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Cross-Border European Funding Opportunities

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Two countries, one goal, joint success!

Cross-Border European Funding Opportunities

Brochure

Train and win in HU-RO Style

HUROSTYLE

HURO/1001/148/2.3.1

European Union
European Regional Development Fund



Hungary-Romania Cross-Border Co-operation Programme 2007-2013

Priority 2: Strengthen social and economic cohesion of the border area

Key area of intervention 2.3: Cooperation in the labor market and education – joint development of skills and knowledge

Action: 2.3.1. Cooperation between educational institutions

Project ID: HURO/1001/148/2.3.1

Project: Train and win in HU-RO style

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1. Cross-Border Cooperations Between 2007-2013

Many Hungarian and foreign professionals are concerned with the issues regarding cross-border regions. Nowadays it is important to discuss this topic, as the European integration and globalisation extends the opportunities of cooperation between different states. As a matter of fact, the unification of Europe is considered one of the most significant processes in the 21st century. Even the new, even the older Member States have to face different challenges of cooperation. The establishment of connections between the nations is not only the interest of the European Union, but all states. In the European Union the transition between borders and the enhancement of cooperations are considered as primary questions. The cross-border cooperations can serve as a foundation to strengthen relations, so the actors can obtain funds even more easily together and they can use it more efficiently. The cross-border, transnational and interregional relations are considered as separate programmes in the regional policy of the European Union between the 2007-2013 programming period.

From the aspect of Hungary, the cross-border cooperations are essential, because the country has a long borderline and a notable proportion of the population lives in these areas. The Hungarian population is also significant on the other side of the border, so practically these cooperations occur between Hungarian actors from both sides.

The main documents of the European Union emphasise the importance of the cross-border integrations, as a tool of creating a unified European economy. In the Treaties of the European Union, the Lisbon Treaty, the Europe 2020 document, the four principles of the European Union are clearly stated: free movement of goods, free movement of capital, free movement of services and free movement of people. These principles enhance the formation of cross-border social and economic integrations. The aspects of supporting less-developed regions in 2007-2013 are de-

terminated in the 2006/702/EC: Council Decision of 6 October 2006 on Community strategic guidelines on cohesion.

The valid cohesion policy of the 2007-2013 period aims to lessen the differences between certain territories and fosters the support of economic growth and employment. The Commission of European Communities in COM/2005/0299 states: „Europe must renew the basis of its competitiveness, increase its growth potential and its productivity and strengthen social cohesion, placing the main emphasis on knowledge, innovation and the optimisation of human capital.”

One of the most important cross-border cooperations from the aspect of Hungary and the Southern Great Plain region is the „Hungary-Romania Cross-Border Co-operation Programme” that outgrew from the INTERREG IIIA and the Phare CBS programmes for the 2007-2013 programming period with a standardized institutional system. The programme affects 8 counties (Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés, Csongrád, Satu Mare, Bihor, Arad and Timiș) of the 2 country. For the 2007-2013 period, a total of EUR 248 million fund is available.

Another significant cross-border cooperation programme of the Southern Great Plain region is the „Hungary-Serbia IPA Cross-Border Co-operation Programme” in the 2007-2013 programming period that outgrew from the Hungary-Serbia Pilot Small Projects Fund. The programme area consists of 7+2 counties of the 2 countries (Csongrád, Bács-Kiskun, North-Banat, Central-Banat, North Bačka, West Bačka, South Bačka and based on Article 97 of the 718/2007 regulation of the Commission Srem and South-Banat). The development of the discussed countries’ territories is enhanced by the institutional, financial and structural basis and joint decision-making. During the 7-year long period (2007-2013), a total of EUR 50.1 million fund is available.

2. The 2014-2020 programming period in general¹

The goal European Union is to aim its economy towards sustainable development. This can be achieved only through the reformation of financial mechanisms, institutional structures and the enhancement of investments. The 2014-2020 programming period is quite important, since this is the last period to achieve the strategic goals of the Europe 2020 document.

One of the milestones of the 2014-2020 programming period is October 6th 2011, since on this day, the European Commission accepted the legislative package that will frame the Cohesion policy of the European Union during the mentioned programming period. Based on previous policies, the European Commission proposed six reasonable and important changes:

1. Concentrating on the Europe 2020 Strategy's priorities of smart, sustainable and inclusive growth;
2. Rewarding performance;
3. Supporting integrated programming;
4. Focusing on results – monitoring progress towards agreed objectives;
5. Reinforcing territorial cohesion;
6. Simplifying delivery.

The total proposed budget of the 2014-2020 programming period will be EUR 376 billion.

In the 2007-2013 period, two structural funds, the European Regional Development Fund (ERDF) and the European Social Fund (ESF) and the Cohesion Fund remained. The joint agricultural and fisheries policy funds were separated as European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF). In the 2014-2020 period the previously mentioned five funds² (to-

¹ The EU finalizes the documents of the 2014-2020 programming period in the middle of 2013. This material contains the working documents which were available till the end of the manuscript closure.

² The European Fisheries Fund will be known as European Maritime and Fisheries Fund in the 2014-2020 programming period.

gether known as CSF³-Funds) will be the basis of European investments that will support the development ambitions of the Member States in accordance with the Europe 2020 strategy.

We can approach the main modifications by examining the factsheets published by the European Commission. The released factsheets cover six topics: Integrated Sustainable Urban Development, Research Innovation Strategies for Smart Specialisation, Community-led Local Development, Financial Instruments, Information and Communication Rules, Integrated Territorial Investment.

In the decisions regarding urban development are significant, because approximately the 68% of the population lives in metropolitan regions. These regions generate the 67% of the European Union's GDP, hence cities can be considered as engines of the European economy. There are many dimensions of each city (environmental, social, economic and cultural), the development of a city can be enhanced through an integrated approach. The main aim behind integrated urban development is sustainability.

With the introduction of research of innovation strategies serving intelligent specialization, the European Union can manage to stop the decrease in economic aspects. The main goal of the initiative is to grant investments and innovation development processes a primary focus. Compared to the 2007-2013 programming period, the changes are connected with the upgrading of the methodology for Structural Funds programming. However the new part is that the Commission proposes to make such strategies a pre-condition for ERDF funding.

From now on, all of the Common Strategic Framework funds will follow the approach of LEADER⁴, namely the Community-Led Local Development (CLLD). This will focus on sub-regional territories and the Member States of the European Union presumably be able to accomplish the goals of the Europe 2020 document

³ Common Strategic Framework

⁴ Liaison Entre Actions pour le Développement de l'Economie Rurale

based on the local communities. The European Commission proposed that the CLLD should be simple to use and applicable in a wide range.

The appropriate management of the financial sources will assist the implementation of economically important and sustainable investments and projects in the future through different mechanisms in different segments of the economy. The goal is to provide a more significant role to the utilization of financial instruments in the 2014-2020 programming period and to expand and strengthen the use of these financial instruments.

Information and communication are key elements, as the goal is to provide adequate and proper information to the Managing Authorities and beneficiaries in connection with different programmes, projects and funding opportunities. The system will be far more transparent in 2014-2020 compared to the 2007-2013 programming period.

Besides urban development, the aim of integration is also necessary in connection with territorial investments. The European Commission would present many new integration tools that would enhance the progress of the introduction of territorial strategies. The Integrated Territorial Investment is a smart, sustainable and inclusive tool envisaged by the Europe 2020 strategy, the aim of this tool is to accomplish the goal of the document.

It is also important to emphasise that the definition of the „transition regions” will appear that is a third category within the cohesion policy, besides the „less developed regions” and the „more developed regions”. It is stated that this category will include all regions with a GDP per capita between 75% and 90% of the EU-27 average.

Table 1 Cohesion Policy Architecture

Cohesion Policy Architecture				
2007-2013		2014-2020		
Objectives		Goals	Category of regions	Funds
Convergence	ERDF ESF	Investment in Growth and Jobs	Less developed regions	ERDF ESF
Convergence phasing-out			Transition regions	
Regional competitiveness and employment phasing-in				
	Cohesion Fund			Cohesion Fund
Regional competitiveness and employment	ERDF ESF		More developed regions	ERDF ESF
European Territorial Cooperation	ERDF	European Territorial Cooperation		ERDF

By examining the Cohesion Policy Architecture of the 2014-2020 programming period, we can see that essential changes will occur compared to the previous programming period. It seems that the investment in growth and jobs have great focus. These are measurable goals, in contrast with the intangible inequalities. We should also realise that the development of all regional categories is necessary, namely we can observe different development courses and we can enhance these quite differently (e.g. improving developed metropolitan regions by supporting innovation activities). In the 2014-2020 programming period the more flexible configuration of programmes and systems will have greater significance. The Member States and regions will have the opportunity to plan their ERDF, ESF and Cohesion Fund sources in a unique way with separate operational programmes. Besides they can modify the distribution of these funds between regions (by a maximum of 2%). Unlikely to the 2007-2013 programming period, in the 2014-2020 programming pe-

riod there is an opportunity to combine the financial instruments of different Funds in a single project.

3. Cross-Border Cooperations Between 2014-2020

The finalisation of cross-border cooperations will occur in the first half of 2013. After the 7/8 February 2013 meeting, the European Council unravelled information regarding this topic. Approximately a total of EUR 8 948 million will be available to the European Territorial Cooperation. This will be partitioned into three areas:

1. Cross-border cooperation: approximately a total of EUR 6 627 million;
2. Transnational cooperations: approximately a total of EUR 1 822 million;
3. Interregional cooperations: approximately a total of EUR 500 million.

Regarding the cross-border cooperations the beneficiary regions can be those that apply to the requirements: NUTS level 3 regions of the European Union along all internal and external land borders, and all NUTS level 3 regions of the European Union along maritime borders separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas established for the 2007-2013 programming period.

The transferrable funds regarding cross-border and transnational cooperations is determined by the weighted sum of two components. These components are:

1. The share of the population of border regions of the Member State
2. The share of the total population of the Member State.

The weight is determined by the shares of the cross-border and transnational components. The determined shares of the cross-border and transnational cooperation components are respectively 77.9 % and 22.1 %.

Further information

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Project webpage:

<http://www.hurostyle.ro/>

Hungary-Romania Cross-Border Co-operation Programme 2007-2013:

<http://www.huro-cbc.eu/en/>

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