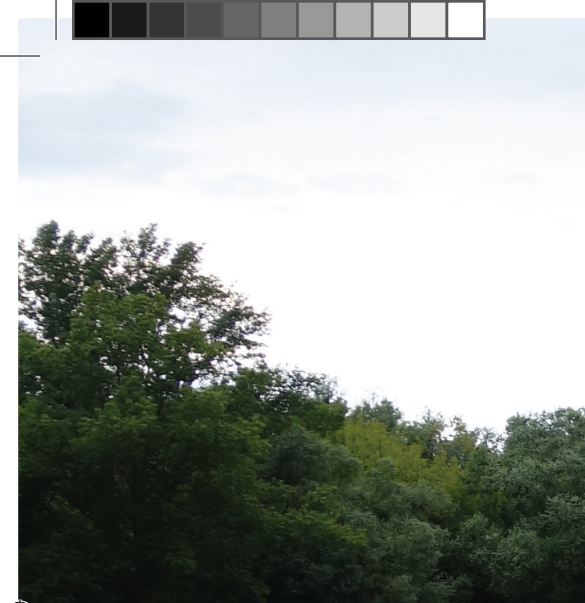
Actions along the **environmental integration** axis aim at a more efficient use of natural resources, the exploitation of landscape potential, the raising of environmental awareness, and environmental claim validation, served by actions related to waste management, water utility services and landscape rehabilitation.

The **economic integration** axis includes business environment development, support for the establishment and growth of businesses, integrated regional marketing activities, the improvement of economic and investment relations, the exploitation of the region's position between the West and the East, and promoting the manufacturing and higher added-value industries. Particular attention is paid to comprehensive agricultural support programmes including the cooperation between sales and production, and the setting up of a knowledge base.

The elements of **labour market integration** are the enhancement of employment both within and across the borders, access to qualified personnel, unemployment reduction, the alignment of training capacities and labour supply and demand matching.

The **social integration** axis includes the preservation of intellectual and intangible cultural heritage, tourism management and the promotion of civil and inter-municipal cooperation and initiatives, all aimed at boosting the main cohesive force: regional identity.

The authors have prepared a resource map, proposed a schedule for the implementation of the strategy, and devised a management structure to support the above interventions.



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