

## **Problems, obstacles and solutions identified by the stakeholders of the round table discussion**

**Komárom**

**2nd October, 2015**

### **1. Future challenges in the cooperation programme**

Representative of the National Authority of HU-SK CBC Programme 2007-2013 and the Managing Authority of Interreg V-A Slovakia-Hungary Cooperation Programme presented that SK is pleased with information on approval of CP of Interreg V-A Slovakia-Hungary Cooperation Programme by the EC and informed that works regarding programming documentation will start very soon. SK representative emphasized that continuation of good experiences is to be ensured and bad examples avoided. The Priority 1 Nature and Culture in programme implementation is to be considered as very important field in context of protection of habitats, maintaining of biodiversity and development of tourism. The MA feels as a priority to support SME in order to improve regional development and increase employment in programming area. A transport issue was highlighted as well that crucial attention should be taken to public procurement due to complexity of processes and some legislation obstacles in public procurement field should be eliminated in this regard.

### **2. Experiences of current programming period**

Before mentioning the still existing obstacles in cross-border cooperation, the results and successes also should be commemorated: In the programming period 2014-2020 the position of the Managing Authority has been transferred to Slovak Republic, but this does not mean any interruption in the programme continuity because the present Managing Authority and National Authority were formulated tight connection and joint work is the base also for future outstanding cooperation.

In the current period – which is now in its final stage – almost all of the 176 M EUR had been spent for more than 300 joint development projects, 850 cooperating partners were acting together, 8500 SMEs were involved indirectly and 160.000 people in different activities.

HUSK Cross-border cooperation programme fulfilled N+2/N+3 financial obligation in each year; therefore there was no automatic decommitment in the programme, although this was a considerable charge on both the Beneficiaries and the institutional system. In order to facilitate the implementation of the projects the possibilities of simplification offered also by the European Commission on programme and project level should be applied.

As regard the tendering system; the programme was innovative in introducing the electronic application system in programming period 2007-2013. Regarding the obstacles, which also should be handled on EU legislative level, the possibilities of pre-financing the projects financed under the CBC programmes. Currently the projects had to be pre-financed by the Beneficiaries (which might cause serious financial problems for them). National level solutions were provided by the national authorities, but this might cause inequalities for cooperating partners. The pre-financing should be managed on systematic level.

### **3. Innovative role of the EGTCs within the Slovakia-Hungary INTERREG V-A programme**

In line with the decision of the programming Task Force and the CP approved by the EC just before the meeting held in Komárom, the small project fund (SPF) of the Interreg V-A Slovakia-Hungary Cooperation Programme will be managed by two EGTCs: one in the Eastern, another in the Western part of the border area. The division is justified by the length of the common Slovak-Hungarian border (almost 700 km long) and the capacities required for sound management of the SPF. The use of the EGTCs in the management of cross-border programmes is very rare in Europe, thus the initiative can be considered as an innovation.

At the same time, there are several problems and obstacles making difficult the implementation of the SPF project.

- The EGTCs have to be registered as certifying and contracting authorities of the programme. It is not evident, how this can be realised as EGTCs have not been registered so far in this way.
- According to the previous cooperation programme, the applicants had to contract for the amount of ERDF-fund and the national contribution separately. In the case of SPF, it makes the realisation of the project of really small amount of grant too complicated. The goal is to ensure that one single subsidy contract is to be signed.
- The uncertainty of the financial background seems to be the biggest problem. EGTCs are not well-financed enough for pre-financing both own and approved applicants' projects. It is not clear yet, how the EGTC can finance the implementation of the programme without pre-financing provided by the MA.
- There are differences between the two countries in first level control mechanisms. In Slovak Republic, the FLC can be managed by the EGTC itself but in Hungary, FLC will be managed by the Széchenyi Programme Office (the same organisation, who is responsible for first level control of projects other than projects under SPF). As the FLC activity is in responsibility of member states, the EGTC cannot use the benefit of its two-country characteristics.
- There are difficulties in setting up the financial reporting system, e.g. because of the nationality of the different applicants: the EGTC registered in Slovakia has to be reported from Hungarian partners and vice versa. There are no examples to follow in this matter.

#### **4. Problems of data harmonising between the neighbouring countries**

Despite of the common system of the Eurostat, there are fundamental differences between the national practices of data gathering and data processing what makes impossible to compare these data, very often. As a consequence, it is very hard to lay the basis for cross-border common developments because the state-of-play analysis cannot be developed without reliable data. The types of problems can be classified as it follows.

- Lack of comparable data at local level: there is not a common standard of metadata systems identifying the same phenomena in many fields (e.g. number of nights in tourism; environmental data, types of soils, FDI, cross-border commuters, cross-border vehicle traffic, etc.).
- Differences in the territorial units the data are gathered from: due to the different administrative systems, the lowest territorial level is very different country by country; while in Hungary and in Slovakia the local municipalities are more or less equal with settlements, in Romania, a 'comuna' can integrate 6-7, in Croatia an 'opština' can include even 15 settlements. Thus, the data collected from the lowest level cannot be compared.
- Differences in the timing of data gathering: in some cases, the number of the population is counted at the beginning, in other cases, at the end of the year, resulting in one year term differences between the two data.
- Differences resulted from different legislative background: the different retirement age and the educational and training systems country by country make different the active age which influences the employment and unemployment rates; the definition of the unemployment people and that of the enterprises can be completely different in member states which influences the density of enterprises and the unemployment rates.
- Problems with quantitative data: in case the comparable qualitative data are not available, quantitative methods are used; however, it cannot be guaranteed that the results will be comparable, taking into account the potential diversions between the persons answering the questionnaires at different dates.

To tackle these problems, policy level interventions are needed at national and EU level.

#### **5. Differences between the interpretation of EU legislations: the case of the EGTCs**

Due to different history of law and administrative systems of the Member States, the application of EU law is not uniform. For instance, despite of the EGTC regulation forming part of the community law, the member municipalities from both sides of the border have sometimes fundamentally different competencies and these competencies can be changed when new government is set. It means that the equal opportunities of the local

municipalities to implement common development programmes or projects in a border area are theoretical and not real. In addition, there are differences between the mechanisms the member states are dealing with EGTCs: differences in the timing of approving processes, difference in the number of responsible authorities, difference in the attitude towards territorial tools. From this perspective, Hungary and Slovakia can be considered as models because 13 of the 55 registered EGTCs have been set up along the common border.

## **6. Public transport**

The problems occurring when starting a new cross-border bus line along the Hungarian-Slovak border are the followings:

- a. The line must be identified as international one, regardless of the distance made thereof. If the bus crosses the border, different technical and tariff systems comes into force. The bus cannot stop except for at the starting and the ending point of the line, in-between it is forbidden. However, the people using the service are living in a cross-border functional urban area but they have restricted rights to travel compared with those commuting within the territory of one certain country.
- b. The registration of the new cross-border line is very complicated and it takes very long time as the national authorities are not familiar with international lines.
- c. Public transport needs state subvention. At the same time, the support of cross-border lines is not resolved.

Proposed solution: the definition and the rules related to international and direct cross-border lines should be separated. For this purpose community level rules are needed.

## **7. Cross-border health**

Despite of that the 2011/24/EU Directive defines the conditions of cross-border health service provision, the member states are reluctant regarding the application thereof. At the same time, without any directive, the Vaszary Kolos Hospital in Esztergom (HU) concluded a contract with a Slovakian health insurance company in 2004. Due to this contract, the treatments of insured Slovak patients in Esztergom (HU) can be reimbursed by the company. The significance of this contract is underlined by the fact that the nearest Slovakian hospital is situated from there in a distance of 50 kms. However, further obstacles should be removed.

- a. An obstacle of this kind is that ambulance cars are not allowed to cross the border. In case of emergency this prohibition can cause the patient's death.
- b. The right of selection of personal doctor should be ensured also in a cross-border manner.

## **8. Cooperation in the field of water management**

During the last decades, very close, to say, friendly cooperation has been developed between the Hungarian and Slovak water management institutions. Several projects have been realised in common, facilitating to avoid flood disasters and ensuring the protection of natural heritage. The close cooperation between the institutions made possible to overcome a problem caused by the lack of the correction of the border line after a dam was constructed across the river Ipoly/Ipel'. When a salmon-ladder was constructed in 2007 in the not-arranged territory, the two institutions helped to the states to conclude an agreement.

## **9. Problems related to short food supply chains**

According to the Hungarian law ruling the short food supply chains, products are identified as local ones from a territory not exceeding the distance of 40 kms from the central town. In case of border cities, the circle of 40 kms cannot be thoroughly drawn because of the separating border line.

- a. The laws ruling the selling of local products are different in different countries. In addition, these rules do not allow selling local products on the other side of the border. It is not allowed to purchase even heat treated milk, smoked meat products or mushrooms gathered from the other side of the border.
- b. The registration of local-regional trade marks is regulated at national level, which makes impossible to register cross-border marks.
- c. In Slovakia the selling local products for the institutions of public catering is forbidden, the producers can exceptionally sell their products in their garden which makes impossible to deliver products into the Hungarian public catering system.
- d. There is no legal solution for cross-border CLLDs which could serve as an institutional framework for cross-border food supply chains. At the moment there is no community law institution which enables municipalities, entrepreneurs and NGOs to ensure common management of rural development.

The role of the future Cooperation Programme in facilitating cross-border cooperation is decisive as activities aiming at identifying obstacles and forming policy recommendations can be supported within the PA4.