

***STRATEGY  
OF CROSS-BORDER  
CO-OPERATION  
“CARPATHIA 2003 - 2011”  
/interim version/***

***UKRAINE***



***POLAND***



***SLOVAKIA***



***HUNGARY***



***ROMANIA***



**Uzhgorod - 2003**

## THE STRATEGY OF CROSS-BORDER CO-OPERATION IN THE CARPATHIAN REGION “CARPATHIA – 2003-2011”

### I. Introduction

The integration of the Central and East European countries (CEE) into the European Union creates a radically and qualitatively new geopolitical situation on the European continent that, in its turn, requires some thoroughgoing and structural changes from the EU part as to development of international relations in their new form in the countries of the European Union and non-member states. The elaboration of a ***fundamentally new EU cross-border co-operation development strategy*** as well as ***new cross-border co-operation philosophy*** between the states in the Carpathian region (CR) based on the European principles is of vital importance especially in this context.

**Zakarpatska oblast** of Ukraine, **Szabolcs-Szatmar-Bereg megye** of Hungary, **Maramures district** and **Satu-Mare region** of Romania, **Kosice and Presov krajs** of Slovakia and **Podkarpatske province** of Poland are the adjacent border regions, cross-border co-operation of which stimulates deepening of integration interaction and mutually beneficial co-operation of the frontier regions of the neighbour countries.

**Pursuant to the Strategy** the territories of Zakarpatska oblast (Ukraine), Szabolcs-Szatmar-Bereg megye (Hungary), Maramures district and Satu-Mare region (Romania), Kosice and Presov krajs (Slovakia) and Podkarpatske province (Poland) **were determined** as the target region. **The experts of Agency of Regional Development & Cross-Border Co-operation “Transcarpathia” (hereinafter Agency “Transcarpathia”)** have chosen the target region in particular from the point of view of its “integrity” due to similar economic structure and system of external economic links, characteristics of human resources as well as common natural system, particularly the river basins. All this factors have provoked emergence of some common problems and needs for the local and regional authorities as well as population of the abovementioned territories.<sup>1</sup>

In order to minimize the possible negative effect on partnerships due to eurointegration processes within the context of the present-day EU enlargement to the East, real division of the CR countries by the strict EU and NATO borders it is essential to involve **as much as possible the frontier regions of Ukraine, Hungary, Romania, Slovakia and Poland into the cross-border co-operation activities** by using their advantageous geostrategic location in the process of the All-European integration.

Among other priorities and trends of new EU policy **in the Report of the European Commission to Council of Europe and European Parliament “The enlarged Europe – Adjacent countries. The new partnerships structure with our Eastern and Southern neighbours”**. (March 11, 2003) that in particular states “one of the EU interests concerns co-operation both at bilateral and regional levels” ..., was decided to pursue, to our mind, extremely ambitious policy aimed at “overcoming the basic reasons for political instability, economic vulnerability... poverty and social isolation”.<sup>2</sup>

Furthermore, a new Document issued by the European Union on July 1, 2003 suggests a mechanism for harmonization of the projects INTERREG, PHARE-CBC, TACIS-CBC, CARDS, MEDA aimed at stirring up cross-border co-operation offering the budget for financing of the programmes (***new neighbourliness programmes***) in the amount of 955

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<sup>1</sup>Tacis SPF CBC project implemented by Agency of Regional Development & Cross-Border Co-operation “Transcarpathia”, autumn 2001

<sup>2</sup> The enlarged Europe – Adjacent countries. The new partnerships structure with our Eastern and Southern neighbors. Report of the European Commissions to Council of Europe and European Parliament. [http://www.delukr.cec.eu.int/ua/eu\\_and\\_country/bilateral\\_relations.htm](http://www.delukr.cec.eu.int/ua/eu_and_country/bilateral_relations.htm)

million Euro, out of which 95 million Euro allocated for TACIS (the programme that directly applies to Ukraine as well) for the period 2004-2006 years.<sup>3</sup>

**Being aware** of co-operation advantages among local and regional governments and with the aim to increase efficiency and predictability of cross-border co-operation (CBC) in the target region **Agency “Transcarpathia”** has decided **to develop a strategic approach to cross-border co-operation development in the region** involving all the local and regional authorities as well as development agencies. This new base on rural grounds supported by skilled human resources will help to bridge over the negative after-effects on cross-border co-operation due to different speeds of the European integration processes in Hungary, Slovakia, Poland, Romania on the one hand and Ukraine – on the other.

**The aim of the Project will be achieved through the following basic objectives:**

1. *Elaboration of the medium-term CBC development strategy in Zakarpatska oblast - “Carpathia 2003-2011”.* The time limits are called forth by the following circumstances: 2003 – the planned year for the CE countries to join the EU; Ukraine is expected to achieve the EU standards in 2011.
2. *Publishing and circulation of the CBC Guide of the Transcarpathian region.* The need for such a guide is made for the lack of information on legislative acts regulating the CBC matters in the countries of Central and East Europe in particular and the European Union in general. Likewise, there is a lack of information and knowledge on the best CBC mechanisms (for instance SME development, rural and urban development planning, environmental protection, tourism development and human resources development) that could be easily adapted to the conditions of the Carpathian region.
3. *Establishing institutional and social infrastructure* for interaction of local and regional authorities with development institutions. The common effectively structured CBC infrastructure would further implementation of the operative strategy and achieving the level of efficient work co-ordination within the “regional environment”: national governments, international organizations and foreign investors. At the same time, the co-ordinated training for the CBC actors will help to create a common “management language” and tools for solving the CBC problems.

*International legal basis for cross-border co-operation in the Carpathian region.*

The **organizational and legal mechanism regulating cross-border cooperation system in the Carpathian region** includes **two sub-systems** either: **international legal and civil legal**. The basis for the international CBC relations development of the CEE countries as well as the countries of the Carpathian region – Ukraine, Hungary, Slovakia, Romania and Poland – are foremost the **All-European norms and principles** fixed in the documents of Council of Europe. The basic document legalizing these relations as well as favours decentralization of the decision-making process within the power structures of the region are the **European Framework Convention for Cross-border co-operation of territorial communities or authorities** (ETS No106) – Madrid, May 21, 1980, as well as two complementary protocols – 09.11.95 and 05.05.98 that confers the regions more competence in foreign economic and political matters, facilitate both international activation of the regions as well as positive discrimination of the provincial border territories<sup>4</sup>.

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<sup>3</sup>Paving the way towards new tools of neighbor relations development. [http://www.delukr.cec.eu.int/ua/eu\\_and\\_country/bilateral\\_relations.htm](http://www.delukr.cec.eu.int/ua/eu_and_country/bilateral_relations.htm)

<sup>4</sup> The legal instruments for cross border cooperation are the European Outline Convention on trans-frontier co-operation between territorial communities or authorities from Madrid, 21.05.1980, the Additional Protocol to the European Outline Convention Communities on trans-frontier cooperation between territorial communities or authorities, Strasbourg, 9.11. 1995 and the Communication from the Commission of the European to the member

Since Madrid Convention was ratified (1980) by Poland, Hungary, Ukraine, Romania and Slovakia its **regulations (international legal norms relative to trans-frontier co-operation fixed in the Convention)** have become a part of the national legislation of Ukraine, Hungary, Slovakia, Poland and Romania and are prevalent over internal laws pursuant to article 27 of Vienna Convention on the international agreements dated 1969.

According to Article 2 of the Convention: “for the purposes of this Convention “**trans-frontier co-operation**” signifies any joint actions directed at strengthening and intensifying good neighbourly relations between territorial communities and authorities under jurisdiction of two or several Treaty parties as well as for conclusion of any necessary treaties or reaching agreements”.<sup>5</sup>

Thus, the Framework Convention along with the two Supplementary Protocols forms the general legal principals for trans-frontier co-operation of the regions of the CEE countries as well.

Willingness of the frontier regions of the CEE countries to co-operate is also demonstrated by a number of bi- and multilateral agreements. This Strategy has been developed within the context of the following treaties, international agreements, bi- and multilateral Concepts:

- The Agreement for interregional co-operation between the Governments of Poland and Ukraine (signed in Kyiv on the 23<sup>rd</sup> of May 1993);
- The Treaty for “Good neighbourly relations and co-operation between Ukraine and Romania” dated 17.07.97;
- The Agreement for trans-frontier co-operation between the Cabinet of Ministers of Ukraine and Government of the Slovak Republic (concluded in Bratislava on the 5<sup>th</sup> of December 2000);
- The Treaty on trans-frontier co-operation between the Governments of Ukraine and Hungary (11.11.1997);
- The Concept of joint development of the frontier regions of Ukraine and Hungary (Transcarpathian Oblast Council, Council for territorial development of Szabolcs-Szatmar-Bereg region, 2003);
- The Concept of joint development of the adjacent territories of Ukraine, Hungary and Romania - INTERREGIO (Transcarpathian Oblast Council, Regional Council of Szatmar, Council for territorial development of Szabolcs-Szatmar-Bereg region, 2003);
- The Strategy for integration of Ukraine into the European Union ratified by the Decree of the President of Ukraine # 615 dated June 11, 1998;
- The Programme of Integration of Ukraine into the European Union approved by the Decree of the President of Ukraine #1072 dated September 14, 2000;
- The Message of the President of Ukraine to Verkhovna Rada of Ukraine “The European choice. The Conceptual principles of the strategy of economic and social development of Ukraine in the period of 2002-2011”;

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states of April, 2000, laying down guidelines for a Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory - INTERREG - III.

<sup>5</sup>European Outline Convention on trans-frontier co-operation between territorial communities or authorities (ETS No106) from Madrid, 21.05.1980

- The Concept of State regional policy ratified by the Decree of the President of Ukraine # 341 dated May25, 2001;
- The Ordinance of the Cabinet of Ministers # 587 dated April 29, 2002 “Some of the issues of trans-frontier co-operation and euroregions development”;
- The Concept of sustainable development of Zakarpattya, approved by the Resolution of Transcarpathian Oblast Council of the IV convocation dated October 16, 2002 #71;
- The INTERREGIO trilateral co-operation Agreement signed by Zakarpatska oblast (Ukraine), Satu-Mare povit (Romania) and Szabolcs-Szatmar-Bereg megye (Hungary) in 2000;
- The Agreement of interregional co-operation between Zakarpatska oblast of Ukraine and Kosice krai of the Slovak Republic signed in 1999;
- The Agreement of interregional co-operation between Zakarpatska oblast of Ukraine and Presov krai of the Slovak Republic signed in 2000;
- The Agreement between Transcarpathian Oblast State Administration of Ukraine and Podkarpatske province of the Republic of Poland signed in 2002.

## II. The territory analysis

### Transcarpathia (Ukraine)

Transcarpathia (Zakarpattya) is situated the Central East Europe at the territory of the North East Carpathians (East Beskids and Maramures Aips) between the Carpathians zone and Central Danube Lowland. As the administrative territorial area (oblast) was formed on the 22<sup>nd</sup> of January 1946 and shortly after it joined the USSR as the administrative territorial area of the Ukrainian Soviet Socialist Republic; since 1991 Zakarpatska oblast is a part of the independent Ukraine.

The territory of Transcarpathia totals 12.800 km<sup>2</sup>, according to the figures of the 1<sup>st</sup> January 2001 population of the region was 1.282.000 that makes 2,6% of the country population. In total 39% (499.000 people) is urban population, 61% - rural. Uzhhorod is the regional centre with population of 126.300 people; 260.000 people live in the mountainous districts. Density of population averages 100,2 people/km<sup>2</sup> and Transcarpathia occupies the sixth place in Ukraine.

Transcarpathia consists of 13 districts, 10 towns (the towns of regional subordination are Uzhhorod, Beregovo, Mukachevo and Khust; the towns of district subordination – Svalyava, Irshava, Tyachiv, Vynogradovo, Rakhiv and Chop), 20 urban-type communities and 579 village communities. The major part of Transcarpathia (86%) is mountainous the highest peak is Hoverla of Chornagora ridge (2.061m high). As the Western part of Ukraine at the line extent of 460 km, the region borders on four countries: Poland in the North West (the length of the border – 33,4 km), Slovakia in the West (98,5 km), Hungary in the South (136,6 km) and Romania in the South East (205,4 km).

According to the All-Ukrainian population census of 2001 the following nationalities reside in Transcarpathia: *Ukrainians* 80,5% of population (1.010.100 people); *Hungarians* (12,1%, 151.500 people); *Romanians* (2,6%, 32.100 people); *Russians* (2,5%, 31.000 people); *Romas* (1,1%, 14.000 people); less than 1% is made up by *Slovaks, Germans, Jews, Bielorussians, Czech, Poles, Armenians and Azerbaijanian*. Transcarpathia is the only region of Ukraine characterized by surplus of births over deaths: the birth rate came to 14.500 people and death-rate - 14.000 people in 2000. There is the lowest death-rate in Transcarpathia.

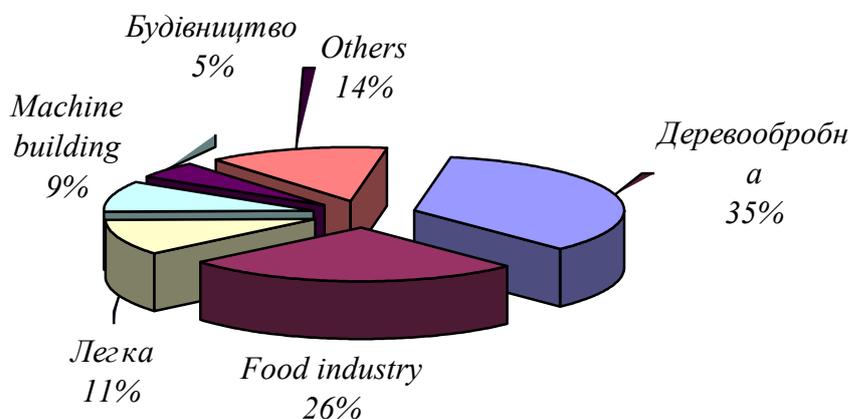
In 2000 the able-bodied citizens made up 782.900 people in Transcarpathia that means 1,8% increase as compared with 1998 (1999 – 775.100 people; 1998 – 769.100 people). The share of employed population relative to the number of residents averaged 42,8% in 2000 (1999– 43,2%; 1998 – 44,0%). In 2000 545.800 people were engaged in economic activity; in 1999 – 552.700 people; in 1998 – 563.400 people. In 1999 GDP of Transcarpathia made up 1.640.000 UAH that amounts to \$ 400.000, that means 1,1% increase as compared with 1998. In 1999 GDP per head amounted to 1.280 UAH (approximately \$ 310).

In the recent years the share of industrial and nonmaterial production in total GDP of Transcarpathia has decreased in favour of agriculture that at present makes up 1/3 within the economic structure of Transcarpathia. According to the data of the 1<sup>st</sup> January 2001 there were 15.5000 subjects of business activity in Transcarpathia; the most active were such branches as transport and communication services, agriculture and trade. By the level of foreign investments Transcarpathia occupies the second position in Ukraine following Lviv oblast. In 2001 foreign capital amounted to \$ 92.200.000, its distribution by branches was the following: industry – \$ 61.500.000, trade and food industry – 10,8 mln. USD, services – 8,2 mln. USD, forestry – 5,1 mln. USD, construction – 2,0 mln. USD, agriculture – 183.000 USD.

The majority of economically active population of Transcarpathia (38%) is employed in agriculture and forestry, 14% at industrial production, 10% in the field of education, science,

art, 5-5% in transport, telecommunications and correspondingly in medicine and social service. Building sector, economic management and state service employ correspondingly 3-3%. The share of officially registered unemployed people according to the data of the 1<sup>st</sup> January 2001 averaged 6,1% (44.100 people); however, according to the results of the representative research of 2001 the number of unemployed citizens totalled 67.400 people.

### Industrial production in Zakarpatska oblast



Within the *industrial* structure the major part is made up by forestry (35%), food industry (26%), light industry (11%), engineering industry (9%) and construction (5%).

Along with the industries *tourism and recreation* play an important role in the Transcarpathian economy: there are about 16 sanatoriums in Transcarpathia, 14 health resorts, 2 guest houses, 26 tourist and 11 recreation centres suitable for hosting guests for 1-2 days. In 2000 36 hotels (2.839 rooming facilities) hosted 84.200 guests, 9.200 were foreigners.

In 2000 there were about 203.800 pupils studying in 705 secondary schools of Transcarpathia. Out of 16 state higher education institutions 13 are of I–II level of accreditation others of III-IV accreditation level. The most important institutions of higher education are Uzhhorod National University, Mukachevo Technological Institute, Uzhhorod State Institute of Information Sciences, Economics and Law. There are 18 research institutes in Zakarpattia among which regional departments of Ukrainian National Academy of Sciences that employed 647 people in 2000. Cultural sphere, traditions preserving and literary life of the region is represented by 5 theatres, 2 concert halls and 4 museums.

### Szabolcs-Szatmar-Bereg (Hungary)

Szabolcs-Szatmar-Bereg region is situated in the North East part of Hungary. The present-day region was formed in 1951 when the separate small parts of the former comitats territories Szatmar and Bereg were united. The special geopolitical position of the region is determined by its frontier situation, the borders with three states: with Slovakia in the North – 5 km, Ukraine in the North East – 136,6km, Romania in the South East –93,5 km. Within the country the region borders on Borsod-Abauj-Zemlen and Hajdu-Bihar regions.

The region is situated on the Hungarian Plain and spreads over the territory of Nyirseg and Upper Tisa. Область розташована в межах більшої частини Ніршег із усієї території Верхньої Тиси (приблизно 78% всієї території), the highest peak is Hoportyo (183m).

The territory totals 5.937 km<sup>2</sup> that makes 6,4% of the whole territory of the Hungarian Republic i.e. 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 5,8% of population of Hungary live that according to the data of the 31<sup>st</sup> of December 2001 totalled 588.000 people. The population of the regional centre is 117.000 people. In 2000 population density averaged 99 people per km<sup>2</sup> that is for 10 persons/km<sup>2</sup> lower than the national index. Approximately a half of population lives (47%) in towns.

According to the population census 93% Hungarians live in the region; the largest minority is made up by Romas (26.000 people, 5% population regard themselves as Romas), Germans (727 people) and Ukrainians (472 people). Due to low natality level in the region it decreased for 311 people and as a result of migration population decreased by 1.437 people.

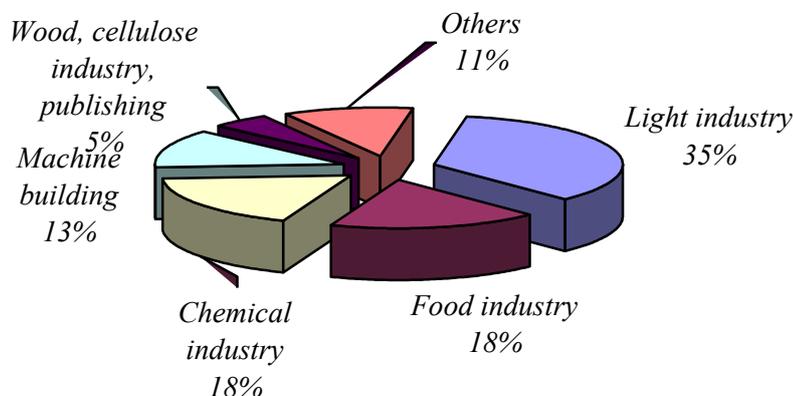
In 2002 Szabolcs-Szatmar-Bereg region produced 3,3% GDP of Hungary in the amount of 486 billion Ft. (\$ 2,240 billion), that averages 826.000 Ft. per capita. These figures constantly grow but by GDP index the region occupies the last but one position among other regions of Hungary.

The number of joint ventures registered in the region totalled 11,5 companies in 2001 which together with private ventures aggregated 34.700 companies. Distribution of the operating enterprises by branches is the following: the share of such branches as agriculture, stock-breeding, forestry and fish industry averages 3,5% at the national level and 9,1% in the region. The share of companies active in the construction engineering and industry makes up 16,8%, that is equally shared between them. A sizeable share within the regional economy is taken by real estate activities and businesses active in the sphere of services provision (10,8%) as well as trade and repair companies (17,6%).

Over three tenths of the active able-bodied citizens (31%) are employed at industrial businesses, 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 according to the casting data of the KSH (Central Statistic Department), unemployment rate averaged 9,6% (national rate – 5,7%).

Within the general structure of industrial production 35% is light industry, accordingly 18-18% food and chemical industries, then comes machine engineering (13%) and wood-processing, cellulose and publishing activities (5%).

### Industrial production in Szabolcs-Szatmar-Bereg region



In 2001 there were 1.119 companies with foreign capital working in the region with total turnover of 2174 billion Ft. The major part of investments originates from the USA, the second position Germany and the third – Switzerland. At present there are seven sites in the

region that have the status of industrial parks and they are located in Nyiregyhaza, Csenger, Fehegyarmat, Nyirbator, Mateszalka, Tuzser and Zahony.

According to the statistics related to tourism and recreation objects there are rooming facilities for 9.100 people, out of them 3.100 are owned by guest houses, 2.500 – camping, 1.200 – hotels. In 2001 in total 129.000 guests spent 288.000 nights at the resort centres of the region.

About 20.000 students studied in 47 secondary schools of Szabolcs-Szatmar-Bereg, 7.400 day-time pupils at 18 vocational schools. 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 689 people (out of which 472 scientists). The cultural life of the region is diverse. The cultural institutions are mostly financed by the local governments. There are 1 theatre, 46 cinemas, 27 museums, 212 libraries of the local governments where 2,6 million books and publications are kept.

### **Satu-Mare region and Maramures district (Romania)**

Satu-Mare region and Maramures district are situated on the North West border of Romania. In the North the region and district border on Ukraine (Transcarpathia), only in the West Satu-Mare borders on Hungary (Szabolcs-Szatmar-Bereg region) and inside the state the region and district in the South and East border on the regions of Bihar, Szilagy and????.

In the Western part of the region rivers Samos, Tur and Krasna dividing the plain reach the highlands in the East namely mountains Avas and Gutin where the highest peak is Pietroasa – 1200m high. Total area of Satu-Mare is 4.418 km<sup>2</sup>, and it occupies the 36<sup>th</sup> position in the country or makes up 1,85% of the state territory. The total area of Maramures district - 6.304,4 km<sup>2</sup>. Out of 60 settlements there are 4 towns: Satu-Mare – regional centre, Nagykaroly, Avasfelfalu and Tasnagy. Satu-Mare and Nagykaroly are municipalities, i.e. they have the status of the town of regional subordination. The centre of Maramures district is Baia-Mare which along with Sighetu Marmatiei is a municipality. Minor centres of the district are towns of Borsa, Viseu de Sus, Cavnic, Targu Lapus and Baia Sprie.

The number of border crossing points is small and the available ones are insufficiently equipped. The traffic capacity of the abovementioned entry points was 6,2 million people in 1999. The entry point Petea – Csengesima has been already reconstructed at the side of Petea; There is an entry point for freight transport in Halm. In 2003 it is planned to launch the entry point Csanalos-Valja.

Population of Satu-Mare region totalled 388.900 people in 2001, density of population (88,0 people/km<sup>2</sup>), birth rate (in 2001 for 1000 persons – 10, i.e. 10%) is lower than death-rate (13%). The national composition of the region: Romanians (58,5%), Hungarians (35%) and Germans (3,6%). Population of Maramures district totalled 510.100 people in 2001, density of population (80,9 people/km<sup>2</sup>), death-rate exceeds birth-rate (-1,1%). The national composition of the district population Romanians (...%), Hungarians (...%) and others (...%).

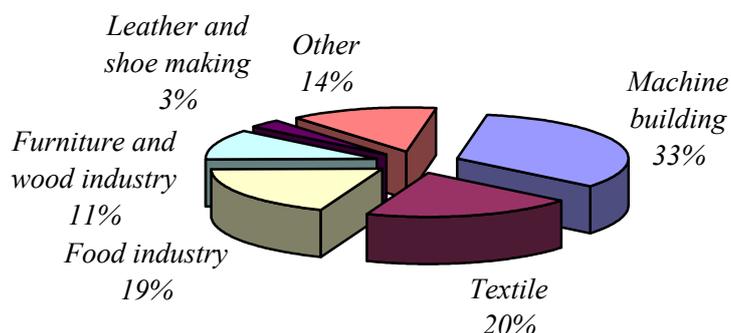
In 1997 the number of private ventures in Satu-Mare amounted to 8.741 companies. In 1997 the private sector supplied 93% of rural economy of the region, 65% of industry, 76% - trade, 85% - sphere of service provision. There were 350 businesses with foreign stock and the biggest were Concern Steilmann, affiliates of Electrolux and Draxlmaier. Foreign investments coming in the region are mainly concentrated within foreign and domestic trade, service sector (mainly supplied by private ventures) and construction engineering. A significant

branch of Satu-Mare region economy is agriculture as the climatic conditions and grounds are favourable for planting and cattle-breeding development.

According to the Land Law 85,5% of agricultural holdings and sizeable livestock share is in private ownership.

Within the employment 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 (in December 2001 – 3,1% and the national one - 8,7%), and at the beginning of 2003 this index averaged 4,5%.

### Industrial production in Satu-Mare



The population urbanization level in Maramures district averages 52,6%. In 2001 GDP per capita amounted to \$ 3.563. Within the economic structure service sector dominates, which employs the major part of population 49,3 and produces the biggest share of GDP in the district - 38,4%, as well as produces 17,8% GDP and employs 2,8% of the district population; 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.

Foreign investments amounts to \$ 53.060.038 in Maramures district that averages \$104 per head. The major part of foreign investments is found in wood-processing industry – \$22.316.000; food industry this index amounts to – \$9.569.280; extractive industries – \$5.610.000; timber industry– \$3.850.223.

### The industrial production of Maramures district

= ДИАГРАМА =

In Satu-Mare oblast 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 of the region, while at the secondary education institutions 2.169 students. Satu-Mare region has a rich heritage and mighty network of cultural institutions: in general theatres, philharmonic societies, 60 libraries with over 1 million publications, books, 1 permanent cinema, 4 multifunctional cultural centres, 17 museums, 2 art galleries and Art house make life of citizens more diverse. Mass media is represented by 5 daily newspapers, 2 literary publications and 2 television station.

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.

## **Podkarpatske province (Poland)**

In the South East of the Republic of Poland Podkarpatske province is situated (the largest area of the state administrative division), which borders on Slovakia (131 km) and Ukraine (235 km). The important cities of the province are Rzesew, Stalyova Volya, Meltsi, Denbitse, Jaslo, Jaroslav, Sanok and Krosno. Transport infrastructure is represented by railway lines – 969 km, a network of roads with solid pavement – 14067 km.

The territory of Podkarpatske province totals 17.890 km<sup>2</sup>, population – 2.131.000 people, density of population averages 119 people per km<sup>2</sup> (particularly in Beschadsk district this index comes to 26 people per km<sup>2</sup> that is the lowest index in Poland). The natality dynamics comes to 13.546 people a year, migration averages 1.627 people a year. GDP amounts to 2932 Euro per head. One of the peculiarities of the Polish border territory is low urbanization level (41%). Thus, urban population makes up only 41,1%, at the average index in the country 61,8%. Natality level averages + 2%.

Within the total acres of land a considerable part is used for agricultural purposes, in the province – 52,8% with the average national index 59,5%. The high level of scattered territorial structure of the farms in Podkarpatske province (up to 5ha farms make up 82,3%) presents a considerable obstacle for effective farming production development.

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

Age distribution of population of the province determines domination of the able-bodied citizens – 1.271.500 people, youth – 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.

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 \$ 2 billion, and per capita – \$ 938. The main economy sectors with foreign investments are service sector – \$ 1,1 billion, industries – \$ 0,8 billion, construction engineering – \$ 0,1 billion.

### **The industrial production of Podkarpatske province**

= ДИАГРАМА =

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

## **Kosice and Presov krajs (Slovakia)**

Kosice and Presov krajs are situated in the Eastern part of the Slovak Republic. The area of both krajs totals 10,459 km<sup>2</sup>. Number of population residing in Kosice and Presov krajs totals 1.111.177 people, density of population – 106 people per km<sup>2</sup>, the dynamics of population increase: 4.361 people a year, migration rate averages -90 people a year at this territory.

The total area of Presov kraj is 8.593 km<sup>2</sup> and it occupies approximately 18% of Slovakia territory. The High and Low Tatras are situated in the North East. What concerns population 784.451, it is one of the biggest regions of the country, density of population averages 91 people per km<sup>2</sup>. The most part of population live in urban area. Presov kraj is subdivided into

13 districts, the biggest towns are Presov, Bardejov, Humenne, Kezhmark, Levova, Medzilabortse, Poprad, Sabinov, Snina, Stara Lubovna, Stropkov, Svidnik, Vranov nad Toplyo.

Presov region borders on Poland in the North (length of the border is 320km), in the East Ukraine – 30 km. In the West it borders on the regions of Zselin and Banska Bistrica, in the South Kosice kraj is situated. With regard to entry points with Poland – Visne Komarni – Barvinok, Palota – Radozhitse, Circ – Luletshev, Tatranska Javorina – Bukovina directed at Podspadi-Jurov, reconstruction of new entry point for freight transport between Mnisek nad Popradom and Koniecna. The entry points with Ukraine are Ublyva, Malyj Bereznyj and in progress the project for the entry point reconstruction Ulich – Velykij Bereznyj.

The road E 50 goes through the kraj territory (Bratislava – Filina, Poprad – Presov – Kosice – Mihalovce. The bus and trains network covers the majority of towns, these modes of transport are the most widespread. Although the network of rail transport in Presov region needs to be reorganized and modernized as it is one of the shabbiest and oldest railways in Europe. This region has rail communication with five countries, the primary ones are as follows: Plavets - Presov - Kiskak - Cerna; Medzilaborce – Humenne – Mihalovce–Slovenske n.M.; Presov – Vranov nad Toplyo – Humenne.

There is also an international airport in this region – Poprad Tatra, as well as local airports are located in Humenne, Sabinov and Presov. Unfortunately, travelling by air transport is expensive and is not frequently used in the region.

There are important town centres, the capital is Presov. It is a town of traditions, historical buildings, parks, theatre and museum. Approximately 100.000 people live in Presov and its suburbs. It is both the centre of the local government and an industrial town. The urban –type communities are Vranov nad Toplyo, Svidnik, Stropkov, Snina, Humenne, Sabinov, Poprad, Kezmarok, Medzilaborce, Stara Lubovna and Bardejov.

### **Industrial production in Kosice and Presov krajs**

= ДИАГРАММИ =

Agriculture is an important field of economy. It is rich in natural resources, the most important are iron ore, copper, zinc, tin, magnesium and brown coal (low quality). The industrial activities are mainly concentrated in Kosice neighbourhood.

### III. SWOT Analysis

<b>1. General Strengths</b>	<b>1. General Strengths</b>
<ul style="list-style-type: none"> <li>- Favourable geopolitical position</li> <li>- Connecting link between the Mediterranean and Russia/ Byelorussia</li> <li>- Existing experience and available traditions of cross-border co-operation among various social strata</li> </ul>	<ul style="list-style-type: none"> <li>- Peripheral situation (as to the EU, as well as at the national level)</li> <li>- Future external EU border</li> <li>- border TACIS – CBC (cross-border co-operation) / INTERREG</li> </ul>
<b>2. Population Weaknesses</b>	<b>2. Population Weaknesses</b>
<ul style="list-style-type: none"> <li>- various national and ethnic minorities in the border regions</li> </ul>	<ul style="list-style-type: none"> <li>- Increase of elderly people number</li> <li>- Low birth-rate</li> <li>- High unemployment rate in the border regions</li> <li>- High population migration level</li> <li>- Low density of population</li> </ul>
<b>3. Three dimensional planning, settlements location</b>	<b>3. Three dimensional planning, settlements location</b>
<b>3.1. Three dimensional planning Strengths</b>	<b>3.1. Three dimensional planning Weaknesses</b>
<ul style="list-style-type: none"> <li>- The first steps towards the elaboration of an integrated Strategy that would include the issues of three dimensional planning as well</li> </ul>	<ul style="list-style-type: none"> <li>- Different laws and systems within the sphere of three dimensional planning (in all the regions)</li> <li>- Unsatisfactory involvement of the organizations and community in the cross-border three dimensional planning and programmes</li> </ul>
<b>3.2. Settlements location Strengths</b>	<b>3.2. Settlements location Weaknesses</b>
<ul style="list-style-type: none"> <li>- Availability of development centres in all the border regions (e.g. Kosice, Debrecen, Uzhhorod and etc.)</li> <li>- Growing number of development centres of mean level</li> <li>- Even community division</li> </ul>	<ul style="list-style-type: none"> <li>- Great number of small towns/ villages</li> <li>- Certain farness of small towns and villages form the regional centres</li> </ul>
<b>4. Infrastructure Strengths</b>	<b>4. Infrastructure Weaknesses</b>
<p>The favourable geopolitical position within the directions «North-South», «East-West» A number of the East-West links and transit corridors of national and European importance <b>Border infrastructure:</b></p> <ul style="list-style-type: none"> <li>- There are primary border crossing points (BCP) between all the adjacent regions; The BCP between Ukraine and Poland, Ukraine and Romania, extra BPC between Ukraine and Hungary are being established.</li> <li>- The system of logistic terminals is developed, the extensive transport junction «Chop – Zahony – Chierna-nad-Tisaju»</li> </ul>	<p>Limited access to the whole CBC region and low technical and technological system levels</p> <p><b>Border infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Lack of border crossing points; there are no entry points between Ukraine and Poland, Ukraine and Romania, low traffic capacity of the entry points at the Ukrainian, Hungarian and Slovak borders.</li> <li>- Long waiting time for crossing the border that effects the lengths of the CBC trips</li> </ul>

<ul style="list-style-type: none"> <li>- Transit of the Corridor №5 through the region territory (Trieste-Ljubljana-Budapest-Bratislava-Chop-Lviv)</li> </ul>	
<p><b>Transport:</b></p> <p><u>Roads:</u></p> <ul style="list-style-type: none"> <li>- Rather good quality of the roads infrastructure of the 1<sup>st</sup> and 2<sup>nd</sup> levels (Slovakia, Hungary), in the direction of Hungarian-Ukrainian border, “Vienna-Budapest-Lviv”</li> <li>- Construction of a high-way in Slovakia in the direction of Poprad-Presov-Mihalovce-Uzhhorod”</li> </ul> <p><u>Railway:</u></p> <ul style="list-style-type: none"> <li>- Availability of basic railway junction among all the 5 countries</li> <li>- Good quality of railways in Slovakia (mostly electrified)</li> <li>- Low cost of travelling by railway</li> <li>- High traffic capacity of the transport junction «Chop – Zahony – Chierna-nad-Tisaju»</li> </ul> <p><u>Air transport:</u></p> <ul style="list-style-type: none"> <li>- There are national airports in all the five adjacent regions (some of them with a limited number of international flights – Slovakia, Poland)</li> </ul> <p><u>Water transport:</u></p> <ul style="list-style-type: none"> <li>- Availability of the passenger and freight junction at the Hungarian side of Tisa river</li> <li>- Using rivers Tisa and Samos for tourism development in Ukraine, Hungary, Slovakia</li> </ul>	<p><b>Transport:</b></p> <p><u>Roads:</u></p> <ul style="list-style-type: none"> <li>- Insufficient road infrastructure of the 1<sup>st</sup> level (highways)</li> <li>- Long duration of the CBC trips</li> <li>- Rather bad state of the road infrastructure of the 2<sup>nd</sup> level (regional, local roads) with permanent need for repair (Ukraine, Hungary, Poland, Romania and Ukraine);</li> <li>- Shortage of entry points affects the lack of border road infrastructure</li> <li>- Insufficient financing of roads modernization</li> <li>- Low development level of social transport</li> </ul> <p><u>Railway:</u></p> <ul style="list-style-type: none"> <li>- Lack of complex junction of the railways of all the five countries, only 37 km roads at the Polish side</li> <li>- Lack of consolidation of the railway system at the Ukrainian side (Uzhhorod-Chernivtsi)</li> <li>- Practically it is not electrified</li> <li>- Different railway types in Ukraine and its neighbours.</li> </ul> <p><u>Air transport:</u></p> <ul style="list-style-type: none"> <li>- Small quantity of regular flights within the Carpathian Euroregion</li> <li>- Underdeveloped system of cargo flights</li> <li>- Insufficient number of transit passengers and cargo flights</li> </ul> <p><u>Water transport:</u></p> <ul style="list-style-type: none"> <li>- Insufficient use of the Carpathian rivers resources</li> <li>- Lack of state support within the sphere of water transport development</li> </ul>
<p><b>Communication infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Developed infrastructure of telephone communication and mail service</li> <li>- The main settlements are covered by the system of mobile telephone communication</li> <li>- Rather well developed Internet connection system, increased public access to Internet (Internet cafe)</li> </ul>	<p><b>Communication infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Lack of state support of the IT development</li> <li>- Poor telecommunication system</li> <li>- Absence of general mass media</li> <li>- Lack of the high-quality Internet access channels</li> </ul>
<p><b>Opportunities</b></p>	<p><b>Threads</b></p>
<p><b>Border infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Financial resources concentrated on the border crossing points improvement at the</li> </ul>	<p>In general national authorities pay insufficient attention to the CBC infrastructure development that is due to insufficient financing</p> <p><b>Border infrastructure:</b></p> <ul style="list-style-type: none"> <li>- New visa regime will complicate even more the border crossing process for passengers</li> </ul>

<p>EU borders</p> <ul style="list-style-type: none"> <li>- Available potential for short-term improvement regulations/ management of the border crossing process (customs control, working hours, waiting time and others)</li> <li>- Possibility to harmonize environmental and other requirements as to freight border crossing points</li> <li>- Establishment of additional border crossing points, especially between Poland and Ukraine, Romania and Ukraine, Ukraine, Hungary and Slovakia</li> </ul>	<p>and freight</p> <ul style="list-style-type: none"> <li>- Existence of barriers within the procedures of the entry points reconstruction after the EU expansion (except for Ukraine and Romania till 2007)</li> <li>- Lack of extra financial resources for the entry points modernization of the EU non-member states</li> <li>- Insufficient development and long distance between the international shipping operations that will reduce profitability of shipping as well as low technical and technological level of this shipping operations</li> </ul>
<p><b><i>Transport:</i></b> <u>Roads:</u></p> <ul style="list-style-type: none"> <li>- There are plans for improvement, construction and expansion of the national network of the 1<sup>st</sup> level roads (Hungary, Ukraine); Use of opportunities offered by the European transport corridor</li> <li>- Wish to improve the quality and expand the network of national and local roads</li> <li>- Possibility of rapid filling of the absent trans-border infrastructure with relatively low financial costs</li> <li>- Availability of an agreement for improvement and connecting the transport corridor North-South with the European East West corridor</li> </ul> <p><u>Railway:</u></p> <ul style="list-style-type: none"> <li>- Possibility to use traditional system of railway junction of the five regions (narrow-gauge railway) and their possible reconstruction</li> <li>- Possibility of their partial; reconstruction via electrification</li> </ul> <p><u>Air transport:</u></p> <ul style="list-style-type: none"> <li>- Co-operation potential among the existing airports;</li> <li>- Opportunity to use former military airports;</li> <li>- Increase of flights number following the increase of the general income level</li> </ul> <p><u>Water transport:</u></p> <ul style="list-style-type: none"> <li>- Development potential of the junction system between Tisa and Danube</li> <li>- Possibility to build a river port on the river Tisa in Chop district (Ukraine)</li> </ul> <p><u>Multimodal transport:</u></p> <ul style="list-style-type: none"> <li>- Development potential of logistic and service centres, as well as combined transport terminals</li> </ul>	<p><b><i>Transport:</i></b> <u>Roads:</u></p> <ul style="list-style-type: none"> <li>- Risk that the transeuropean corridor won't be developed at the Ukrainian side</li> <li>- Absence of North South junctions</li> <li>- Lack of awareness of the decision-makers of the importance of meridian transport lines</li> </ul> <p><u>Railway:</u></p> <ul style="list-style-type: none"> <li>- Risk of shipping reorientation from the CIS countries to Europe from Ukraine to Russia and Byelorussia</li> <li>- Closure of the railway junction with the Carpathian region (Poland)</li> </ul> <p><u>Air transport:</u></p> <ul style="list-style-type: none"> <li>- Competition among the existing airports</li> <li>- Necessity to close Uzhhorod airport (Ukraine) that stand on the border between Ukraine and Slovakia due to future membership of Slovakia in the NATO and EU</li> </ul> <p><u>Water transport:</u></p> <ul style="list-style-type: none"> <li>- Delay of the process of reaching and signing a interstate agreement on the problems of international navigation on the Tisa river</li> </ul> <p><u>Multimodal transport:</u></p> <ul style="list-style-type: none"> <li>- Lack of co-ordinated international strategy that will lead to no development of this field in medium-term perspective</li> </ul>

<p><b>Communication infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Communication system development and automation of the mail system</li> </ul>	<p><b>Communication infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Technical state of this branch</li> <li>- Citizens can hardly use the advanced communication services</li> <li>- Information isolation of the border regions</li> </ul>
<b>5. Economy</b>	<b>5. Economy</b>
<b>5.1 Enterprise and SME</b>	<b>5.1 Enterprise and SME</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Traditional CBC contacts</li> <li>- Favourable geographical position in Central and East Europe</li> <li>- SME development in all the five countries</li> <li>- Well developed NGOs and SME support organizations network (at the national level)</li> <li>- Access to the EU programmes (PHARE, ISPA, SAPARD in Poland, Slovakia, Hungary, Romania)</li> <li>- Access to the EU TACIS programme (Ukraine)</li> <li>- Growing interest of potential investors</li> <li>- Short distance to potential cross border sales market</li> </ul>	<ul style="list-style-type: none"> <li>- Outdated industrial structure (partially)</li> <li>- Unsatisfactory implementation of the legal base in SME support</li> <li>- Not balanced SME support institutions structure</li> <li>- Different access of the border regions of five countries to the financial resources</li> <li>- Incompatibility of the TACIS and PHARE programmes</li> <li>- Lack of language and business skills</li> <li>- Outdated production capacities</li> <li>- Unsatisfactory contacts between suppliers and customers</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Receiving financing from the EU</li> <li>- Growing interest of potential investors (to some specific industrial sectors or territories)</li> <li>- Favourable conditions for experience share and know-how transfer in the regional economy developing</li> <li>- Improvement of the transport infrastructure</li> <li>- Improvement of organizations and their networks supporting SME development</li> <li>- Development of new consumer markets</li> <li>- New market relations in the West and East</li> <li>- Use of environmentally appropriate technology for economic purposes</li> <li>- Growing service sector</li> <li>- CBC support by the regional authorities, chambers of commerce, trade unions and other associates aimed at using unexplored CBC potential</li> </ul>	<ul style="list-style-type: none"> <li>- Limited consumer and labour markets due to the border</li> <li>- Introduction of visa Schengen regime</li> <li>- differences in legislations that will negatively affect CBC</li> <li>- Difficulties of the traditional industrial economic sectors reconstruction</li> <li>- Lack of foreign investors as compared with the western borders of the EU associated member states</li> <li>- Competition among regions and organizations</li> <li>- Changes within the national policies (five countries – five ideas)</li> <li>- Crime wave due to interregional migration</li> <li>- Slow process of the organizations and social resources decentralization</li> <li>- Incompatibility of the TACIS and PHARE programmes</li> <li>- Instable economic and political situation</li> <li>- Long distance between border regions and national centres</li> <li>- Structural deficiency within modern business spheres developing (both within the industry and service sector)</li> <li>- Non-complete local economy structure for SMEs due to the existence of borders</li> </ul>
<b>5.2 Technology and Innovations</b>	<b>5.2 Technology and Innovations</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Existence of universities in all the five frontier regions</li> <li>- Existence of polytechnics in all the five frontier regions</li> </ul>	<ul style="list-style-type: none"> <li>- Poor traditions within the sphere of researches and research technologies</li> <li>- Lack of research, innovation development centres</li> </ul>

- Existence of research and innovation centres	- Poor links among the scientists of the border regions - Insufficient financing of the researches from state and international organizations
<b>Opportunities</b>	<b>Threads</b>
- Research activity development - Possibility to transfer knowledge and technologies including establishment of organizations dealing with technologies exchange - Development of advanced communication infrastructure - Specific consulting CBC role and use of the existing potentials could further access to innovations, researches and technologies	- Access to innovations, researches and technologies is difficult for SMEs in rural areas - Fiscal policy of the national governments - Financial barriers within the sphere of purchase and use of new technologies
<b>5.3 Qualification and labour market</b>	<b>5.3 Qualification and labour market</b>
<b>Strengths</b>	<b>Weaknesses</b>
- Competitive market of human resources - A great number of able-bodied people - Better education of youth	- All the regions are characterized by high level of unemployment due to the reasons of structural nature - High level of long-term unemployment - Lack of skilled workers - Lack of effective state/ regional/ international programmes for unemployment decrease - Educational level does not correspond to the requirements of employers - Inefficiency of the national strategies in overcoming unemployment
<b>Opportunities</b>	<b>Threads</b>
- Use of comparative advantages in different border regions - Military and border structures (customs) will offer new jobs	- Incomplete cycle of the labour markets - Insufficient number of eligible jobs for people looking for job opportunities - Skilled staff can leave the border regions - Lack of the reorganized educational programmes - Deterioration of the national and European market situation
<b>6. Environment, nature and rural development</b>	<b>6. Environment, nature and rural development</b>
<b>6.1. Environment</b>	<b>6.1. Environment</b>
<b>Strengths</b>	<b>Weaknesses</b>
- Similarity of relief biodiversity, climatic and geographical conditions in all the five border regions - Comparatively pure environment (E) - Partially stable environmental situation - Existence of preserved and inviolable ecological systems - Similar situation within the environmental protection - Similar mentality of population as to environmental protection - Availability and accessibility of the international standards - Good quality of surface and ground water - Comparatively great number of national parks	- Lack of regulations for securing environmental protection activities - National development plans suggest insufficient solutions for local problems of environmental protection - Low ecologic culture of population - Lack of information of environmental situation, underdeveloped general information space - Unsatisfactory performance of the international standards - Divergence of national legislations within the sphere of environmental protection in all the five countries - Insufficient coordination of the efforts in the

<ul style="list-style-type: none"> <li>- and natural reserves</li> <li>- Existence of research oriented NGOs</li> </ul>	<p>sphere of the environmental protection problems solution</p> <ul style="list-style-type: none"> <li>- CBC information insufficiently collected and processed</li> <li>- Underdeveloped system of waste utilization</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- General plans and projects for environmental protection, support and development</li> <li>- Similar approaches towards solution of the environmental problems in the frontier regions</li> <li>- Research and scientific potential in the sphere of environment on the part of ecological NGOs and their co-operation</li> <li>- Using international agreements in the sphere of environmental protection and stable development (Rio de Janeiro Convention, Convention ORAOZ and others)</li> <li>- Growing CBC in the sphere of environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>- Shortage of financial resources for investigating industrial effect on the environment, for organization environmental protection activities in general</li> <li>- Changes in national policy in the sphere of environmental protection their impact on regional level</li> <li>- Non-observance of the laws</li> <li>- Natural disasters (floods and etc.)</li> <li>- Shortage of financial resources for managing forest and water resources</li> </ul>
<b>6.2. Multifunctional rural areas development</b>	<b>6.2. Multifunctional rural areas development</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Favourable geographical position</li> <li>- Good climatic and soil conditions</li> <li>- Agricultural natural conditions are in good state</li> <li>- Sufficient water resources</li> <li>- Sufficient human resources</li> <li>- Plough-lands are privately owned</li> <li>- Financial State support</li> <li>- Availability of agricultural machinery (tractors, machines and etc.)</li> <li>- High percentage of agricultural holdings on the whole territory</li> <li>- Opportunity to receive education at the specialized agricultural schools</li> </ul>	<ul style="list-style-type: none"> <li>- Definite problems in land privatisation</li> <li>- Negative after-effects of floods on agriculture</li> <li>- Partially high soil acidity</li> <li>- Deficiency of phosphorus and magnesium in soil</li> <li>- Small quantity of drainage systems</li> <li>- Non-profit nature of farming activities</li> <li>- High unemployment rate in rural economy due to surplus of labour forces</li> <li>- Low education and professional level of farmers</li> <li>- Low mobility level of rural people</li> <li>- Low specialization and concentration standards</li> <li>- Farms fragmentation</li> <li>- Insufficient number of market oriented farmers</li> <li>- Narrow system of cross-border market information</li> <li>- Small territory suitable of agricultural activities (mountainous territories)</li> <li>- Low profitability level of farms</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Reconstruction of the processing companies in the sphere in timber cutting and agriculture</li> <li>- Establishment of professional CBC associations</li> <li>- Developing good quality foodstuff</li> <li>- Improvement of education system within the sphere of agriculture</li> <li>- Development of intensive and laborious branches of rural economy</li> <li>- Modernization support</li> <li>- Closer co-operation (national and CBC)</li> </ul>	<ul style="list-style-type: none"> <li>- High percentage of agricultural production</li> <li>- High unemployment rate in the rural economy</li> <li>- Soil degradation</li> <li>- Slow process of search for job out of the rural sector (for small villages population)</li> <li>- Conservative approaches of rural population</li> <li>- Slow application of modern achievements of biology</li> <li>- Insufficient financing of services in rural economy</li> <li>- Lack of investment capital for agricultural and</li> </ul>

<p>among producers and processing industry</p> <ul style="list-style-type: none"> <li>- Establishment of co-operatives including those aimed at joint operation of machinery</li> <li>- Support of agricultural sector in the EU associated member states, opportunity to attract the EU funds (except for Ukraine)</li> </ul>	<p>processing companies</p> <ul style="list-style-type: none"> <li>- Going on with changes in the agricultural sector</li> <li>- Existence of problems in land privatisation</li> <li>- Inconsistent correlation of agricultural goods prices and means of production or consumer commodities</li> <li>- Lack of free market for agricultural products</li> <li>- Inflow of cheap products from the West</li> <li>- Quotas on agricultural products in the future EU member states</li> </ul>
<b>7. Tourism</b>	<b>7. Tourism</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Ecologically pure and diverse nature</li> <li>- Status of development priority in all the frontier regions of the five countries of the Carpathian region</li> <li>- Experience in the elaboration of cross-border tourist projects and products</li> <li>- Social awareness of environmental protection necessity</li> </ul> <p><b>Tourism infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Existence of recreation base</li> <li>- Functioning of some informational centres</li> <li>- Increase of rooming facilities for tourists in the region</li> </ul> <p><b>Rural tourism:</b></p> <ul style="list-style-type: none"> <li>- Proposals as to development of permanent agrofarms</li> <li>- Improvement of services</li> <li>- Partially existing support (Hungary)</li> </ul> <p><b>Cultural heritage:</b></p> <ul style="list-style-type: none"> <li>- Rich historical/cultural heritage (towns, castles, churches)</li> <li>- Multinational population</li> <li>- Good knowledge of the society about historical and cultural values</li> </ul>	<ul style="list-style-type: none"> <li>- Underdeveloped tourism product especially characteristic to the whole Carpathian Euroregion</li> <li>- Lack of skilled foreign languages speaking personnel</li> <li>- Shortage of border crossing points designed for tourists (pedestrian and bicycle)</li> <li>- Financial resources deficiency</li> <li>- Tourism monuments are unknown for community</li> </ul> <p><b>Tourism infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Underdeveloped and insufficient tourism infrastructure (both in urban and rural areas)</li> <li>- Bad technical state of the infrastructure and deficiency of financing for its support</li> <li>- Insufficient quantity of comfortable rooming facilities for tourists accommodation in the region</li> </ul> <p><b>Rural tourism:</b></p> <ul style="list-style-type: none"> <li>- Absence of quality standards of agrofarm tourism services</li> <li>- Absence of clear regulations</li> <li>- Deficiency of free financial resources for development</li> <li>- Shortage of infocentres and centres of tourism services promotion</li> <li>- Lack of knowledge of rural population about tourism potential of the region</li> </ul> <p><b>Cultural heritage:</b></p> <ul style="list-style-type: none"> <li>- Poor state of many historical and architectural monuments (especially in Ukraine and Romania)</li> <li>- Underdeveloped crafts</li> <li>- Insufficient cross-border tourist routes and maps, that would show local historical and other values</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Great potential for CBC recreation and tourism in the region (e.g. short/ long holidays with emphasis on recreation)</li> <li>- General approach towards promotion and monitoring of tourism development)</li> </ul>	<ul style="list-style-type: none"> <li>- Danger of environmental pollution</li> <li>- Non-coordinated actions within the sphere of tourism</li> <li>- Introduction of Schengen regime</li> <li>- Lack of vision of the tourism sector in the</li> </ul>

<ul style="list-style-type: none"> <li>- Human resources development</li> <li>- Opportunities of the EU expansion</li> </ul> <p><b>Tourism infrastructure:</b></p> <ul style="list-style-type: none"> <li>- Forming a common cross-border tourism centre</li> <li>- Improvement of material and technical base</li> <li>- Improving access to financial resources necessary for tourism infrastructure development in the EU member states after the EU expansion</li> </ul> <p><b>Rural tourism:</b></p> <ul style="list-style-type: none"> <li>- Establishment of rural associations of rural tourism and businesses</li> <li>- Increase of rural population knowledge about tourism opportunities of the region</li> <li>- Access to financial flows with the aim of business support</li> <li>- Human resources development</li> </ul> <p><b>Cultural heritage:</b></p> <ul style="list-style-type: none"> <li>- Co-operation of non-profit organizations, associations and community in the sphere of cultural heritage protection</li> <li>- Increase of education standards of the local populations as well as increase of interest of foreigners to the Carpathian region.</li> <li>- Development of a local traditional product</li> </ul>	<p>Carpathian region</p> <p><b>Tourism infrastructure:</b></p> <ul style="list-style-type: none"> <li>- No access to financial flows</li> <li>- Increase of political and economic instability</li> </ul> <p><b>Rural tourism:</b></p> <ul style="list-style-type: none"> <li>- Deficiency of regulations of rural tourism development (Ukraine)</li> <li>- Introduction of unfavourable taxation regime</li> </ul> <p><b>Cultural heritage:</b></p> <ul style="list-style-type: none"> <li>- Worsening of the material and technical state of the monuments</li> <li>- Shortage of capital for restoration of the monuments, territories destroyed</li> </ul>
<b>8. Social and cultural integration</b>	<b>8. Social and cultural integration</b>
<b>8.1. Social and cultural co-operation and networks</b>	<b>8.1. Social and cultural co-operation and networks</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- General cultural heritage</li> <li>- Educational systems and institutions in each frontier region</li> <li>- Proximity of the regions that creates favourable conditions for development of culture and co-operation</li> <li>- Skilled staff (scientists, teachers, ethnographers and others)</li> <li>- Existence of social services at both sides of the border</li> <li>- Existing medical institutions in each border region</li> </ul>	<ul style="list-style-type: none"> <li>- Language barrier (partially)</li> <li>- Mental barrier for development of Transcarpathian links</li> <li>- Poor contacts among cultural organizations and associations</li> <li>- Poor state of technical equipment at the medical institutions</li> <li>- Undeveloped life-saving service</li> <li>- A big difference in education in urban and rural areas (Ukraine)</li> <li>- Poor communication quality</li> <li>- Lack of general communication base</li> <li>- Diversity of the administrative structures of the regions that complicates activities coordination carried out by the regions</li> <li>- Existence of everyday problems at border-crossing</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Available experience in general cultural co-operation</li> <li>- State and social support of cultural heritage</li> <li>- Skilled staff</li> <li>- Support of various European organizations in the sphere of culture, education and etc.</li> <li>- Concentration of substantial social partners</li> </ul>	<ul style="list-style-type: none"> <li>- New external EU border (visa regime, new barriers of cultural transfer and etc.)</li> <li>- New everyday problems at the border arising due to introduction of Schengen regime</li> <li>- Differences in educational systems, health protection systems, life-saving service and etc.</li> </ul>

<p>potential both on national and cross-border levels</p> <ul style="list-style-type: none"> <li>- Existence of the basis for future co-operation in the form of the existing organizations as agencies of regional development, social and cultural organizations</li> <li>- Improvement of border-crossing points operation</li> <li>- Development and dissemination of new informational technologies</li> </ul>	<ul style="list-style-type: none"> <li>- The educational system does not meet the European standards</li> <li>- Deficiency of financial resources</li> <li>- Various national structure and competence</li> <li>- Skilled staff leaves the region</li> <li>- Growth of competition instead of co-operation development</li> </ul>
<b>8.2 National minorities</b>	<b>8.2 National minorities</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- General historic background and heritage</li> <li>- Similar structure of national minorities at the both sides of the border</li> <li>- Similar interests in cultural development</li> <li>- No major language barriers</li> <li>- Family ties of people from different countries</li> <li>- Wide network of NGO's and associations</li> <li>- Existence of the Carpathian Euroregion structures</li> <li>- State committees for national minorities</li> </ul>	<ul style="list-style-type: none"> <li>- Unsolved problems in common history</li> <li>- Substantial differences in legislations</li> <li>- Lack of informational support</li> <li>- Introduction of visa regime (between Slovakia and Ukraine)</li> <li>- Everyday problems at the border</li> <li>- Facultative character of co-operation among NGOs and associations</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Establishment of cross-border associations</li> <li>- Establishment of self-government structures of national minorities</li> <li>- Improvement of informational flows</li> <li>- Extension of cultural contacts</li> <li>- Solving the problem of labour migration</li> </ul>	<ul style="list-style-type: none"> <li>- Spread of differences at the level of social and economic development of national minorities</li> <li>- New barriers due to the EU expansion</li> <li>- Closing of the border crossing points with simplified procedures for the border population</li> <li>- Negative impact of illegal migration</li> </ul>
<b>8.3. Institutional CBC support</b>	<b>8.3. Institutional CBC support</b>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Cooperation of the local authorities</li> <li>- Cross-border structures like the Carpathian Euroregion</li> <li>- Agencies of regional development and integration partnerships exist in all the border regions</li> </ul>	<ul style="list-style-type: none"> <li>- Competition among the existing and new cross-border structures</li> <li>- Insufficient economic, financial and human resources for CBC development in rural areas</li> <li>- Poor quality of telecommunication infrastructure</li> <li>- Lack of statistical information</li> <li>- Sometime insufficient decentralization of responsibilities and financial resources</li> </ul>
<b>Opportunities</b>	<b>Threads</b>
<ul style="list-style-type: none"> <li>- Growing interest towards reinforcement of social, cultural and economic integration in all the border regions</li> <li>- Improvement of co-operation among regional agencies/ organizations and others</li> <li>- Opportunities of improvement of coordination and integration processes via existing cross-border structures</li> <li>- Strengthening of co-operation among local/ regional mass media</li> </ul>	<ul style="list-style-type: none"> <li>- Conflict of interests between the existing CBC structures or/and national/ regional/ local authorities</li> <li>- Language barrier</li> <li>- Lack of mutual understanding among regional and local authorities of five countries</li> <li>- Insufficient skills for using available support programmes</li> </ul>

#### **IV. Definition of the territory specifics and the primary focuses: sectoral, political and territorial specifics**

The border territories play an important role within the international co-operation in the, **territorial and dimensional plane** as the zones of direct interactions of the economic complexes of Ukraine, Hungary, Slovakia, Poland and Romania and **the geostrategic plane**. Cross-border co-operation of territorial communities or authorities that are under jurisdiction of the neighbour states directed at comprehensive development of the border regions via promotion of trade and economic, co-operation and production, scientific and technical contacts of 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 national interests of Ukraine require recognition of Ukraine as the powerful European state – the full EU member. Following the European Union enlargement expected in the near future by Hungary, Poland and Slovakia, Ukraine will border on the EU that will create a fundamentally new geopolitical situation. Thereby, it is necessary to give a clear and comprehensive outline of the foreign policy strategy as to integration of Ukraine into the European political, economic and legal space. Being aware that the overall goal of Ukraine's integration into the European Union in the sphere of border policy is achievement of freedoms for all citizens of the EU member states to cross freely the internal borders and freedom of goods and services movement, **the Programme of Ukraine's Integration into the European Union within the sphere of frontier policy** sets the following areas and activities of sectoral co-operation, in particular relevant to cross-border co-operation:

1. With the EU support to reconstruct the available and build up new infrastructure of the border crossing points meeting international standards in order to speed up the traffic at the state border of Ukraine.
2. To involve expert assistance from the EU as to the boundary control system improvement at the western border of Ukraine, its unification and adjustment in line with the EU standards in order to facilitate traffic at the state border.
3. To involve the experts of the State Border Committee into the liberalization activities of visa regime between Ukraine and the EU member states.

Nowadays, under new geopolitical conditions on the European continent due to the EU enlargement to the East **the frontier regions of Poland, Slovakia, Hungary and Romania constitute a specific contact zone of partner interaction of the countries, the "first level" neighbours of Ukraine 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 of the first group; Romania as the second group associated EU member and candidate for joining the NATO. In medium-term perspective when Poland, Hungary and Slovakia join the EU the frontier regions of these countries will be directly located on the new external borders of the European Union with Ukraine. This geopolitical change and especially the fact these countries will join the Schengen zone in 2006-2007 can have a destructive influence upon the system of cross-border cooperation and as well as Ukrainian-Polish, Ukrainian-Hungarian, Ukrainian-Slovak relations in general. In that case there is a danger exists the frontier oblasts of Ukraine will turn into the **backward peripheral regions**. Thus, solely practical joint projects, mainly in the economic sphere, implemented by the states and their frontier regions could effectively withstand the after-effects of new separating lines in Europe upon the Ukrainian-Hungarian, Ukrainian-Polish, Ukrainian-Slovak and Ukrainian-Romanian interstate and interregional co-operation.

**The geoeconomic benefits of the adjacent border regions** of the abovementioned countries lie in their situation at the crossroad of the transeuropean and Eurasian trade and

economic, transport and infrastructure, cooperation and production, staple and energy as well as other traffic. The border regions can practically realize the potential of geostrategic advantages, first of all, via identifying together the common grounds for economic and other regional interests, harmonizing them with the national ones and primary trends and objectives of the interstate co-operation.

Although there is a range of differences exists among the researched frontier regions of Ukraine, Hungary, Slovakia, Poland and Romania, these regions are low-lying ones, with high quality territories for agricultural development, climatic conditions are similar as well. Over the centuries agriculture was and it is the traditional activity for all the regions. The peculiarity of the whole region from both social and demographic point of view is existence of a **range of negative phenomena due to its peripheral location**. Birth-rate is low, number of elderly people increases, the rate of population migration from the border regions is considerable. At the border of five regions a great number of nationalities and ethnic groups live. The traditions of cultural co-operation are rich and variable in the region.

Having analysed the infrastructure state we should mention that both quality of roads and standards of housing and municipal services provision need serious developments. As regards the geopolitical and geoeconomic role of the border regions of five states the main objective is to reconstruct the entry points necessary to meet the European standards. Agriculture plays the key role within the economy of the border regions, its industry is for the most part structurally outdated, where the prevailing branches are food and wood-processing industries. Though the service sector dynamically develops but a bulk of opportunities mainly offered by the frontier position have not been used yet; there is low foreign investment level in the border regions as well.

The priority development objectives of the border regions first of all include forming competitive development-oriented economy, effective use of the advantages available, securing better position of economic and social networks within the macroeconomic dimension. Secondly, it is reinforcement of cross-border co-operation, forming a common well efficient mechanism for co-ordination of local and regional initiatives, establishment of the institutional base for comprehensive cross-border co-operation development. And the last but not the least, due to the future EU enlargement regulation of sequels due to non-simultaneous joining of the EU by Poland, Slovakia and Hungary, as well as Romania and Ukraine is necessary.

The significance of present-day development of cross-border co-operation of Ukraine particularly corresponding to the European criteria is called forth by a number of objective factors as well, that impact development of the border regions of Ukraine or will determine its future in short-term and medium-term perspectives, in particular they are as follows:

1. foreign policy strategy of Ukraine reapproachment with the European Union, which considers cross-border co-operation as one of the instruments of the European integration of the country. It is testified by the content of the Strategy of Ukraine's integration into the European Union, ratified by the Decree of the President of Ukraine in July, 1998, **that determine cross-border and interregional co-operation of local authorities as one of the ways of the European integration of the State**; the Common Strategy of the European Union as to Ukraine, approved at the summit of the leaders of the EU member states in Helsinki in December, 1999 that emphasizes on the intension of the European Community to support development of regional and cross-border co-operation involving Ukraine and its neighbour states.
2. Inclusion of **cross-border co-operation into the priority list of the Concept of State Regional Policy**, endorsed by the Prsident of Ukraine in May, 2001. This document runs that one of the regional policy principles is "development of international co-operation in the sphere of regional policy, approach of the national

legislation on this matter to the norms and standards of the European Union, as well as cross-border co-operation as a practical means for strengthening interstate relations and solving regional problems". The State realizes its interests in the sphere of regional policy through "encouraging development of cross-border and interregional economic contacts and integration, establishment of relevant industrial and financial groups and other present-day management forms";

3. By the State consideration for the problem of activation of the Ukrainian regions part in the Euroregion activities, in particular via expansion of participation of local executive bodies and local governments within international co-operation, that is testified by the minutes of the college of the Ministry of Foreign Affairs of Ukraine (December 28, 2001), the results of which were published in the resolution "the key objectives in cross-border co-operation development of Ukraine with neighbour state the associated EU members". **This creates an opportunity to test, particularly in Transcarpathia, various ways for harmonization of the EU regional policy with the regional development policy of Ukraine;**
4. **Closer EU border**, per se a new border between the EU and Ukraine, that requires elaboration of the strategy for using the cross-border co-operation advantages actualized by the regions of Ukraine and the adjacent territories of the CEE countries under **new geopolitical and geoeconomic conditions as well as neutralizing negative after-effects of visa regime introduction at the borders**, adoption of new Laws on the economic and migration issues by the neighbour states;
5. **Necessity to predict impact of the world economy globalization processes on three dimensional development of Ukraine**, in particular to assess competitiveness of the Transcarpathian region as compared with the adjacent territories of the neighbour states;
6. The establishment of an integrated and compact from the geographical point of view **cross-border region** by the **Western region** of Ukraine – **Zakarpatska oblast** and the territories of **Szabolcs-Szatmar-Bereg megye** (Hungary), **Maramures district and Satu-Mare region** of Romania, **Kosice and Presov krajs** of Slovakia and **Podkarpatske province** of Poland, united by the similar economy structures, foreign trade relations, natural systems, development level of human resources, objectively accepts existence of common general problems that could be solved within the framework of cross-border co-operation;
7. A chance to apply cross-border co-operation of the western regions of Hungary and Poland that during the 90es of the XXth century performed the function of "external regions" of the European Union and received an access to some new EU assistance forms. In the period 2003-2004 Zakarpatska oblast will receive the status of the "external region" of the European Union i.e. the territory adjacent to the regions of Hungary, Slovakia, Poland and Romania will receive substantial financial assistance from the EU Structural Funds as their development level constitutes 75% All-European level.

# OPERATIONAL PROGRAMME

## Priority 1: Infrastructure

### The overall goal:

Development of transport, border and communication infrastructure meeting the needs of effective development and communication of the border regions of five countries of the Carpathian region

### **Summary of the cardinal problems to be solved:**

- Longstanding insufficient financing of transport infrastructure development that resulted in its shabby state;
- Carrying out activities aimed at identifying the nature of obstacles hindering increase in transport turnover, securing traffic intermodality, letting down the obstacles;
- Bureaucracy, corruption and inefficient operation of the available infrastructure;
- Lack of high quality transport infrastructure, above all highways;
- Lack of acceleration lanes joining the main roads;
- Bad quality of the secondary road network (local/regional);
- Traffic jams at the border resulting in substantial time losses for crossing the borders;
- Lack of ring roads around the towns;
- Narrow railway segments (the tunnel through the Carpathians);
- Lack of rail tracks joining all five countries;
- Insufficient development of the logistic infrastructure, inefficient use of the available infrastructure;
- Lack of licenses for transport services, insufficient system of permits issue that leads to decrease of transport and goods turnover among the countries of the region.

### Sub-priority 1.1: Border infrastructure

#### 1.1.1 **Goals:**

##### 1.1.1.1

##### General goals:

- Free circulation of goods and people in the countries.

##### 1.1.1.2

##### Strategic goals:

- Establishment of border crossing points and matching the border crossing regulations with the EU standards and present-day needs;
- Increase of operation efficiency of the existing entry points.

##### 1.1.1.3

##### Medium-term objectives (2011):

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

##### 1.1.1.4

##### Short-term objectives (2006):

- Entry point Csenger – Petfa is rather a functioning one (freight);
- Increase of traffic capacity of the entry point Chop/Zahony, reconstruction of the border bridge paving;
- Increase of traffic capacity of the entry point M.Bereznjy – Ublya (freight);
- Scientific elaboration and preparation of the proposals to the national governments and EU as to removal of narrow segments (roads) that hinder free movement of people, goods and cargo transport through the route joining Transport corridor No5 and Ukraine.

**1.1.2 Target groups:**

- Central governments;
- Municipalities;
- Local authorities;
- Transport companies;
- Logistic companies;
- Businessmen (SME);
- Citizens;
- Investors.

**1.1.3 Types of activity:**

- Reconstruction of the bridge pavement Chop-Zahony;
- Creating a system of efficient control 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 Selection criteria:**

- Increase of traffic capacity of the entry points;
- The maximum effect with minimum efforts.

**1.1.5 Expected outputs:**

- Increased cargo, passenger and investment flows;
- Improved living standards.

**1.1.6 Actuating structure:**

- National governments;
- Local authorities (with the state authorities approval);
- Contractors;
- Customs service;
- Customs terminals;
- Scientific institutions and organizations, analytical centres.

**Sub-priority 1.2: Transport infrastructure**

**1.2.1 Goals:**

**1.2.1.1 General goals:**

- Free flow of goods and services at the roads of the 1<sup>st</sup> level in the Carpathian region in the directions West-East, South-North.

**1.2.1.2 Strategic goals:**

- Building roads joining all the five countries;
- Securing transport services intermodality;
- The off-base obstacles negotiation.

**1.2.1.3 Medium-term objectives (2011):**

- Building of an acceleration lane between Satu-Mare and Mateszalka.

**1.2.1.4 Short-term objectives (2006):**

- Establishment of the logistic centre "Autoport Khust";
- Connection to Zahony border vehicle terminal and roll terminal for transit of cargo motor transport through railway;
- Creating a 3 km zone of benign movement of cargo vehicles in order to develop transportation intermodality;
- Establishment of a common logistic centre Chop/Zahony;
- Building of an informational centre that would unite major consumers, producers of the region as well as actors of cargo transportation activity within the framework of transport corridor N°5.

**1.2.1 Target groups:**

- Municipalities;
- Local authorities;
- Transport companies;
- Customs terminals;
- Logistic companies;
- Businessmen (SME);
- Citizens;
- Investors.

**1.2.2 Types of activity:**

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

**1.2.3 Selection criteria:**

- The maximum effect with minimum efforts;
- Securing transportation intermodality.

**1.2.4 Expected outputs:**

- Increased cargo, passenger and investment flows;

**1.2.5 Actuating structure:**

- National governments;
- Local authorities (with the state authorities approval);
- Contractors;
- Freight terminals, logistic centres.

**Sub-priority 1.3: Communication infrastructure**

**1.3.1 Goals:**

**1.3.1.1 General goals:**

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

#### **1.3.1.2 Strategic goals:**

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

#### **1.3.1.3 Medium-term objectives (2011):**

- Establishment of common telecommunication network of the Carpathian region;
- Extend opportunities of population to use modern communication facilities;

#### **1.3.1.4 Short-term objectives (2006):**

- Securing systematic state support in the field of informational technologies development (IT);
- Refurbishment and development of telecommunication infrastructure;
- Establishment of a general trans-border TV studio;
- Application and implementation of the advanced technologies in the field of telecommunications.

#### **1.3.2 Target groups:**

- Municipalities;
- Local authorities;
- Transport companies;
- Logistic companies;
- Businessmen (SME);
- Citizens;
- Investors.

#### **1.3.3 Types of activity:**

- Forming of a communication network;
- Refurbishment of the communication infrastructure;
- Establishment of a TV studio and a TV channel.

#### **1.3.4 Selection criteria:**

- The maximum effect with the minimum efforts;

#### **1.3.5 Expected outputs:**

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

#### **1.3.6 Actuating structure:**

- National governments;
- Local authorities (with the state authorities approval);
- Contractors;
- Scientific institutions, analytical centres.

## Priority 2: Economy

### ***The overall goal:***

Stable and balanced economic development of the Carpathian region.

**Creating favourable conditions for coordinated business development and increase of competitiveness as the primary principals of economic development and overcoming unemployment; the SME sector development; to attend to the depressive areas (rural areas); increase of living standards.**

### ***Summary of the cardinal problems to be solved:***

- Low level of informational exchange among the border regions of the Carpathian region;
- Introduction of the visa regime;
- Uneven business development of the regions (including business skills);
- Lack of common experience in the sphere of the EU resources use;
- Uneven development of the SME support institutions infrastructure;
- Lack of international programmes for overcoming unemployment;
- Investors leave the regions of Hungary, Slovakia, Poland and go to Ukraine;
- Unequal access to the EU resources of the border regions of the Carpathian region.

### **Sub-priority 2.1: Enterprise and SME**

#### **2.1.1 Goals:**

##### **2.1.1.1 General goals:**

- Sustainable and balanced SME development in the Carpathian region.

##### **2.1.1.2 Strategic goals:**

- Efficient and optimal use of in-house resources of the regions (economic potential, scientific and technical ideas, human and financial resources) also via CBC development;
- Improvement of informational exchange (databases and etc.);
- Creating conditions facilitating increase of internal and external investments;
- Responding to the visa regime.

##### **2.1.1.3 Medium-term objectives (2011):**

- Lobbying and improvement of legislation in the sphere of border and cross-border cooperation SME;
- Reinforcing common activities of attracting investors and more active work directed to contacts establishment among SMEs;
- Improving investment "attractiveness" of the region via expansion of relevant technical infrastructure;
- Development of investment opportunities and creating favourable investment climate, also lobbying changes within the legislation;
- Economy restructuring, particularly enterprises functioning within the traditional industrial sectors of the region;

- Penetration to new sales markets for businesses through common extensive economic promotion of the Carpathian region at both domestic and foreign markets as well as through improvement of competitiveness of their offer.

#### **2.1.1.4 Short-term objectives (2006):**

- Strengthening and improvement of the institutional network (local and regional authorities, chambers of commerce, NGOs and others);
- Forming of a coordinating structure that would deal with the Strategy implementation;
- Training programmes (NGOs' staff, businessmen);
- Creation of an informational portal in order to secure access to information concerning the SME and investors in all five countries of the Carpathian region.

#### **2.1.2 Target groups:**

- Established SMEs;
- Potential businessmen;
- SME support and development institutions (advisory, training, informational and etc.);
- Potential investors;
- Scientific institutions and analytical centres.

#### **2.1.3 Types of activity:**

- Organization and holding of expositions, business meetings, business events and etc.;
- Establishment of business incubators, informational Internet portals;
- Development of new companies including those founded at the restructured state and private enterprises (family businesses up to 10 employees).

#### **2.1.4 Selection criteria:**

- Creating favourable conditions for business contacts development among SMEs of all the frontier regions of the Carpathian region;
- Preserving the traditional regional speciality on a par with use of innovative technologies.

#### **2.1.5 Expected outputs:**

- Balanced economic development of the frontier regions in all five countries of the Carpathian region

#### **2.1.6 Actuating structure:**

- CBC network of SME development institutions;
- Local authorities;
- SME support institutions
- Businesses.

### **Sub-priority 2.2: The technologies and innovations**

#### **2.2.1 Goals:**

##### **2.2.1.1 General goals:**

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

#### 2.2.1.2 Strategic goals:

- Innovative technologies application in various spheres by using available domestic scientific developments;
- Securing reciprocal exchange and co-operation among research institutions in frontier regions of five countries.

#### 2.2.1.3 Medium-term objectives (2011):

- Establishment of technoparks;
- Broad dissemination of innovation activities that promote and use 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 technologies development;
- Creating a common database of innovations and innovative technologies;
- Elaboration and application of regulations favourable for technologies and innovations exchange;
- Experience exchange among the regions.

#### **2.2.2 Target groups:**

- Universities;
- Research institutions including commercial ones;
- Research officers;
- Academy of sciences;
- Businessmen;
- Business incubators and technoparks.

#### **2.2.3 Types of activity:**

- Holding scientific conferences;
- Increase of financing of the research structures;
- 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 Selection criteria:**

- Support of technologies development of domestic origin;
- Economic efficiency for the region in general.

#### **2.2.5 Expected outputs:**

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

#### **2.2.6 Actuating structure:**

- Research institutes and educational institutions;
- SMEs.

## **Sub-priority 2.3: Qualification and labour market**

### **2.3.1 Goals:**

#### **2.3.1.1 General goals:**

- Lowering unemployment rate in the Carpathian region

#### **2.3.1.2 Strategic goals:**

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

#### **2.3.1.3 Medium-term objectives (2011):**

- «Retention» of skilled human resources in the region;
- Elaboration and implementation of joint programmes aimed at overcoming unemployment in the region;
- Integration of labour markets of all the frontier regions into a single one.

#### **2.3.1.4 Short-term objectives (2006):**

- Improvement of business skills of people by training programmes;
- Creating new jobs;
- Elaboration of an operating mechanism that would solve the unemployment problem in the region;
- Monitoring and solving real problems of the labour market.

### **2.3.2 Target groups:**

- People unemployed;
- Students;
- Businesses;
- Employment centres.

### **2.3.3 Types of activity:**

- Running training and educational programmes

### **2.3.4 Selection criteria:**

- Applying advanced teaching methods;
- Securing even development of human resources in all the frontier regions including rural areas.

### **2.3.5 Expected outputs:**

- Lowering the rate of unemployment;
- Solving conflicts of interests at the labour markets in the frontier regions (illegal labour migration).

### **2.3.6 Actuating structure:**

- Local authorities;
- Businesses;
- NGOs;
- Educational institutions;
- Employment centres.

### **Priority 3: Environmental protection, nature and rural areas development**

#### ***The overall goal:***

- Carrying out biosphere policy in the Carpathian region;
- Stable development of the region;
- Alternative income sources for people living in rural areas (development of local trade and tourism).

#### ***Summary of the cardinal problems to be solved:***

- Coordination of legal and legislative regulations in the sphere of environmental protection (EP);
- Recreation zones;
- Rural population unemployment;
- Low income level of rural population;
- The underdeveloped infrastructure.

### **Sub-priority 3.1: Environmental protection**

#### **3.1.1 Goals:**

##### **3.1.1.1 General goals:**

- Carrying out biosphere policy in the Carpathian region;
- Sustainable development of the region.

##### **3.1.1.2 Strategic goals:**

- Improvement of environmental situation.

##### **3.1.1.3 Medium-term objectives (2011):**

- Ecological improvement/ regeneration of the river basins of the Carpathian region.

##### **3.1.1.4 Short-term objectives (2006):**

- Identifying of the principal ecological areas and territories in order to determine the main environmental sites;
- Forming an ecological monitoring system also aimed at timely prevention of man-caused catastrophes, radioactive and chemical pollution, floods and etc.

#### **3.1.2 Target groups:**

- Population of the whole Carpathian region

#### **3.1.3 Types of activity:**

- Creating infrastructure in the sphere of environmental protection (EP);
- Forming a system (structure) of ecological monitoring;
- Improvement of water quality;
- Purifying of waste waters;
- Regulating minor and medium riverbeds;
- Activities of floods prevention.

#### **3.1.4 Selection criteria:**

- Support of local people and communities including land owners;

- Keeping balance between EP and stable development.

### **3.1.5 Expected outputs:**

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

### **3.1.6 Actuating structure:**

- Environmental coordination units in five countries;
- Land management services;
- State administrations;
- NGOs;
- Scientific institutes engaged in EP policy;
- Businesses – contractors.

## **Sub-priority 3.2: Multifunctional development of rural areas, including rural economy**

### **3.2.1 Goals:**

#### **3.2.1.1 General goals:**

- Alternative income sources for people living in rural areas (development of local trade and tourism);
- Balanced use of land resources with due regard to local traditions.

#### **3.2.1.2 Strategic goals:**

- 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 Medium-term objectives (2011):**

- Improvement of living standards and population welfare;
- Assistance provision in organization of farming industry the most appropriate to the region conditions;
- Creating and developing sustainable environmentally sound products.

#### **3.2.1.4 Short-term objectives (2006):**

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

### **3.2.2 Target groups:**

- Population of the whole Carpathian region.

**3.2.3 Types of activity:**

- Development of the European tourism product “The Green Carpathians”;
- Creation and regeneration of a common transactional reserve “The Carpathians”;
- Establishment of a coordinating centre at the ARD.

**3.2.4 Selection criteria:**

- Support of local people and communities including land owners;
- Development of traditional specialty of the region via application of innovative technologies.

**3.2.5 Expected outputs:**

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

**3.2.6 Actuating structure:**

- Local authorities and state administrations;
- Land management services;
- Farmers associations;
- Farms;
- Private sector.

## Priority 4: Tourism

### ***The overall goal:***

- Developed and efficient tourist industry in the Carpathian region; high level of integration of tourist services and proposals of the frontier regions of the Carpathian region countries;
- Increased competitiveness of the Carpathian region as well as increase of national and international tourist flows.

### ***Summary of the cardinal problems to be solved:***

- The threat of environment pollution and worsening of cultural monuments state;
- Insufficiently developed tourist infrastructure and lack of funds to maintain it;
- Undeveloped tourist products (incl. the common/integrated);
- Lack of staff in the field of tourism;
- Unstable political and economic situation;
- Introduction of the visa regime;
- No coordination of actions among the regions in the field of tourism.

### **Sub-priority 4.1: Tourist infrastructure**

#### **4.1.1 Goals:**

##### **4.1.1.1 General goals:**

- Development of tourist infrastructure in line with the European standards using the available base and creating new tourist attractions.

##### **4.1.1.2 Strategic goals:**

- Attracting domestic and foreign tourists to the Carpathian region as a popular tourist attraction.

##### **4.1.1.3 Medium-term objectives (2011):**

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

##### **4.1.1.4 Short-term objectives (2006):**

- Creating and restoring pedestrian and bicycle transborder tourist routes (in particular Ukraine/Slovakia/Poland – Ljubnya-Volosate, Malyj Berezny-Ulych, Ruske Sedlo-Roztoki Horni);
- Elaboration of national programmes needed for the implementation of the General Strategy of tourism development in the Carpathian region;
- Establishment of national/ regional tourist associations;
- Creation of databases (cultural, historical notable monuments roads, hotels and restaurants and others);

- Lobbying the problems of visa regime introduction at the local authorities;
- Specialists exchange in the field of tourism and running training programmes for them;
- Maintaining work contacts via Internet and other modern communication facilities;
- Forming an expert group to run training programmes, staff training in the field of tourism (hotel business, active tourism, extreme tourism).

#### **4.1.2 Target groups:**

- Population of the frontier regions;
- Potential customers (citizens of other regions and states).

#### **4.1.3 Types of activity:**

- Marketing strategy elaboration;
- Construction of new and reconstruction of old tourist infrastructure facilities;
- Establishment of informational centres (incl. web page);
- Staff training;
- Building new entry points;
- Development of the product corporate identification.

#### **4.1.4 Selection criteria:**

- Correspondence to the European quality standards;
- Satisfying local population interests;
- Preserving the natural potential of the region.

#### **4.1.5 Expected outputs:**

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

#### **4.1.6 Actuating structure:**

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

### **Sub-priority 4.2: Rural (green) tourism**

#### **4.2.1 Goals:**

##### **4.2.1.1 General goals:**

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

##### **4.2.1.2 Strategic goals:**

- Development of rural areas via green tourism development.

##### **4.2.1.3 Medium-term objectives (2011):**

- Improving the normative base regulating rural tourism development;
- Creating a network of informational centres and rural tourism services promotion centres;
- Motivating rural population in order to expand the range of tourist services.

##### **4.2.1.4 Short-term objectives (2006):**

- Establishment of cross-border co-ordinating centre;
- Creating databases of rural tourism (incl. tourist catalogues);
- The development and implementation of common tourists projects in the field of green tourism;
- Training programmes for rural population on rural tourist sites management and fundamentals of business.

#### **4.2.2 Target groups:**

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

#### **4.2.3 Types of activity:**

- Access to legislation and advice;
- Establishment of associations in the field of rural tourism (EU standards);
- Running training programmes;
- Quality improvement.

#### **4.2.4 Selection criteria:**

- Developing and preserving local traditions;
- Development of rural areas.

#### **4.2.5 Expected outputs:**

- Development of rural areas due to the increased welfare of citizens;
- Improvement of living standards in rural areas.

#### **4.2.6 Actuating structure:**

- Cross-border co-ordinating centre;
- Cross-border partner network of the tourist associations.

### **Sub-priority 4.3: Cultural heritage**

#### **4.3.1 Goals:**

##### **4.3.1.1 General Goals:**

- Preservation of the region's cultural heritage and increase of its attractiveness as well as promotion at the international level.

##### **4.3.1.2 Strategic Goals:**

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

##### **4.3.1.3 Medium-term objectives (2011):**

- To improve tourist attractiveness of the 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.

##### **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 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;
- Elaboration and implementation of the CBC projects aimed at joint restoration of the cultural and historical heritage of the region.

**4.3.2 Target groups:**

- Archaeological organizations, institutions and associations;
- Tourists;
- Local authorities;
- Local population.

**4.3.3 Types of activity:**

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

**4.3.4 Selection criteria:**

- Preservation of cultural and historical values;
- Reinforcing cultural exchange and monuments development.

**4.3.5 Expected outputs:**

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

**4.3.6 Actuating structure:**

- Local authorities;
- Organizations interested in the region's cultural heritage development.

## **Priority 5: Social and cultural integration**

### ***The overall goal:***

- Deepening of social and cultural co-operation/ exchange in the Carpathian region;
- Increase of social and cultural integration of national communities in the Carpathian region;
- Development of cross-border co-operation among population of the Carpathian region.

### ***Summary of the cardinal problems to be solved:***

- The language barrier;
- Lack of financial support of co-operation;
- The weak informational exchange;
- Unsatisfactory co-operation among local authorities, NGOs and etc.;
- Different administrative structures;
- Problems with border crossing (visa, customs procedures);
- Low development level of cross-border institutional system;
- Lack of CBC and integration experts (management and implementation).

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

#### **5.1.1 Goals:**

##### ***5.1.1.1 General Goals:***

- Deepening of social and cultural co-operation/ exchange in the Carpathian region.

##### ***5.1.1.2 Strategic Goals:***

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

##### ***5.1.1.3 Medium-term objectives (2011):***

- Improving the level of social, cultural and educational exchange within the framework of the region;
- Educating an ideal democratic citizen;
- Creating an informational network, improving informational exchange;
- Local programmes / policy within the sphere of new jobs creation in the region;
- Coordinating the programmes of social security and concern for unprotected population groups.

##### ***5.1.1.4 Short-term objectives (2006):***

- Collecting information;
- Creating databases;
- Establishing contacts among local authorities and organizations;
- Establishing relevant structures/ institutions / organizations;
- Elaborating and implementing joint projects;
- Identifying and creating financial resources.

### **5.1.2 Target groups:**

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

### **5.1.3 Types of activity:**

- Establishment of coordinating and informational centres;
- Developing a web site and training programmes;
- Arranging international camps for children (6-16);
- Experience exchange programmes.

### **5.1.4 Selection criteria:**

- Strengthening co-operation and integration processes among the regions;
- Awareness development of democratic and cultural values.

### **5.1.5 Expected outputs:**

- Increase of social and cultural exchange level.

### **5.1.6 Actuating structure:**

- The informational and coordinating centre;
- All target groups.

## **Sub-priority 5.2: National communities**

### **5.2.1 Goals:**

#### **5.2.1.1 General Goals:**

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

#### **5.2.1.2 Strategic Goals:**

- Integration of the Carpathian region national communities into one single transnational community.

#### **5.2.1.3 Medium-term objectives (2011):**

- Co-operation development among the organizations of national communities from different countries as well as native land;
- Social integration of Romas in the region;
- Development/ establishment of general mass media (radio/TV/magazines/ web site) and informational centres.

#### **5.2.1.4 Short-term objectives (2006):**

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

### **5.2.2 Target groups:**

- Institutions, associations and NGOs of national communities;
- National communities.

#### **5.2.3 Types of activity:**

- Creating a coordinating transborder network of informational centres/ institutes and search for financial resources;
- Running training programmes with the aim of coordination of their activities;
- Development and implementation of the exchange programmes.

#### **5.2.4 Selection criteria:**

- Improving situation of the national communities [living standards];
- Development of interethnic tolerancy.

#### **5.2.5 Expected outputs:**

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

#### **5.2.6 Actuating structure:**

- Coordinating centre;
- CBC network of the informational centres.

### **Sub-priority 5.3: CBC Institutional support**

#### **5.3.1 Goals:**

##### **5.3.1.1 General Goals:**

- The well developed and integrated CBC institutional system and forming of new CBC institutions and organizations.

##### **5.3.1.2 Strategic Goals:**

- Dissemination of the CBC ideas in the frontier regions;
- Revival of the local authorities and NGOs activities aimed at their prompt integration and securing fruitful co-operation.

##### **5.3.1.3 Medium-term objectives (2011):**

- Development of the national CBC laws in all five countries;
- Improving co-operation among local authorities and NGOs.

##### **5.3.1.4 Short-term objectives (2006):**

- Forming a network of the existing institutions and organizations;
- Creating a database and web site;
- Development of human resources (training programmes);
- Joint projects and programmes;
- Using private and state communication facilities in order to improve informational exchange.

#### **5.3.2 Target groups:**

- Local and regional authorities;
- NGOs, non-profit institutions;
- Mass media.

**5.3.3 Types of activity:**

- Establishment of informational centres;
- Running training programmes;
- Elaboration and running exchange programmes;
- CBC promotion in all the border regions of five countries.

**5.3.4 Selection criteria:**

- ARDs cooperation reinforcement;
- Efficiency increase of the institutional system;
- Training of CBC and integration experts (management and implementation).

**5.3.5 Expected outputs:**

- The well developed and functioning transborder institutional structure.

**5.3.6 Actuating structure:**

- The integrated ARDs network;
- Local authorities;
- NGOs;
- businesses.