

**PhD DISSERTATION**

**Tvrtko Josip Čelan**

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Faculty of Sciences, University of Pécs

Doctoral School of Earth Sciences

Head of the Doctoral School:

Prof. Dr. István Geresdi

**“Chances for the Croatian–Hungarian Cross-border Area: Development of  
the Tourism Industry via EU Funded Co-operation?”**

*PhD Dissertation*

Tvrtko Josip Čelan

*Supervisors:*

Dr. András Trócsányi, associate professor

Faculty of Sciences, University of Pécs

Dr. János Csapó, associate professor

Faculty of Business and Economics, University of Pécs

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# 1. INTRODUCTION

*“Boundaries are conceived of as lines separating entities from each other. As such they create and refer to discontinuities. Such entities can be states or provinces, but also cultures, scientific fields, ways of thinking and other domains – there is no reason to limit this term to political field alone”* (Leimgruber, 2005, p. 239). Boundary is a dividing line between two areas and generally based on a physical barrier. Besides its practical function it can also have strong psychological meaning, as showcased by the Croatian–Hungarian boundary. The boundary on Drava is often identified as one of the oldest, most peaceful and most settled borders in Europe (Hajdú, 2004, Klemenčić, 1991). On contrary of boundary, the term border is administratively set barrier between political entities or legal jurisdictions: states, federated units, provinces etc. (Čelan, 2014). Borders can be fully opened and permeable, but sometimes fully controlled. They can have different functions: legal, fiscal, control, defence, sometimes ideological (Leimgruber, 2005).

*“The borderland has always been a specific part of state territory. Borderland can be defined both naturally (various authors study specific economic, ethnic, religious, social, or cultural conditions of borderland), and administratively (in frontiers of administrative units bordering on neighbouring countries)”* (Miškovský, 2009, p. 92). A frontier (in Hungarian equivalent term would be *gyepű*, see Hajdú, 2006) is the geographical area near or beyond a boundary, but this term will not be much used in this dissertation, but the boundary and border as more relevant terms.

The Croatian–Hungarian border on its major parts is one of the oldest in Europe, in spite of relatively frequent Croatian–Hungarian disputes in the past. Historical pre-conditions as well as good bilateral relations re-established from 1990 were favourable for the developments in the joint border area, but have not been utilised properly.

The term “border” often has a negative connotation for being a separating line, a warning signal not to cross a line between the allowed and the forbidden (Stokłosa et al. 2014). The awareness of both mental and factual borders in our life has made them a research topic in almost all disciplines – including geography. Since the end of the 1980s the status of state borders has become a rather popular topic in European geography and border areas have been continuously analysed and discussed (van Houtum, 2000).

Despite the wide scientific interest in the problems of state borders, the Croatian–Hungarian border area has not attracted special interest in the literature during the last 25 years, but in turn, the Croatian–Hungarian border area is the least uncovered and complex section of the Hungarian boundaries (Varjú, 2016). The papers in Croatia on that border section have almost exclusively been published by the researchers at the Department of Geography of the Faculty of Science of University of Zagreb (Čelan, 2014). In Hungary, the analysed border section and its related developments have gained wider attention and have been in the focus of research at the Centre for Economic and Regional Studies of the Hungarian Academy of Sciences in Pécs (Zoltán Hajdú, Viktor Varjú) and the Institute of Geography at University of Pécs (Antal Aubert, János Csapó, Mónika Jónás-Berki).

Zoltán Hajdú was the first one on Hungarian side, after the changes at the end of 80s, who started to analyse in-depth and from geographical aspects the Croatian–Hungarian border area: *“The Croatian–Hungarian common border was forming from 896, after the Hungarian conquest of the Carpathian Basin. The border was at first a very wide zone type, (in Hungarian gyepű) and during three centuries it was narrowing to a borderline. In the period of the Turkish occupation (1526–1686) the Croatian settlement area was expanding towards River Drava, so later Drava turned to be a borderline between the two parts of Croatian–Hungarian Kingdom. After the Compromise between the two nations in 1868, the border turned to be administrative, political and constitutional”* (Hajdú, 2006, p.18).

Lack of the stronger scientific interest in the Croatian–Hungarian border zone, especially on the Croatian side, motivated the author (geographer, graduated at the University of Zagreb) to deal with the topic in the dissertation. Furthermore, the lack of the complex analyses of the benefits (if there was any) of the EU funded cross-border co-operation could bring to the area, with the emphasis on tourism, was additional motivating factor. The author of this dissertation could bring his own observations benefiting from its personal professional experience, since he was continuously working from 2008 as a staff member of the Joint Technical Secretariat (JTS) in Budapest (<http://www.hu-hr-ipa.com/en/jts-and-infopoint>), during the development and implementation of the HU-HR (IPA) CBC Programme 2007-2013 and during the planning of the new Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020. From February 2016 he continued to work as the Joint Secretariat (JS) Contact Point in Čakovec ([6](http://www.huhr-</a></p></div><div data-bbox=)

[cbc.com/en/js-and-contact-points](http://cbc.com/en/js-and-contact-points)) in the implementation of the Interreg V-A Hungary–Croatia Co-operation Programme.

The question of state borders (separating vs. integrating) has been in the centre of academic attention in Central Europe due to historical traditions, and it has further strengthened with the boom of EU integration in the period between 1995 and 2007. After the fall of the communist regimes, the countries of the region were joining to the EU, and as a result cross-border relations have increased both in numbers and in intensity (Gulyás et al. 2013).

The Cohesion Policy of the European Union (EU) encourages regions and cities from different EU Member States, while EU external aid supports candidate and the potential candidate EU countries, with the help of other instruments (IPA I, II, ENPI, ENI) to co-operate and to learn from each other through joint programmes, projects and developing networks. The goal of cross-border (CBC), transnational and interregional co-operation is to reduce the divisional and negative effects of borders (Timothy et al. 2013).

Cross-border and transnational co-operations were launched as Community Initiatives funded by the European Regional Development Fund (ERDF) in 1990. Since then they have gradually increased their importance and financial envelope within the ERDF. At the beginning the Interreg Community Initiative was introduced (*Interreg I, Regen Initiative, Interreg II, Interreg III*), which was developed into the European Territorial Co-operation (ETC) as one of the three objectives of EU 2007-2013 Cohesion Policy (Čelan, 2011). Co-operation between Member States continued to be financed from the ERDF. On the other hand, reinforced co-operation with countries outside the European Union was no longer supported from 2007 by the Structural Funds, but by two new instruments: the European Neighbourhood and Partnership Instrument (ENPI) and the Instrument for Pre-accession Assistance (IPA).

ETC as one of the objectives could address in more direct way the problems of the border regions in Europe and call for development of those areas. Still a minor amount of 2.5% of the available Cohesion Policy funds was allocated for the ETC (8.7 billion euro/346.4 billion euro) for 2007-2013 period, while the total allocated amount for the territorial co-operation has increased to 9.3 billion euro and 2.6% of the available funds, within the EU Cohesion Policy 2014-2020 ([http://ec.europa.eu/regional\\_policy/index.cfm/en/funding/available-budget/](http://ec.europa.eu/regional_policy/index.cfm/en/funding/available-budget/)). Although ETC remained the third objective of the EU Cohesion Policy in the current financial

perspective, the term Interreg (V) as the consequence of the joint re-branding is in the common use again for the European territorial co-operation.

The geographical and socio-economic features of the programme areas as well as the physical and political nature of the covered borders are very heterogeneous; furthermore the programmes have varied considerably in their financial size in the recent 2014-2020 period as well as during the budgetary period 2007-2013, e.g. from 14.79 million euro (Interreg V-A Hungary-Slovenia) to 250 million euro (Spain-Portugal).

The Hungary–Croatia Cross-border Co-operation Programme was one of the IPA CBC programmes until Croatia’s accession to the EU on 1 July 2013, with the focus on Croatia as the Candidate Country for the EU Membership (Hungary–Croatia JTS, 2013). Compared to the Hungary–Croatia Pilot Small Projects Fund in 2002-2003, with funding possibility on the Hungarian side only, and to the Neighbourhood Programme Slovenia–Hungary–Croatia 2004-2006, HU-HR (IPA) CBC Programme 2007-2013 made huge step forward (Rózsa, 2014). In the Neighbourhood Programme finances contracted to the projects were quite imbalanced with 13.16 million euro on Hungarian side vs. 6.92 million euro on Croatian side. The planning of the Programme was considered to be quite important, IPA brought also significantly better financial allocations to joint and more balanced Croatian–Hungarian co-operation (54.8 million euro of EU contribution for the seven-year EU budgetary period). It was the only source of funding directly assigned to the border area.

During the planning of the Programme in 2006 and 2007 the stakeholders, the planning experts and the decision makers (Task Force) agreed that the Croatian–Hungarian border area had a great potential for sustainable tourism. The excellent geographical position with common heritage has not been sufficiently and appropriately exploited. Although the cultural and natural assets on the Hungarian side are favourable for the development of tourism, location at the periphery has influenced that the settlements are isolated and their accessibility is poor (Aubert et al. 2010). In case of Croatia, the tourism-oriented country focused on its sea area, development of continental tourism was neglected for a longer period (Demonja, 2012). Cross-border co-operation and tourism development have always been an up-to-date topic in Hungary, especially in the border regions since the change of the regime and after joining the European Union (Aubert et al. 2012). The accession of the Central Europe countries to the EU has had a positive impact on the development of cross-border tourism (Dávid et al. 2011). During the

Hungary–Croatia Pilot Small Projects Fund in 2002-2003, most of the financed projects targeted tourism (joint culture heritage, wine routes, online tourism information system development) and people-to-people actions (Váti Kht, 2006).

In order to achieve the Programme strategy, the Sustainable Tourism in the Mura-Drava-Danube River Area was selected as a separate area of intervention, whilst two out of five Programme specific objectives were covering tourism. The first was entitled “Creating sustainable joint regional tourism product of the Mura-Drava-Danube zone and in surrounding natural and rural areas” and the second objective as “Developing and managing common cultural heritage to promote cultural values, traditions and to develop tourism”. The basic idea was not to support tourism investments in a scattered way, but to spend funding on joint tourism development in a co-ordinated and concentrated manner (Čelan, 2011).

Planners of the HU-HR (IPA) CBC Programme proposed then finally to have a two-step tourism development, which decision makers accepted with the approval of the Operational Programme (OP). It meant first preparation of a *Regional Tourism Product Plan (RTPP) for the Mura-Drava-Danube River Area to be elaborated as a result of a special, strategic oriented project*. Only after the finalisation and the approval of RTPP, could the Programme launch open Call for Proposals in the field of tourism with the condition that selected projects have to be aligned with the RTPP. The analysis of the RTPP and its influence on the implementation of the Programme and joint tourism projects is very in the focus of this dissertation.

HU-HR (IPA) CBC Programme 2007-2013 with 169 implemented joint projects brought the chances for the tourism development in the Croatian–Hungarian border area. It is not surprising, because at the beginning of the Programme, Croatia was not the member of the EU, so the co-operation between Croatia and Hungary was supported by IPA as a special fund (Kaszás et al. 2016). Although it was a significant step in co-operation, the author will examine the level of the tourism investments it brought, and could the tourism industry be developed at all via such EU funded cross-border co-operation. That is a specific objective of the dissertation.

The 2007-2013 period with all implemented and closed projects will be in focus of the analysis, but current financial perspective 2014-2020 will be also examined. Besides the analysis of the Programme planning process and synergies with the previous HU-HR (IPA) CBC Programme 2007-2013, recent results will be also checked, depending on the number of selected and implemented (tourism) projects. The general objective of the dissertation is to examine

whether in case of Croatian–Hungarian EU funded cross-border co-operation, it can be concluded that it is naturally driven development based co-operation or is it politically/administratively driven co-operation, where available funding (EU Cohesion Policy territorial co-operation objective) is just a source for support of the individual project ideas developed separately on the other side of the border.

## 2. OBJECTIVES OF THE RESEARCH, HYPOTHESES

The specific objective of this dissertation is to examine the chances for the tourism development of the Croatian–Hungarian cross-border area i. e. whether a development of the tourism industry could be achieved via EU funded cross-border co-operation, or not. The general objective of the dissertation is to survey whether in case of the Croatian–Hungarian EU funded cross-border Programme is it a naturally driven development, based on co-operation. Or the conclusion would be that the available funding (EU Cohesion Policy territorial co-operation objective) is just a source for support of the individual project ideas developed separately on the other side of the border?

Croatia is a country with the tertiary sector accounting for 70% of total gross domestic product (GDP), where tourism as a major industry makes 17% of the GDP<sup>1</sup>. At the same time in a predominantly tourism country, the Croatian side of the border with Hungary is an example of the underdeveloped tourism region. On Hungarian side the situation is a bit different, taking into account that the south-west and south parts of the Lake Balaton, one of the strongest engines of tourism in the county, territorially belong to Zala and Somogy counties. With the lack of funding and financial crisis, the Croatian side of the border area with Hungary has tried to find the alternative source of funding for the tourism infrastructure and activities from the EU funded co-operation programmes, especially from Hungary–Croatia Cross-border Co-operation: HU-HR (IPA) CBC Programme 2007-2013 and Interreg V-A HUHR Co-operation Programme 2014-2020. For Hungarian side, especially border parts, which are not benefiting from the vicinity of Balaton, cross-border co-operation deemed to be an opportunity for tourism development as well.

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<sup>1</sup> Source: [www.dzs.hr](http://www.dzs.hr) (Statistical Yearbook 2017)

The **hypotheses** of this research are the followings:

- I. *Both parts of the Croatian–Hungarian border benefitted from the higher financial allocations and larger number of supported projects in the recent years from the European Union’s cross-border co-operation Programmes.*
- II. *Based on professional experience of the author, the tourism targeted cross-border co-operation on the Croatian side might not fulfil in the recent years the expected results of the development needs, and contribute to the objectives of the strategies and programs.*
- III. *Based on professional experience of the author, the tourism targeted cross-border co-operation on the Hungarian side might not fulfil in the recent years the expected results of the development needs, because the development was already reached via national/mainstream EU funded Programmes in Hungary and cross-border co-operation proved to be only complementary source.*
- IV. *Croatian–Hungarian cross-border co-operation did not bring tourism development on a large scale, but resulted in solely some local, separately planned and not interconnected, scattered tourism investments – thus only the micro developments on the given territory could be assessed.*

The author has set following **research** questions:

1. How the recent years’ tourism purpose cross border co-operation affected the development of the border area? Was it a success story or some failures appeared during the programming/implementation?
2. On which scale EU funded tourism projects in the given cross-border context could/can help in the development of the tourism industry in Croatian–Hungarian border area?
3. Was the right or wrong approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, when the Regional Tourism Product Plan (RTPP) was first

produced as a strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

4. Is such EU funded regionally and development focused approach really properly set within the EU Cohesion policy Objective 3 (Territorial co-operation), or in practice just politically influenced development?
5. Is it a right approach to try to search funding for development of the tourism infrastructure and activities from the EU funds and the cross-border co-operation programmes?

Specific and general objective of this dissertation will be analysed, with the help of the hypotheses and research questions and by review of the results.

### **3. METHODOLOGY OF THE RESEARCH**

As already mentioned in the introduction chapter, the author could bring his own observations benefiting from its personal professional experience, since he was continuously working from 2008 as a staff member of the Joint Technical Secretariat (JTS) in Budapest during the development and implementation of the HU-HR (IPA) CBC Programme 2007-2013 and during the planning and the implementation of the new Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 (from February 2016 as the Joint Secretariat (JS) Contact Point in Čakovec). Lack of the stronger scientific interest in the Croatian–Hungarian border zone, especially on the Croatian side, furthermore, the lack of the complex analyses of the benefits (if there was any) of the EU funded cross-border co-operation could bring to the area, motivated the author to deal with the topic.

The author has used several primary and secondary sources to reach the objective and come to the results of the research. From the primary sources, besides author's own field observations and personal professional experience, the interview methodology has been used. The interviews have been conducted in May 2016. The interviewees were regional stakeholders, i.e. regional representatives of the seven border counties on the Hungarian and Croatian side, who participated in the planning process (Task Force) of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 and Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, as well as the decision making bodies being (Joint) Monitoring Committee (JMC/MC). The outcomes of the interview will be specifically analysed in the chapter 5.9.

In order to evaluate the results and impact of the Programme, and to define whether methodology used in the planning of Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007- 2013 has had a positive impact, an ample amount of the EU level regulations and Programme level regulatory documents were processed and thoroughly analysed.

Additional literature with the historical and geographical background connected to the Croatian–Hungarian boundary and border, furthermore joint cross-border co-operation has been used as a secondary source. The European and world level equivalent literature in the field of cross-border co-operation has been consulted as well.

### 3.1. Primary sources

The **first round of semi-structured interviews** was conducted in May 2016, at the time when the implementation of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 with its financed projects was approaching to its end and right after the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 was approved by the European Commission.

The interviewees were regional stakeholders, i.e. regional representatives in the Task Force of the seven border counties on the Hungarian and Croatian side (Zala<sup>2</sup>, Somogy, Baranya, Međimurska, Koprivničko-križevačka, Virovitičko-podravska and Osječko-baranjska). There are four more Croatian counties included in the cross-border co-operation, adjacent to the four border counties (Varaždinska, Bjelovarsko-bilogorska, Požeško-slavonska and Vukovarsko-srijemska županija), but with minor contribution to the results. In the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 they could participate with the maximum of 20% (Kaszás, 2015) of the available funds (author will analyse that further in the Chapter 5). In the Interreg V-A Hungary–Croatia Co-operation Programme 2014- 2020 they can use the same amount of the funds as the four Croatian border counties (Figure 11 in the Chapter 5.1.), but their interest is still modest (source: First Call for Proposals: <http://www.huhr-cbc.com/en/press-release/first-call-for-proposals---234-million-euro-awarded/372>) and have not regularly participated in the programming and implementation process, thus finally they were not, as not fully relevant, included in the interviews.

The interviewees participated in the planning process (Task Force) of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 and Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 as well as during the implementation as the voting members in the decision making bodies (Joint) Monitoring Committee (JMC/MC). Accordingly,

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<sup>2</sup> Despite several attempts of the author, and direct personal communication, the representative of Zala county (megye) neither finally participated at the interview, nor at least sent back answers on the interview questions. From the personal experience of the author and work in the HUHR CBC Programme body (JS), it significantly and clearly reflects continuous passive and inactive approach of the given member in the JMC/MC from 2012 (source: <http://www.huhr-cbc.com/en/monitoring-committee-mc>). Thus finally, two interviewees (out of three possible) participated on the Hungarian side and four interviewees (out of possible four) participated on the Croatian side.

they have been relevant and the most competent actors, providing relevant feedback, which could be analysed and evaluated in this dissertation.

The **second round of semi-structured interviews**, addressing the two heads of Hungary–Croatia JTS/JS was conducted in January 2019. The interview questions were rather similar to those answered by regional stakeholders/county decision makers in 2016, with some minor differences (Appendix II). Diána Rózsa, the first Head of the Hungary–Croatia Joint Technical Secretariat (JTS), during the period 2008-2012 was the first interviewee. She set up the JTS at the beginning of 2008 and worked for a decade in the field of Hungarian–Croatian cross-border co-operation. Before being appointed as Head of JTS, she was the Hungarian coordinator of the Interreg III-A Slovenia–Hungary–Croatia Neighbourhood Programme in Váti Kht/Nonprofit Kft. in Budapest.

The second interviewee was Márton Szűcs, Head of the Hungary–Croatia Joint (Technical) Secretariat (JTS/JS) from 2012 until present. He has been part of the Hungary–Croatia cross-border co-operation structures for the last 15 years. Previously he was involved as a senior Programme manager in the Hungary–Croatia JTS and earlier as a Contact point officer in Pécs in Váti Kht/Nonprofit Kft, for the Interreg III-A Slovenia–Hungary–Croatia Neighbourhood Programme.

The **survey with questionnaire** was sent to the Lead Beneficiaries of 17 financed projects in the field of tourism of the first Call for Proposals (CfP) of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 in January 2019.

The interviews and Lead Beneficiary questionnaires are analysed in details in chapter 5.9 (Review of interviews and survey) and the original documents are annexed in the Appendices I-II-III part (Chapter 12).

### 3.2. Secondary sources

After considering relevant and contemporary literature and recent research on cross-border co-operation and tourism, the author analysed the EU level regulations and Programme level documents, from the Programming documents (Operational Programme/Co-operation Programme), officially approved by the European Commission, to those used during the

implementation of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 and the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020.

The Regional Tourism Product Plan (RTPP) as an outcome of the special project of the Hungary–Croatia Cross-border Co-operation Programme 2007-2013 and the methodology introduced in the planning of tourism actions in the Programme has been in the specific focus of the dissertation. The author examined the risks the RTPP involved and its influence on the implementation of the Programme and tourism projects, which started in 2013 only with a significant delay. The role and importance of RTPP and its lengthy content in relation to the later developed compendium (Handbook to Tourism Projects) was assessed as well. The sources have been accessible through the published documents, reports and statistics of the HU-HR (IPA) CBC Programme 2007-2013 ([www.hu-hr-ipa.com](http://www.hu-hr-ipa.com)) and the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 ([www.huhr-cbc.com](http://www.huhr-cbc.com)), furthermore on the official websites of the European Commission, Directorate-General for Regional and Urban Policy and Interact.

In order to evaluate the strategic approach in the planning of tourism actions in the Programme and the uncertainty it entailed, furthermore to define whether that methodology had positive impact and whether it could be recommended for the future, the below listed documents were processed:

- a) Programming Document of the Hungary–Croatia (IPA) CBC Programme 2007-2013*
- b) Specific Guidelines for Applicants of the Action 1.2.1 (Elaboration of a Regional Tourism Product Plan) of the Hungary–Croatia IPA Cross-border Co-operation Programme 2007-2013 and Annex 1 to the Specific Guidelines (Technical Specification for the Specific Call for Proposals)*
- c) Regional Tourism Product Plan (RTPP) and the Handbook to Tourism Projects in the HU-HR (IPA) CBC Programme 2007-2013*
- d) Summary of results and recommendations based on the Final evaluation report of the Ongoing Programme evaluation of the HU-HR (IPA) CBC Programme 2007-2013*
- e) Final Programming Document/Co-operation Programme of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, approved by the European Commission on 7 September 2015.*

While processing the above listed documents, the author used the following methods:

1)	Data related to the development of cross-border co-operation in Europe have been analysed
2)	Data related to the development of Hungarian-Croatian cross-border co-operation have been analysed
3)	The analysis and comparison of the HU-HR (IPA) CBC 2007-2013 and the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 Programme level
4)	Professional capacities in the Hungarian-Croatian border area for developing a comprehensive tourism plan have been assessed
5)	Descriptive analysis of the RTPP has been carried out
6)	Experiences of different cross-border co-operation programmes and their approach to tourism development have been compared
7)	Own observations related to the application of RTPP in practice have been used

Methodology of the research, which has included primary and secondary sources, with the methods used as described above, has enabled the author to reach the level of research with the results described in the 5<sup>th</sup> chapter, and having conclusions on the main question, as set in the title of dissertation.

The quantification of results was only possible based on the available data: 1) euro per capita disbursement of the allocated funds per projects on county level; 2) achieved indicators in the framework of HU-HR (IPA) CBC Programme 2007-2013 after closure of all 169 projects.

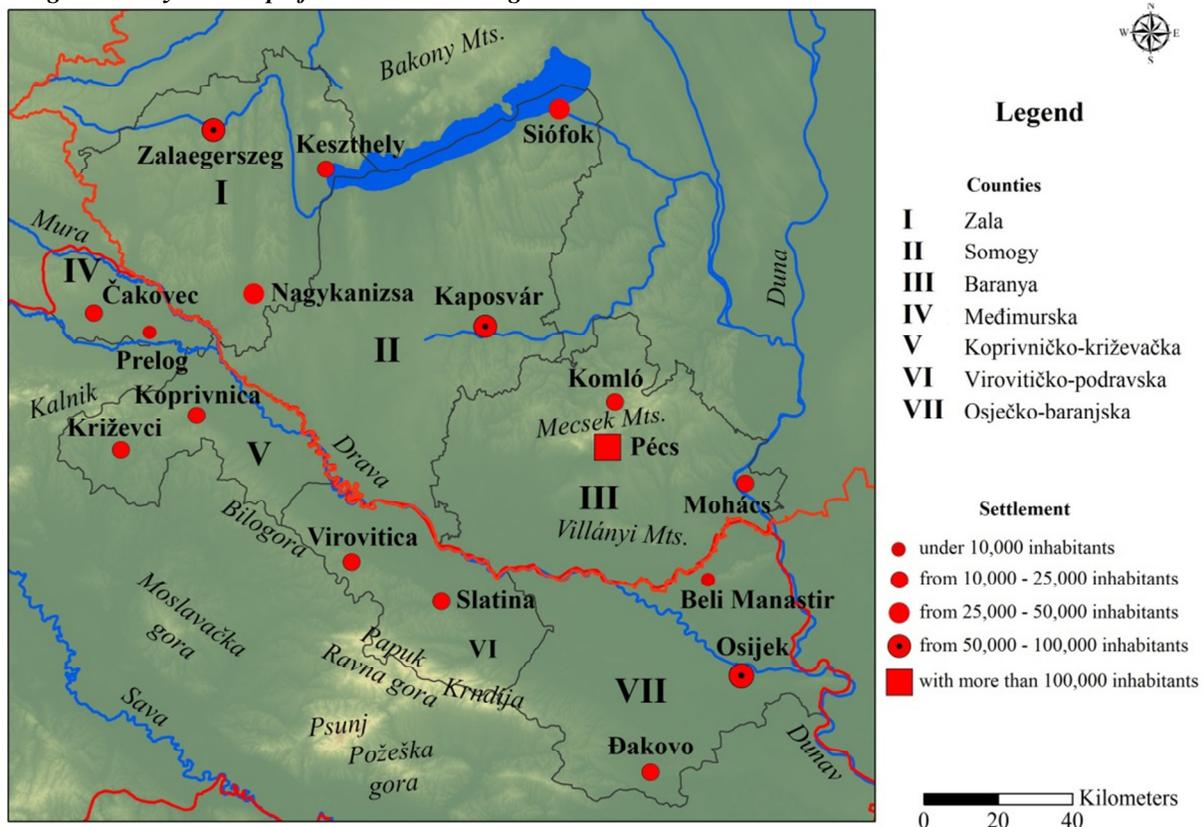
Any other data, such as the increased number of tourist nights in towns and counties of the border area could be at a smaller extent connected to better services realised through HU-HR (IPA) CBC projects, but there are no means of measurement and clear connection between such statistics and projects' outputs and results.

## 4. GEOGRAPHICAL DEFINITION AND HISTORICAL BACKGROUND OF RESEARCH AREA

### 4.1. Spatial impoundment of the Croatian–Hungarian border area

The Croatian–Hungarian border area is located in the south-western part of Hungary and the north and north-eastern part of Croatia, alongside the Mura, Drava and Danube<sup>3</sup> rivers (Figure 1). On the western, Croatian border side, besides Podravina and Međimurje plains, there is a low hill area as in the neighbouring Slovenian part (Crkvenčić et al. 1974), continued with Kalnik, Bilogora and Papuk mountains (Figure 1). Eastern Croatian Plain (*in Croatian: Istočnohrvatska ravnica*) is characterising the other side of the border area with Hungary, with the Đakovo-Vukovar loess plateau (*in Croatian: lesna zaravan*) and BANSKO BRDO loess hill in Baranja.

Figure 1: Physical map of the Croatia –Hungarian border area



Source: Own editing

<sup>3</sup> In Hungary, besides Baranya, Somogy and Zala, *Bács-Kiskun* is the 4<sup>th</sup> border county, having a very tiny borderline with Croatia (Osječko-baranjska county) via a small stripe on the left Danube bank

The western, Hungarian border side (Dövényi, 2010) is characterised by a hilly area of the Zala – Zalai Dombság and continues on the south with a plain on the left bank at river Mura and on the north-east with the Lake Balaton area. Somogy county is typical, besides the southern part of Lake Balaton and the middle Drava valley (in Hungarian: *Közép Dráva-völgy*) between Órtilos and Barcs, for a hilly area (Dövényi, 2010). It encompasses hills and valleys in inner (*Belső-*) and outer (*Külső-*) Somogy. On the eastern part, hilly areas with a higher altitude transfers into the mountain landscape of Baranya, with Mecsek and Villány Mountains.

The Programme area for the purposes of planning and implementation of the Interreg V-A Hungary–Croatia Co-operation Programme<sup>4</sup> 2014-2020 (Figure 2) and the previous Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 have covered an area of 31,085 km<sup>2</sup> with a population of 2.1 million people, 46% of whom live in Hungary and 54% in Croatia (Source: Eurostat, 2011).

**Figure 2: The Programme area of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020**



Source: <http://www.huhr-cbc.com/uploads/editors/Programme-area.jpg>

<sup>4</sup> Interreg V-A Hungary–Croatia Co-operation Programme: <http://www.huhr-cbc.com/en/official-documents>

The Programme area includes administrative units at NUTS III level, which are the following Hungarian border counties: Zala, Somogy and Baranya. On the Croatian side besides the four border counties, four more counties adjacent to the border counties have been since 2014 fully integrated in the Programme area (Figure 2). The border counties are Međimurska, Koprivničko-križevačka, Virovitičko-podravska and Osječko-baranjska, while the adjacent counties are Varaždinska, Bjelovarsko-bilogorska, Požeško-slavonska, and Vukovarsko-srijemska.

As Table 1 demonstrated, Somogy is the largest county on the Hungarian side and of the whole Programme area, while Baranya is the most populated (386,441 inhabitants, census 2011). On the Croatian side Osječko-baranjska county is the largest and the most populated, while Međimurska county is the smallest (even in the whole country), but at the same time it has the highest density in Croatia (155.9/km<sup>2</sup>). Virovitička is the least populated with the lowest density in the whole Croatian–Hungarian border area.

The Programme area has mainly rural character with a number of small and medium towns (Figure 1). The two largest urban centres, Pécs in Hungary and Osijek in Croatia, are situated in the eastern part of the area (Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, <http://www.huhr-cbc.com/en/programme-area>).

Varaždin-Čakovec, on the western side, is the only agglomeration in the whole Programme area, which cannot be considered as peripheral. It is close to Zagreb, with existing daily commuting to the capital city and it has the access to modern motorway network (Čelan, 2016). Proximity of Nagykanizsa (Figure 1) and its accessibility via A4-M7 motorways constitutes a ground for more intensified cross-border contacts. Thus, in the author's opinion, it is the only HU-HR border section showing a theoretical and slight potential for forming a cross-border agglomeration, similar to the western part of European Union. After the Croatian accession to the EU, more organised type of daily commuting<sup>5</sup> has been notified only in this part of the border, although still in a limited scale.

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<sup>5</sup> <http://www.jutarnji.hr/poslodavci-vec-uvoze-radnike-iz-madarske--od-1-7--stizu-i-slovinci/1342151/>

*Table 1: Key population data of the Hungarian and Croatian border counties*

County	Area in km <sup>2</sup>	Population (2001)	Population (2011)	Indices (2011/2001)	Density/ per km <sup>2</sup> (2011)
Zala	3,784	297,404	282,179	94.88	74.6
Somogy	6,036	335,237	316,137	94.31	52.4
Baranya	4,430	407,448	386,441	94.85	87.2
<b>Hungarian part of the border area</b>	<b>14,250</b>	<b>1,040,089</b>	<b>984,757</b>	<b>94.68</b>	<b>69.1</b>
<b>Hungary</b>	<b>93,030</b>	<b>10,078,138</b>	<b>9,773,777</b>	<b>95.98</b>	<b>105.1</b>
Međimurska	730	118,426	113,804	96.09	155.9
Koprivničko-križevačka	1,734	124,467	115,584	92.86	66.7
Virovitičko-podravska	2,021	93,389	84,836	90.84	41.9
Osječko-baranjska	4,149	330,506	305,032	92.29	73.5
<b>Croatian part of the border area</b>	<b>8,634</b>	<b>666,788</b>	<b>619,256</b>	<b>92.87</b>	<b>71.7</b>
<b>Croatia</b>	<b>56,594</b>	<b>4,437,460</b>	<b>4,284,889</b>	<b>96.56</b>	<b>75.7</b>

Source: Own editing based on [http://www.ksh.hu/nepszamlalas/detailed\\_tables](http://www.ksh.hu/nepszamlalas/detailed_tables) (Hungarian Central Statistical Office), and CROSTAT Censuses in Croatia 2001 and 2011- [www.dzs.hr](http://www.dzs.hr)

## 4.2. Historical and geographical specificity of the Croatian–Hungarian border area

The Croatian–Hungarian border section can be considered as special (Bali 2010/b). It has a history of over 900 years, out of which 816 years passed within various joint state forms. The joint historical period can be divided into six phases according to Gulyás and Bali (2013). After further reviews in the opinion of the author (Čelan, 2014), it is even possible to distinguish seven periods during which the relations were specific:

- Croatian–Hungarian border area until 1102,
- Croatian–Hungarian border area after 1102 and the establishment of a unified country,
- Croatian–Hungarian border area after 1527 and joining to the Habsburg Monarchy,
- Border area after 1868 and the Croatian–Hungarian Compromise,
- Border area after the Trianon Peace Treaty and the end of the Austro-Hungarian Monarchy,
- Border area after 1945 and the Socialist Federal Republic of Yugoslavia (SFRY)
- Border area after 1991 and Croatian independence, including the accession of Croatia and Hungary to the European Union.

For more than eight centuries Croatia was in a political association with Hungary. The border between these two states lies on the rivers Drava and Mura and it is recognised as one of the oldest in Central Europe. Still we should note that between 1102 and 1526 a common Croatian–Hungarian kingdom existed, while between 1526 and 1918 both parties were countries of the Habsburg Monarchy/Austria-Hungary (Feletar et al. 2001). The only section of the Hungarian national boundaries, which has a long historical tradition, is the 355-kilometre long section between Hungary and Croatia.

The 800 years of history of the Hungarian–Croatian commonwealth reflects a series of contests starting with the 11<sup>th</sup> century, but the border kept its peaceful character. During these years the boundary between Hungary and Croatia retained largely administrative function (Hajdú, 2004).

### 4.2.1. Geographical specificity

The Drava River, with minor variations, has long ago been considered as the physical-geographical base of the boundary. It has been the most common boundary among the Croatian

and Hungarian ethnic groups. It survived as the border with certain changes until the present days, despite the long lasting Croatian and Hungarian relationships existing via various forms in a state unity. Still we can classify it as a complex border having diverse origins. There are several significant deviations from the present Drava river bed as a consequence of its frequent alterations in the past. On the other hand, several border sections have different historical background (Klemenčić, 1991).

There are three parts on which the border does not follow the Drava river bed: Međimurje, Baranja and Prekodravlje sectors. After rounds of disputes the border was internationally recognised by the Peace Treaty of Trianon in 1920 and confirmed by the Paris Peace Treaty in 1947. The Croatian–Hungarian boundary from geographical aspect is almost completely a dividing line between two areas, based on the strong physical basis. Out of the 355.2 km of the Croatian–Hungarian state border<sup>6</sup> the major part in the length of 226.4 km (64%) goes alongside the river beds of Drava (180 km) and Mura (44.6 km). A short 1.8 km strip passes across the small river Krka (*in Hungarian: Kerka*) close to the village Alsószemenye in Hungary (source: Državna geodetska uprava/ State Geodetic Administration, Zagreb, Croatia: <http://www.dgu.hr> official answer of 25.2.2014).

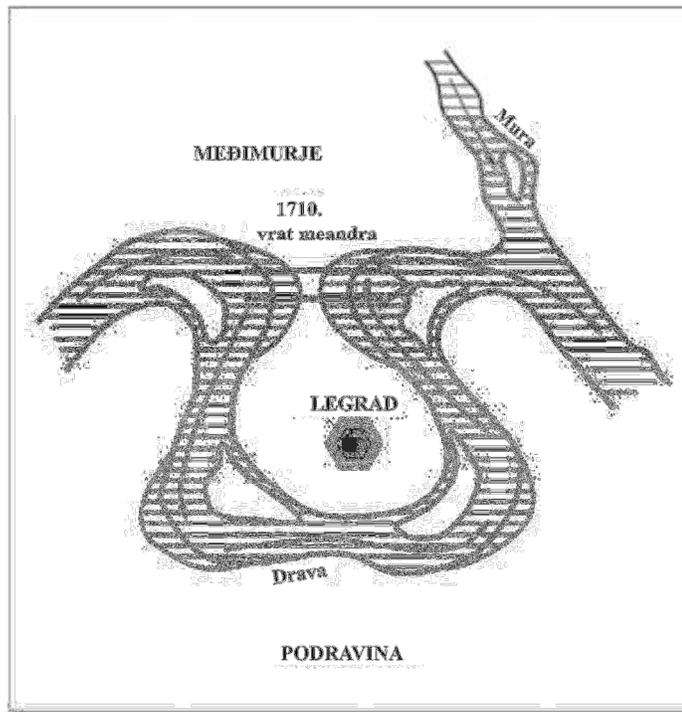
According to Feletar et al. (2001), the border modifications between Croatia and Hungary can be analysed from two aspects: a) microanalysis by determining the border on the meandering rivers of Drava and Mura and b) macroanalysis by larger territory changes of the border between Croatia and Hungary. As of microanalysis, it is important to emphasise that in this area Drava is already a typical lowland-river and in some Holocene sand and pebbles accumulation, it meandered and significantly changed its river bed (Figure 3). It was necessary to determine the borderline, which will not change and depend on the river. “*Military land surveys conducted from 1781 to 1785 determined the borderline in the former Drava bed which was later verified by Trianon Peace Treaty*” (Feletar et al. 2001, p. 91). The macro-analysis includes border changes between Croatia and Hungary at the most important sections of border in Međimurje, Prekodravlje and Baranja. Legally the Trianon Peace Treaty of 1920 had crucial importance, on

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<sup>6</sup> The differences in the length of the state border originate from the different methodological approach and the source (in this given case source is: Državna geodetska uprava/ State Geodetic Administration, Zagreb, Croatia: <http://www.dgu.hr> official answer of 25.2.2014 on inquiry).

which basis the demarcation of Hungary and the Kingdom of Serbs, Croats and Slovenes was carried out (Klemenčić, 1991).

*Figure 3: The most known case of a Drava meander and change of its riverbed – Legrad from a town in Međimurje became a town in Podravina region (year 1710)*



Source: Feletar et al. 2001

The unique shape of the Croatian territory has influenced on the length of the boundaries and of the state borders. Although Hungary comprises significantly larger area than Croatia, the longest Croatian land border with Bosnia and Herzegovina (47% of all Croatian land borders) is even 256 km more extensive than the Hungarian longest border (Figure 4 A-B).

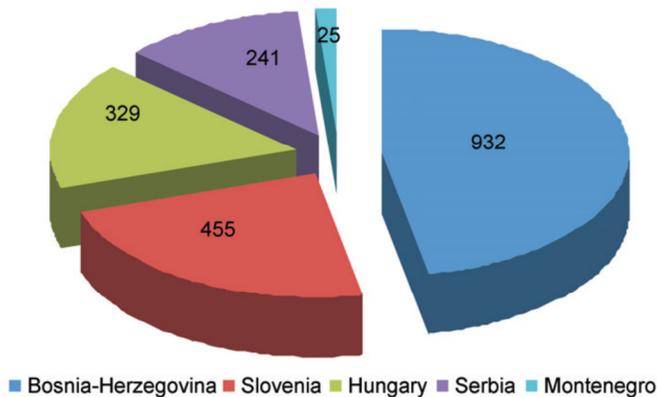
Several new states were born as a consequence of the breakup of former Yugoslavia, thus the running and length of state borders changed significantly (Reményi, 2011). Except for the Hungarian, all other Croatian land borders derive from the former internal Socialist Federal Republic of Yugoslavia borders, resulting disputes among the new states, which here remained partly unsolved up till now (Čelan, 2014).

Long parts of the boundaries with Bosnia and Herzegovina, Slovenia and Serbia pass alongside various river beds but they do not present an obstacle at such extent as in the case with Hungary (Čelan, 2016). The geographical and transport barriers of Hungary are the strongest with Croatia having only four cross-border river bridges. Border areas with different

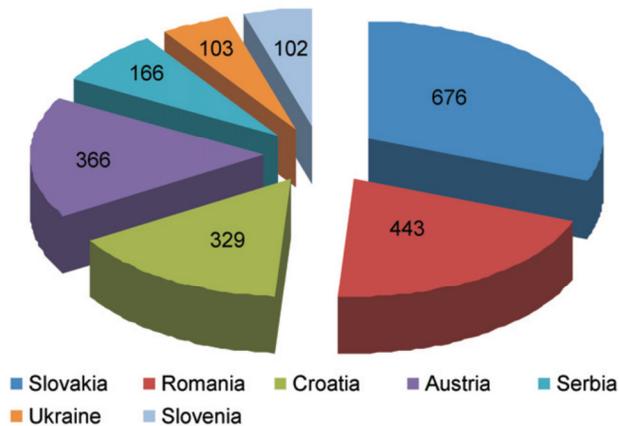
geographical endowments have various chances for creating integrated cross-border regions (Hardi, 2010).

**Figure 4: A-B: State land borders of the Republic of Croatia (A) and Hungary (B) per neighbouring countries (in km)**

**A**



**B**



Source: CIA-The World Factbook: total land borders<sup>7</sup> of the Republic of Croatia and Hungary.

## 4.2.2. Historical periods of development of the border area

### 4.2.2.1. Croatian–Hungarian border area until the year 1102

The evolution of the border can be traced from the beginning at the time of the establishment of the first Croatian and Hungarian states, but it is not clear where and how it was exactly formed.

<sup>7</sup> The data have been used based on this (CIA) source, to be able to compare them. State Geodetic Administration of the Republic of Croatia (*Državna geodetska uprava*), <http://www.dgu.hr>, only recognises data on the land borders as indicated in their Official answer of 25.2.2014: (Class: 015-02/14-01/03, Number: 541-02-3/1-14-2).

Croatian and Hungarian authors disagree to whose jurisdiction the area located between Drava and Sava (medieval Slavonia) in the 10th and the 11th century (Heka, 2008) belonged. According to Klemenčić (Klemenčić, 1991), even in the 10th century the river Drava (and Mura in Međimurje) is undoubtedly the border between the two countries.

*“The Croatian–Hungarian common border was forming from 896, after the Hungarian conquest of the Carpathian Basin. The border was at first a very wide zone-type, (in Hungarian gyepű) and during three centuries it was narrowing to a borderline. In the period of the Turkish occupation (1526–1686) the Croatian settlement area was expanding towards River Drava, so later Drava turned to be a borderline between the two parts of Croatian–Hungarian Kingdom. After the Compromise between the two nations (Croatia and Hungary) in 1868 the border turned to be administrative, political and constitutional. I also have to add that Croatia had very wide autonomy in the framework of historical Hungary”* (Hajdú, 2006, p.18). The author of the dissertation considers that the given statement is visibly reflected at Figure 5.

#### 4.2.2.2. Croatia and Hungary after 1102 and the establishment of a unified country

The death of the last heir of *Trpimirović* dynasty (year 1090) was followed by the fight for the Croatian crown, which ended with the defeat and death of *Peter Svačić* (in Hungarian: *Svačić Péter*) at Gvozd (Croatia) in 1097. That marked the end of the independent Croatian state (Rajaković et al. 2013). The Croatian and Hungarian Union was founded after the coronation of the Hungarian Koloman (in Hungarian: *Könyves Kálmán*) as Croatian-Dalmatian king in the year 1102. The most common interpretation among Croatian historians is that a negotiated agreement (*lat. Pacta Conventa*) was signed and applied for the whole territory of Croatia, Dalmatia and Slavonia<sup>8</sup>.

*Pacta Conventa* is an agreement which is deemed to be concluded in 1102 between the Hungarian king Koloman and the Croatian nobility. It has not been preserved in the original writing, thus the authenticity of the agreement has been disputed, especially in Hungary. The

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<sup>8</sup> The geographical names were a bit different in the 11<sup>th</sup> century than today: Slavonia was a common name for the area between rivers Sava and Drava, and Croatia was the area embraced with Slavonia on the north and Dalmatia on the south. The Turkish invasion caused the gradual relocation of the population, including nobility as well as authorities to the northwest part of nowadays Croatia, and it became the centre of political and administrative power. Instead of the name Slavonia, the area of Zagreb was already in the 16<sup>th</sup> century called Croatia, afterwards the name was used for other parts of that region (Varaždin, Križevci etc.)

controversy lasts from the middle of 19<sup>th</sup> century. Croatian historians have tended to conclude that some kind of agreement had to exist due to separate coronation of the joint king in Croatia, continued convening of Parliament sessions (Croatian-Slavonian-Dalmatian) as well as the continuation of the viceroy (*in Croatian ban*) service (Heka, 2007, 2008). Hungarian legal historians claim that in the area of Dalmatia and Croatia the relationship with Hungary was the most similar to a personal union, i.e. with a joint king, until 1526 and battle of Mohács while the status of Slavonia was different.

#### 4.2.2.3. *Croatian–Hungarian border area after 1527 and joining to the Habsburg Monarchy*

The situation significantly changed after 1526 and the victory of Turks at Mohács, who strengthened after the Szigetvár battle in 1566 and both Hungarian and Croatian territories were shrunk to minimum. Habsburgs were elected in 1527 as the kings of Hungary and Croatia, bringing significant changes in the turbulent area. The threat of Turks and their invasion had negative direct and indirect impact for more than three centuries on the life in Hungary and Croatia. From the 16<sup>th</sup> century, after 1699 and the Treaty of Karlowitz countries wanted to protect from the possible Turkish invasion from the east. A so-called Military Frontier was established as the strongest border formation. Retrospectively, it is not possible to define from, with scarce sources and undoubtedly disagreements among researchers when and how the boundary on Drava became the border. The author can state that it got its constitutional character in 1868, but still whole process is not clear. The interpretation of Hajdú (2006) is closer to the reality than that of Klemenčić (1991), but the timeframe is questionable. The period of Turkish occupation brought resettlement, the Croatian territory was shrunk by the end of the 16<sup>th</sup> century to the area of only 16,800 km<sup>2</sup>. The Croatian settlement area towards Rivers Drava and Mura could expand on the Croatian territory not occupied by the Turks, limited to the river stripe close to Virovitica (*in Hungarian: Verőce*) on the east. Drava and partly Mura were bordering rivers between that small unconquered area and the Hungarian territory invaded by the Turks from 1566 until the 80s of the 17<sup>th</sup> century.

The first real demarcation dates back to the second half of the 18<sup>th</sup> century, when the first geodetic and cartographic record was conducted (1763-87; in Croatian originally called- *Jozefinski premjer*). The first topographic maps were created and the first official cadastre. The land borders between the Croatian and the Hungarian part have been marked on its largest part

with the basis on Drava riverbed (Blašković, 1976). The question on the status of Slavonia<sup>9</sup> (and Srijem, Virovitica and Požega counties) came into the spotlight during the public-legal dispute between 1790 and 1848. Bilateral disagreements including the status of Slavonia ended in 1848 by the armed Croatian–Hungarian conflict. The growth of Hungarian national sentiment and desire to form a unified state that would include Croatia, and at the same time the strengthened sentiment on the other side of the river Drava for linking all South Slavs and creating their own state, resulted in the armed conflict (Heka, 2007).

#### 4.2.2.4. Border area after 1868 and the Croatian–Hungarian compromise

The 1848-1849 events proved that Croatians and Hungarians should conclude peace and should thrive to negotiate since they were naturally oriented towards each other. In the Croatian–Hungarian Compromise, Hungarians recognised Croatia as the “associated part” (Croatia, Slavonia and Dalmatia referred to as the Triune Kingdom in Croatian sources), instead of term “provincial assembly”. Sabor in Zagreb was officially labelled “Croatian parliament” (Heka, 2007). Croatia was granted with a status of political nation with distinct territory and state borders (Figure 5), together with a complete autonomy in internal matters.

The Croatian–Hungarian Compromise was ratified only one year after the Austro-Hungarian Compromise in 1867 (*Legal Article I of the Croatian Sabor and Legal Article XXX of the Hungarian Parliament*). This document was one of the most controversial legal articles in the history of Croatian and Hungarian joint state. The Triune Kingdom was defined as a political nation with a separate territory that has its own legislation and government in its internal affairs (Heka, 2007).

The River Drava at that time was a clear borderline between Croatian and Hungarian entities. Besides Rijeka with its special status, Baranja and Međimurje (as a part of Zala county) were fully integrated into Hungary. Therefore, after the Croatian–Hungarian compromise in 1868 Croatia kept its specific (Figure 5) and different<sup>10</sup> position. The Compromise brought peace

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<sup>9</sup> Earlier terminological explanation

<sup>10</sup> An abstract (map) was taken from the Atlas of General Austrian History (*see Figure 5*) in Hungarian or Croatian sources the status of Croatia within the dual Monarchy has not always been properly presented with colouring or border marking. Furthermore the tendency of questioning the Trianon Peace Treaty in Hungary in the last decade and expressing it also via popular car stickers with the map of so-called “Big Hungary” has been especially

and a chance for further developments, industrialisation and urbanisation supported with building of public roads and boom in the railway construction. The Drava River was a connecting link in that period and the Drava Valley functioned as a unique economic territory where the inhabitants of both sides of the river were in everyday contact (Majdán, 2013).

**Figure 5: Map of Austro-Hungarian Monarchy**



Source: „Atlas zur allgemeinen österreichischen Geschichte”, Verlag Ed. Hölzl, Vienna 1966 (page 50): <http://members.a1.net/oswag/wago05.html>

Railway network developed fast, especially between 1867 and 1887. In Croatia those investments were not always welcome and were observed as means of Hungarian expansion (see the example of rejected usage of Hungarian language for names of the train stations in Croatia). The period 1883-1903 was politically specifically problematic, with several conflicts, ending with bloodshed in 1903 (Čelan, 2014). Anyhow, the first ever railway on the nowadays

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problematic from the aspect of involvement of Croatia as a fully integrated part on the Hungarian side of Monarchy without any distinction with other areas of the Hungarian part of the dual Austro-Hungarian Monarchy.

Croatian territory was constructed in 1860, between Čakovec (*in Hungarian: Csáktornya*) and Kotoriba (*in Hungarian: Kottori/Kotor*), as well as the first Drava railway bridge Kotoriba/Murakeresztúr, which improved the regional railway connection (Čelan, 2014). It was the first real transport connection in the border region, followed up with Pécs–Barcs–Nagykanizsa (1868), largely having the route alongside to the Hungarian part of the Drava river bank. The eastern part of the border area was covered by railway from 1870: Villány–Magyarbóly–Osijek (*in Hungarian: Eszék*). Kaposvár–Gyékényes–Zagreb–Rijeka railway, reached Rijeka in 1873.

As a paradox, railway boom during those twenty years was the largest so far in the border region and all later (re)constructions were minor compared to that period. Some of the Drava train bridges and established lines at the end of the 19<sup>th</sup> century (Barcs-Virovitica and Szentlőrinc-Sellye-Slatina) were even abolished later. Railway sections which still exist today (three of them remained) need significant improvements to fulfil the demands of the proper travelling in the border area.

#### *4.2.2.5. Border area after the Trianon Peace Treaty and the end of Austro-Hungarian Monarchy*

The Paris Peace Conference held after World War I had an essential role in the nowadays Croatian–Hungarian state border. By signing the Trianon Peace Treaty in 1920 the old Croatian–Hungarian border (becoming border of the Kingdom of SHS<sup>11</sup> and Hungary) was largely confirmed. The new borderline was drawn in Baranja/Baranya. Based on the historical sources it cannot be detected that before the Trianon Treaty Baranja was ever a part of the Croatian territory (Klemenčić, 1991). Baranja, which had a complex ethnic composition (besides Hungarians and Germans it was populated by Croats and Serbs), became a delimitation line based on the compromises. Its foundation was justified with economic reasons as well as the gravity area of Osijek (Klemenčić, 1991). Due to that the southern part of the earlier Hungarian Baranya county was annexed by the Kingdom of Serbs, Croats and Slovenes based on the Trianon Peace Treaty in 1920.

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<sup>11</sup> Kingdom of the Serbs, Croats and Slovenes – in Croatian: Kraljevina SHS

Two more sectors, on which the border does not follow the Drava river bed, were defined by the Trianon Peace Treaty: Međimurje and Prekodravlje<sup>12</sup>. Međimurje, with the physical-geographical base on the Mura River, is primarily an ethnic boundary. Occasionally disputed territory of Međimurje became definitely a Croatian territory, primarily because of the ethnic composition and the will of the local population (Klemenčić, 1991).

The boundary at *Prekodravlje*, a small area close to Koprivnica, slightly deviates from river Drava. According to Klemenčić (1991) the natural geographical base is the stream Ždalica. According to Croatian State Geodetic Administration<sup>13</sup> only Drava, Mura and Krka (*in Hungarian: Kerka folyó*) are border rivers, whilst stream Ždalica has not been specified and defined as the physical basis for the state border. Edition “Geography of the Socialist Republic of Croatia”<sup>14</sup> specified Ždalica as the old branch of Drava, which was created after the river changed its flow more to the south. Until 1870 when the railway and Gyékényes-Botovo bridge were constructed, Ždalica was supplied with water, where also a lot of watermills existed. The railway constructions cut the water supply from Drava (Crkvenčić et al. 1974). Nowadays the old river branch is dry mostly during the year, thus it does not present a geographical barrier anymore. Prekodravlje has been populated by the Croats in the Middle Ages, and in the 16<sup>th</sup> and 17<sup>th</sup> century it was destroyed by the Turks. At the beginning of the 19<sup>th</sup> century Prekodravlje was again populated by Croats in two parishes (Gola and Ždala). They were founded and they belonged to Zagreb bishopric (from 1854 archbishopric). Prekodravlje as the Croatian territory was grounded on the logic of respecting historical rights and on ethnic reasons, since the population was/is composed almost fully of Croatian ethnicity.

#### 4.2.2.6. Border area after 1945 and the Socialist Federal Republic of Yugoslavia

The Trianon borders were altered at the beginning of World War II (WWII), when Hungary annexed Baranja and occupied Međimurje (Klemenčić, 1991). The Trianon borders were again

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<sup>12</sup> Terms are in Croatian. Hungarian the terms are Muraköz (for Međimurje) and Répás-kerület (for Prekodravlje, according to Hajdú, 2006)

<sup>13</sup> Official answer on inquiry of 25.2.2014 of Državna geodetska uprava/ State Geodetic Administration, Zagreb, Croatia: <http://www.dgu.hr>, (Class: 015-02/14-01/03, Number: 541-02-3/1-14-2)

<sup>14</sup> Crkvenčić, I. & Dugački, Z. (1974)

de facto re-established immediately after WWII, and then legally confirmed by the Paris Peace Treaty of Yugoslavia and Hungary on the 10<sup>th</sup> of February 1947. Bilateral relations experienced a raising tendency in the post WWII period until the spring of 1948, when Stalin unsuccessfully initiated a series of moves to purge the Yugoslavian leadership (Hornýák, 2010). These events fully affected relations between Budapest and Belgrade, creating tension in the border area. Although specific armed bilateral conflict did not happen, Hungary took certain special measures based on the request of Soviets.

This period downgraded the area as the border was closed and cut the earlier connections. From 26 border crossings between the Kingdom of Yugoslavia and Hungary only seven “survived” in the socialist era. Based on the Soviet request, borderland institution (originally *in Hungarian: határsáv intézmény*) was created in 1950, covering 9,000 km<sup>2</sup>, 300 settlements and 300,000 citizens (Bottoni, 2010). Only with special permission it was possible to stay in that border belt. Considered as the most endangered, 2,446 people were relocated with their families from the parts closest to the border. The development of a southern defence system (*in Hungarian: Déli védelmi rendszer*) known also as Hungarian Maginot Line (*Magyar Maginot- vonal*) on the 623 km border section with SFRY began in 1951 and was completed in 1955. It included series of bunkers and a massive defence line from Szentgotthárd (*in Slovenian: Monošter* or *Varašk*) to Nagylak (*in Romanian: Nădlac*). Due to the longer tensions some towns close to the border lost their functions (e.g. Baja, in favour of Kecskemét, in Bács-Kiskun county). After Stalin’s death in 1953 relations between Hungary and Yugoslavia started to be less tense. In the Kádár era (1957-1989), Yugoslavia was also observed as the country belonging more to the West (although communist county, it was not a Soviet satellite). The relief came to citizens living close to the borderline during the 60s. Local (small) border traffic (*in Croatian: malogranični promet*<sup>15</sup>, *in Hungarian: kishatárforgalom*) became easier and was regulated by two bilateral agreements (in 1965 and 1976) between SFRY and People's Republic of Hungary. Local border traffic band was set up in the width of 20 kilometres from the borderline on both sides and crossing was easier to local citizens (without a visa and with special border crossing permit issued by the competent authorities). It rapidly affected the increase of travels over the

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<sup>15</sup> „Sporazum između Vlade SFRJ i Vlade NR Mađarske o reguliranju malograničnog saobraćaja”, bilateral agreement from 1976 between People's Republic of Hungary and SFRY was inherited by the Republic of Croatia and Hungary

border, renewing economic relations (Čelan, 2016). The 70s experienced a growing tourism to Yugoslavia and shopping travels to Hungary. That period brought also a cross-border bridge (re-) construction over Drava and Mura (e.g. border-bridge Drávaszabolcs–Donji Miholjac originally built in 1908, afterwards destroyed in the Second World War, was re-opened in 1974).

#### *4.2.2.7. Border area after 1991 and Croatian independence, including the accession of Croatia and Hungary to the European Union*

Croatia stepped out from SFRY and declared independence in 1991 (25 June/ 8 October), followed by the EEC/EU (and Hungarian) recognition on 15 January, 1992. Croatia as the newly established country was fully recognised in its borders, as the former Socialist Republic in the Yugoslavian federation. Former Yugoslavian–Hungarian border on its Croatian section automatically became the Croatian–Hungarian state border<sup>16</sup>, without any later modifications (Čelan, 2014), although it started to function in practice as the state border only from 1998 at Baranja and Baranya section.

During the war period the consequences were felt on the Hungarian territory, not only indirectly by the large flow of the refugees and the negative impact on the spa tourism (e.g. Harkány), but by occasional military activity. Existence of unexploded ordnances (UXOs) and landmines on Hungarian territory in Baranya, along the borderline with Croatia, was the outcome of such activities. Those contaminated sites were fully cleared from the landmines and largely from UXOs only at the end of 2013, within HUHR/1001/1.1.1/0006 De-mine HU-HR project I, financed in the framework of the HU-HR (IPA) CBC Programme 2007-2013 (<http://www.hu-hr-ipa.com/en/funded-project/46>). The area benefitted from the removal of the landmines in the common border section at the Baranya-triangle (Rácz, 2017/b).

The suspect on some further UXOs remained until 2018 on Hungarian territory, but presented much less danger to the citizens in Baranya than landmines previously (two incidents happened in the 1990s). They were under removal through the strategic (<http://www.huhr-cbc.com/en/newsletter-read/trategic-projects-/84>) De-mine HU-HR II project, which finished

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<sup>16</sup> As settled between former SFR Yugoslavia and Hungary border on its Croatian section remained until now. Even many of the bilateral agreements concluded between People's Republic of Hungary and SFRY have been inherited and remained in force until now, like the agreement from 1985 on the construction of the cross-border infrastructure.

with the implementation on 31st May, 2018 (<http://www.huhr-cbc.com/en/news/closing-conference--de-mine-hu-hr-ii-project/273>).

The fall of the „Iron Curtain“ brought at certain extent some changes in the border area, as well as the later accession of both countries to the EU. The big boom of the cross-border road traffic started at the beginning of the 90s, having the peak in 1996. The growth in the number of road passengers was consequence of much cheaper prices (especially food) in Hungary, so daily shopping tourism became quite frequent and popular. As a second reason, Hungary hosted a lot of Croatian refugees during the war, which included large cross-border activity in the first half of 90s. After first shopping malls were opened in Croatia in 2000 and after Hungarian accession to the European Union, prices increased in Hungary, so the interest for cross-border shopping in Hungary fell down. As a consequence, a lot of small shops and businesses within Hungarian border settlements are abandoned, contributing to the somewhat depressive vision of the area (e.g. part of Letenye next to the border). The growth of tourism in the last years brought again increasing tendencies of the cross-border road traffic (Figure 6).

## 5. RESULTS

### 5.1. Literature research

There has been an ample amount of papers and books dealing with cross-border co-operation in Europe, which is anyhow in the focus of the dissertation with the research of the Croatian–Hungarian cross-border area and development of the tourism industry via EU funded co-operation. However, co-operation in the border areas as the topic has got significant space in the world literature, especially in the United States, Canada and Mexico. The way of co-operation in the border zone of the United States and Canada and the United States and Mexico is different than in Europe (Herzog et al. 2014). Intensified integration and EU enlargement process at the end of the 20<sup>th</sup> and beginning of the 21<sup>st</sup> century, involving 28 independent states in Europe, was a historical process which has significantly changed Europe and way of living there. The North American cross-border co-operation, comprising only three states and significantly larger area is again, different in case of the United States and its north neighbour (Canada), than between the United States and Mexico. The border with Canada is fully permeable and touched mainly with joint economic issues (Canuel, 2005). The south border with Mexico is the most frequently crossed border in the world. Thus, it has been affected with numerous essential, even critical issues- from political, economic, migration, security to transborder urban planning problems between 13 twin cities in the border area (Alegría, 2002; Herzog 2003).

Cross-border co-operation is one of the most popular subjects in border research (Van Houtum, 2000). The historical geopolitical changes at the end of the 80s, with the fall of the Iron Curtain, the collapse of the Soviet Union, furthermore intensified European integration and enlargement process, have positively influenced the increase of the publications related to the cross-border thematic field (Gulyás et al. 2013). Following the change of regime, attention more intensively turned towards the opening borders in Hungary, just as in the similar parts of Central and Eastern Europe (Czimre 2013).

Until the change of regime, no research including both sides of the border was allowed in Hungary. Anyhow, regional co-operation which would be natural was pushed aside by centralization and favouring relations with the Soviet Union (Tóth et al. 2013). Still there were

researchers who turned their attention and focus on border regions in the 70s, which were treated as any other backward regions within the country. The 80s saw the important change when the demographic researches in the border area of the Hungarian Great Plain called attention to the cross-border co-operations phenomenon (Tóth et al. 1983). Co-operation on the two sides of the border was only possible with the approval of their capital cities (Tóth 2008). However, those were just basic researches, designed to demonstrate the socio-economic changes in the border regions. The areas located along the state borders received in 1986 a new term in the Hungarian literature, referred to as “*regions in a peculiar situation*” listing them into the same category with the areas along county borders (Molnár 2002). During the same year, the study programme on the situation of the border regions with the aim of finding ways for co-operation with the neighbouring countries, initiated by the Regional Research Centre of the Hungarian Academy of Sciences, started as well. At the end of 80s and beginning of the 90s research in the field significantly increased (Czimre 2013), with: Rechnitzer who was first to focus on the relations between the border regions, Kovács (1990), focusing on the impact of borders on the settlement networks (named by him as a “*border effect*”) and Süli-Zakar (Süli-Zakar 1991, Süli-Zakar 1992) with the focus on backwardness of the border regions resulting from the peripheral situation.

In planning and regional policy, border areas are mostly considered as disadvantaged areas (Slusarciuc, 2015). As a definition of cross-border area and region Hardi (2010) specifies that in case the statistical-planning approach has been used, the NUTS III spatial units adjacent to the borders in line with the EU regional policy glossary, should be taken as the *areas along the border*, and their groupings along the given border section constitute the *border regions*. European Territorial Co-operation (ETC)/Interreg programmes use such approach during the planning and implementing phase. According to Hardi (2010), it is not perfect, but bureaucratic approach in defining the “regions”. They are mainly based on the administrative logic and with only one thing in common – their location alongside the border.

Setting up systematic category logic for co-operations and cross-border regions has been important, but rather hard task to enable elaboration of comparative analyses. Forms of cross-border co-operations in Europe are different alike the categorisation methods. When applying the geographical aspect in terms of typology, according to Bufon (Bufon et al. 2010) border areas and border regions in Europe fall into three basic groups: the Western European

(“*region of regions*”), the Central European (“*regions within regions*”) and the Eastern European (“*regions under reconstruction*”). Another geographical aspect (source: DG Regional Policy) defines that the European cross-border (territorial) co-operations can be categorised with respect to their geographical location using the macro-regional level.

Perkmann (2003) based on geographical scope, uses the term *micro cross-border regions* for the small-scale co-operations, between contiguous border authorities which belong to different states. Micro cross-border regions which have a strong organisational structure are according to Perkmann referred to as integrated, while those which have a rather loose organisational structure are called emerging micro cross-border regions.

According to Klára Czimre (Czimre 2013), development of cross-border regions is measured via functional categorisation i.e. based on a long and thorough research considering mainly the activity level of the cross-border regions. The categorisation itself relies on three approaches: 1) country level; 2) border level (*a-* state borders and *b-* border types) and 3) Euro-regional level.

The author of the dissertation agrees that Czimre's method differs from others because of inclusion of Euro-regional level, which has not been in the focus of the other categorisations of cross-border areas and regions. However, since 2013 there were certain changes in the tendencies of forming joint regions within the European Union, which should be extended to the Czimre's model. The role of Euroregions has been mitigated with the boom of the European Grouping of Territorial Co-operation (EGTC). EGTC is a new form i.e. cross-border legal entity since January 2008. There were 28 EGTCs in 2013, while as of the end of 2016 already 65. Half among them were operating in Hungary, with by far the most active authority: the Ministry of Foreign Affairs and Trade (European Committee of the Regions, 2017). Besides a tool for the management of the EU Structural and Investment Funds, EGTCs can offer more extended cross-border services, such as joint access to the two public health systems (González, 2013). The most known example is the EGTC – Hospital de Cerdanya, <http://www.hcerdanya.eu/en>, located in the Spanish–French border area.

Theoretical aspect for cross-border co-operations through different models is to be considered as well in this chapter. József Tóth (Hungary) analysed the cross-border relations between the former COMECON countries and created a model in 1996. The model assumed the existence of a strictly closed and controlled borderline and depended on the strongly centralised

state power (Tóth et al. 2013). The relations between two border regions, which were allowed to contact each other only with the consent of the central governments, was not more than keeping cultural and protocol levels.

Remigio Ratti (Switzerland) concluded in his study (Ratti, 1993) that the border regions and cross-border relations can be mostly understood by the functions and the effects of borders. He created a typology by the fundamental border problems. The functions (dividing and connecting) are very difficult to separate from each other and practically both exist in the case of all state borders. Thus he used the term “*dual-faced phenomenon*”. Depending on the intensity of the prevailing functions, borders can be: closed (“barrier”), filtering and open.

Oscar Martinez (United States of America) is one of the most quoted authors of the border regions models. Although his model (Martinez, 1994) is based on the interviews conducted among the people living along the border between the USA and Mexico, it has a lot of citations in European and Hungarian literature (Hardi, 2010). Martinez differentiated the border regions on the basis of the relationship systems between the two sides of borders. He studied the impacts of the border environment on both sides of the border. In the model he named four types of border regions: alienated, co-existent, independent and integrated.

Despite the wide interest in the problems of the boundaries and the state borders in various scientific disciplines, such as political geography, sociology, anthropology, state borders have not gained much attention in the literature of tourism (Prokkola, 2008). According to Slusarciuc (2015), the policy and financial frames are ensured for the economic development of cross-border areas with the basis for a more strategic approach focused on specific cross-border areas from the EU neighbourhood financial framework. On the other hand, according to Prokkola (2007), politically driven tourism development in a cross-border context can be problematic, particularly from the perspective of economic and social sustainability.

The theoretical and conceptual foundation for such research strongly relies much on the works of Timothy (Timothy 1999, Timothy et al. 2004, Timothy et al. 2013), with the permanent research focus on cross-border co-operation and tourism in the North America and Europe. He has been studying the relationship between tourism and borders via different perspectives, from cross-border co-operation to planning in the border regions.

Besides Timothy, several papers and articles have been published in the last two decades with the subject of state borders, their meaning for tourism and tourism development and

co-operation in border regions (Leimgruber 1998, 2005; Hartman 2006; Ioannides et al. 2006; Prokkola 2007, 2008). The Hungarian and Croatian papers with the cross-border tourism topic will be examined as well in this chapter.

In the EU financed programmes in the budgetary period 2014-2014 (Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 /CPR 1303-2013/ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1303>), tourism lost its earlier meaning in the cross-border context. In the CPR 1303-2013, the 11 thematic objectives have been specified, as said, in order to contribute to the Union strategy for smart, sustainable and inclusive growth as well as the Fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion. Each European Structural and Investment Fund (ESIF) shall support four out of 11 thematic objectives, out of which tourism has not been specifically listed. In whole document (CPR 1303-2013), which is the main regulation for all ESI Funds, the word tourism has not been mentioned at any instance. That issue has been well addressed by Márton Szűcs, Head of the Hungary–Croatia Joint Secretariat (JS) in the conducted interview (see: question number 6 / Appendix II).

Some of the published papers have covered the Hungarian-Croatian border zone in the last 25 years, although that area has still not gained specific and wide attention in the scientific literature. In Hungary, the Hungarian-Croatian border and its tourism related developments have been in the focus of research at the Centre for Economic and Regional Studies of Hungarian Academy of Sciences in Pécs and the Institute of Geography at the University of Pécs as well.

The most comprehensive and valuable studies are undertaken by *Zoltán Hajdú*, scientific advisor at the Hungarian Academy of Sciences in Pécs (Čelan, 2014). He was publishing, especially in the period between 1996 and 2008, and in both Hungarian and English languages, several scientific papers and reviews. The scope of the papers was covering the possibilities and renewal of cross-border co-operation and influence of the Hungarian EU accession in 2004 to the cross-border co-operation and interconnected problems occurring alongside the Croatian–Hungarian border (Hajdú 1996, 1998, 2004, 2005 / Hajdú et al. 2005). He was the first one on the Hungarian side, after the fall of the „Iron Curtain“, who started to analyse in-depth and from geographical aspects the Croatian–Hungarian border area. Thus, in some of his papers he is dealing with the origins of the Croatian–Hungarian boundary and the state border

(Hajdú 1999, 2006, 2008) what is very valuable from professional and non-politically influenced point of view, as an objective and rare geographical analysis of the given topic. Researchers of the Hungarian Academy of Sciences in Pécs have been active as well in publishing the papers related to the Croatian–Hungarian cross-border co-operation and other EU funded Programmes (Varjú et al. 2013; Varjú, 2016).

The Croatian–Hungarian border has been a field of research at the Institute of Geography in Pécs, specifically covering the topic of tourism co-operation (*Antal Aubert, János Csapó*) in the Drava and Danube area (Čelan, 2014). The researches and published papers cover wide scope from tourism methodology (complex spatial delimitation methods of tourism destinations, 2010.), tourism co-operation opportunities in the region (tourism co-operation opportunities in the Danube–Drava–Sava Euroregion, 2008.) to outcomes of the cross-border or transnational projects financed by the EU (cross-border co-operation in the strategy of the Datourway project, 2012.; analysis of tourism-oriented cross-border project co-operations between Hungary and Croatia, 2014.)

The situation with geography in general is more favourable in Hungary than in Croatia, including the scope of the published papers and the joint border area as the topic of the research. The attention in Croatia has almost fully been concentrated on the border issues with Slovenia: *“Even in the second half of the 20<sup>th</sup> century, the amount of published geographical papers was modest irrespective of the tensions on the Yugoslavian–Hungarian border. The first reason is the absence of the open questions and unsolved problems on the Croatian–Hungarian border section. The second lies in the fact that because of geographical and language barrier, it has the least interaction of local citizens out of all Croatian land borders. Finally, the attention in Croatia has almost fully been concentrated on the border issues with Slovenia. As the Croatian–Slovenian large bilateral dispute even resulted in the blocking of the Croatian EU accession negotiations in 2009, it has been in the focus not only of political, but also of scientific circles in Croatia, including geographers.”* (Čelan, 2014, p. 76).

Literature on the Croatian–Hungarian border has almost been exclusively published by researchers at the Department of Geography on the Faculty of Science of the University of Zagreb (*Pepeonik, Šterc, Crkvenčić, Feletar and Opačić*) and Miroslav Krleža Institute of Lexicography in Zagreb (*Klemenčić, Crljenko*).

Mladen Klemenčić, the lexicographic advisor at the Miroslav Krleža Institute of Lexicography in Zagreb, was the first one on the Croatian side, after the fall of the „Iron Curtain“ and at the time of gaining Croatian independency, who was analysing in the scientific paper the geographical background of Croatian–Hungarian border (Klemenčić, 1991). Since then, there were no further complex historical-geographical analyses of the Croatian–Hungarian boundary and the borderline, i.e. the impression of the author of the dissertation is , that as fixed and settled given Croatian border section has not been interesting for analysing like the other Croatian borders (Čelan, 2014). According to Csapó et al. (2014) except the border section with Slovenia, little or practically no attention has been given to the issue of development of the Croatian border areas toward Bosnia and Herzegovina and Serbia and Montenegro: *“This is why it is surprising that there are few geographic works about the contemporary processes in Croatian–Hungarian border area. The fact that this border also existed during ex-Yugoslavia enables a longer continuous period adequate for the analysis and besides, only a small part of this border area has been affected by the Serbian aggression (Croatian part of Baranja). In this context it is important to mention the work of Hajdú (2004) on changed conditions of transborder co-operation after Croatia gained its independence, then the work of Pepeonik (1985) on transborder traffic between ex-Yugoslavia and Hungary, and finally the work of I. and M. Crkvenčić (2003) on development of settlements and population in Prekodravlje, part of the border area between Croatia and Hungary.”* (Opačić et al. 2004, p.74). The situation, according to the author, is not significantly better now in Croatia comparing to the quoted published paper in 2004.

The most complex geographical analyses of Croatian–Hungarian border area since 1990 in Croatia was conducted in 2004 by Vuk Tvrtko Opačić, associate professor at the Department of Geography at the Faculty of Science in Zagreb and Ivana Crljenko, the advisor at the Miroslav Krleža Institute of Lexicography in Zagreb. The published paper (Opačić et al. 2004) was examining demographic trends and border traffic as the indicators of non-existing Croatian–Hungarian transborder region. Unfortunately, cross-border tourism on the section with Hungary has not practically reached more attention in Croatia as well, except several published papers in the recent years, connected with the EU funded cross-border co-operation in the area (Demonja, 2012; Čelan 2013, 2014, 2015; Kantar et al. 2015). More about tourism in the

Croatian–Hungarian border area could be found again in the Hungarian sources (Bognár, et al. 2010).

Geography is a major at only two universities in Croatia – Zagreb and Zadar, which also influences higher number of published papers in Hungary than in Croatia, and their scope. Currently two geographical scientific journals (*Hrvatski geografski glasnik in Zagreb and Geoadria in Zadar*) exist. Several articles have also been published during the last decade in the Scientific Multidisciplinary Research Journal Podravina, in Koprivnica.

Croatian shopping tourism in Hungary especially strong in the 90s during the war and in the post-war period was significantly intensifying and increasing the border crossing, more than even before and after (Opačić et al. 2004; Čelan, 2016). At the certain extent it also gained some interest in the Croatian journals, such as “Tourism”, published by Institut za turizam/Institute for Tourism, Zagreb. The amount of published papers (Michalkó et al. 2004) has still not been at the level it would be expected compared to the intensified cross-border activity in the last decade of the 20<sup>th</sup> century.

Several thematic articles on the Croatian–Hungarian cross-border co-operation (Lőrinczné 2014) and border area have also been recently published (frequent authors Viktor Varjú, Andrea Suvák, Nikoletta Tóth-Kaszás, Lóránt Bali) in the scope of projects financed within the Hungary–Croatia (IPA) CBC Programme 20007-2013 (Varjú, et al. 2013) and other EU funded Programmes. The topics of these papers relate to the border area, especially in the field of labour mobility (e.g. HUHR/0901/2.1.2/0001 Mobile Region, HUHR/1001/2.1.2/0002 Co-Op) and tourism (HUHR/0901/1.2.1/0002- RTPP HU-HR/ strategic Regional Tourism Product Plan, INVEST-PRO project HUHR/1101/1.2.5/0003).

This research field in the scope of PhD dissertations has also become popular recently. In her dissertation Nikoletta Tóth-Kaszás aimed to assess the success factors of cross-border projects and project management maturity of the organisations (Kaszás, 2015). Lóránt Bali was researching the political and geographical features of the Croatian–Hungarian cross-border relations on different territorial levels (Bali, 2010/a). Szilárd Rácz (Rácz, 2017/a) with the topic of spatial and urban network processes in the post-socialist Southeast Europe analysed the peculiarities of Croatian–Hungarian relations, including characteristics of EU financed cross-border co-operation and their joint projects.

The papers published by author, in the dissertation field, covered a scope from historical and geographical analysis, the latest trends of the complex development of the Croatian–Hungarian Border to evaluation of results of the Calls for Proposals, sustainability of the Regional Tourism Product Plan (RTPP) and the tourism projects and development of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013. In the summary book of 140 joint projects of the HU-HR (IPA) CBC Programme (2013) "*Rivers Connecting Cross-border Region towards Croatian Accession to the European Union*", the author has participated in drafting of the content and as the editor. In 2016 the brochure of additional 29 joint Hungarian–Croatian projects, as the annex to the book, was published where the author participated with the same role.

## 5.2. Demographic trends and the language barrier in the Croatian–Hungarian border area

In connection with demographic development we have to highlight that both areas perform a continuous decrease in the population for decades. In the last intercensal period (2001-2011) the total decrease of the population in the border area was 102,864 (55,332 on the Hungarian and 47,532 on the Croatian side), based on the analysed data (Table 1). Counties i.e. NUTS III areas are not the same<sup>17</sup> in size, but they can indicate the demographic trends. Both parts of the border area have higher diminution of the population (in %) than the national levels (Table 2).

Three Hungarian border counties (Zala, Somogy, Baranya), have similar relative decrease of the population (average 5.32%). The average decrease is a bit higher (7.13%) in four Croatian border counties, but it strongly varies, from 3.91% in Međimurska to 10% in Virovitičko-podravska. In the previous intercensal period between 1991 and 2001 population decrease showed a total of 82,730; significantly higher in the Croatian part (54,313) than in the Hungarian (28,417). The relative fall of population (2.7%) in Hungarian counties proved<sup>18</sup> to be much lower than in the Croatian counties (7.5%). The intensity of depopulation is strongly influenced by the spatial distribution (Table 2), which is significantly better on the Hungarian side.

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<sup>17</sup> Counties are smaller in size in Croatia. Croatia has 21 county including Zagreb, Hungary has 20 with Budapest.

<sup>18</sup> Sources: [www.dzs.hr](http://www.dzs.hr) and [www.ksh.hu](http://www.ksh.hu) (Censuses 2011 and 2001)

One of the main reasons for stronger depopulation on the Croatian side<sup>19</sup> has been the size of the settlements. The average size is approximately twice bigger on the Hungarian than on the Croatian side, and the difference in the size of settlements varies more in Hungary from very small villages to bigger towns. Depopulation as a consequence of emigration affects small, rural settlements more significantly than larger settlements (Opačić et al. 2004). In Hungary three towns have more than 50,000 inhabitants (Pécs, Kaposvár and Zalaegerszeg) while in Croatia only one settlement, Osijek. In both countries the tendency is that, the sizes of towns grow as they are more distanced from the border.

*Table 2: Demography and spatial structure (strengths, weaknesses) / Croatian–Hungarian border area*

<b>Demography and spatial structure</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Two important towns in relative proximity with rich urban functions (Pécs, Osijek)</li> <li>▪ Emerging urban centres in the western part of the border area (Nagykanizsa – Varaždin/Čakovec)</li> <li>▪ Balanced network of small towns</li> <li>▪ Attractive, unique, traditional rural space (e.g. small villages)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Decreasing population</li> <li>▪ Negative migration balance</li> <li>▪ Ageing population</li> <li>▪ Parts of the programme area are scarcely populated</li> <li>▪ Increasing number of disadvantaged social groups</li> <li>▪ Co-operation between urban centres within the region and towards neighbouring areas is hindered by weak accessibility</li> <li>▪ Number of middle towns/cities is not significant</li> <li>▪ Small towns lack full range of urban functions</li> <li>▪ Peripheral location of the area in both countries</li> <li>▪ Great internal development gap between areas with multiple disadvantages (internal periphery) and the urban centres</li> </ul>

Source: Own editing based on the Situation Analysis of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020; [www.hu-hr-ipa.com](http://www.hu-hr-ipa.com) and [www.huhr-cbc.com](http://www.huhr-cbc.com)

<sup>19</sup> In Croatia almost always is the case that more settlements form a local government (town/municipality), in Hungary it is more frequent to have the 1 settlement=1 local self-government principle.

The negative population trends in comparison with the countries' statistics became even worse between 2001 and 2011, proven by the official 2011 census results in both states (Table 1). The population decrease between 1991 and 2011 officially amounts to 185,594, which means that almost the combined total population of Osijek, Zalaegerszeg and Nagykanizsa was lost in the border area in the last two decades (Čelan, 2016).

Although Croatia formed different types of state union with the Kingdom of Hungary from 1102 until 1918, neither the Hungarian language in Croatia nor the Croatian language in Hungary was significantly widespread. Their usage is limited only to the relatively small communities of national minorities. The share of these minorities in the population of Hungary and Croatia is quite low, 0.3%. The number of native speakers is even lower than the representation<sup>20</sup> of national minorities in both Hungary and Croatia. With the abolition of the official use of Latin (as the *lingua franca*) in the 19<sup>th</sup> century, Croatians and Hungarians could no longer understand each other because both nations were very keen and persistent on using their own national languages and none of them deemed it necessary to learn the language of its neighbour (Heka, 2007).

Croatian and Hungarian languages belong to very different families (Indo-European and Uralic/Finno-Ugric) and the language barrier is particularly strong. All these factors led to the fact that bilingualism is not a typical feature of the cross-border area. The number of the bilingual population, especially on the Croatian side is negligible. Without usage of English proper communication is almost not possible nowadays. The only area where bilingualism is partly identifiable is the border zone of Baranya county (HU) and Osječko-baranjska county (HR), with two major cities of Pécs and Osijek. The largest group of Croatian or Hungarian minorities live there and that is the only location where geographical handicap does not exist. Pécs and Osijek are the only towns with scientific exchange and only in those two towns it is possible to study Croatian and Hungarian as foreign languages on university level<sup>21</sup>.

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<sup>20</sup> Sources: [www.dzs.hr](http://www.dzs.hr) and [www.ksh.hu](http://www.ksh.hu) (Censuses 2011 and 2001)

<sup>21</sup> In both towns there are also Croatian and Hungarian Education Centres (with kindergarten, primary and grammar school). Several pre-school programmes and primary schools in Hungary can offer minority language or bilingual trainings, <http://www.hrvatiizvanrh.hr/hr/hmiu/hrvatska-manjina-u-republici-madjarskoj/9> but on university level only Pécs and Osijek offer teaching of Croatian and Hungarian as foreign languages

Comparing the censuses in 2001 and 2011 there is a slight decrease of Hungarian minority in Croatia (16,595 vs. 14,048) whilst in Hungary the number of Croatians (25,730 vs. 26,774) statistically<sup>22</sup> has an increasing tendency.

### 5.3. Current socio-economic trends, transport and mobility in the Croatian–Hungarian border area

When examining socio-economic data, gross domestic product figures are rather negative – taking into consideration that GDP (euro)/ per capita) is below the EU and the national averages. Međimurska, the most developed of the Croatian border counties<sup>23</sup> according to that statistics has 85.3% of the Croatian GDP average (Koprivničko-križevačka with 83% and Osječko-baranjska with 79.5% are close to it). The least developed, and at the same time the least inhabited county in the whole Croatian–Hungarian border area, Virovitičko-podravska has only 55.3% of the national average, the least in whole Croatia. On the Hungarian side GDP per capita is the highest in Zala (77.5%) as a percentage of the national average<sup>24</sup>. It is the 9<sup>th</sup> developed Hungarian country, while Baranya (64.8%) and Somogy (61.5%) with decreasing tendency are almost at the bottom (16<sup>th</sup> and 17<sup>th</sup> place) out of 19 Hungarian counties (source: KSH [http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_qpt014b.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_qpt014b.html)). Virovitičko-podravska and Somogy show low performance, like in the case of demographic tendencies as well as the transport network developments.

In the last 15 years, Croatia and Hungary have developed their own motorway infrastructure, so the author believes that both countries are examples of fast road developments<sup>25</sup> in East Central Europe. The investments proved to be huge, but the maintenance of the network is centralised in case of both countries and led by big corporations. The modern motorway network additionally emphasised the roles of the two capital cities and the Zagreb-

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<sup>22</sup> Sources: [www.dzs.hr](http://www.dzs.hr) and [www.ksh.hu](http://www.ksh.hu) (Censuses 2011 and 2001)

<sup>23</sup> Source: First release, Number: 12.1.3. (15 February, 2018); GDP for Republic of Croatia, NUTS 2013 - 2<sup>nd</sup> level and counties, 2015; CROSTAT, [www.dzs.hr](http://www.dzs.hr)

<sup>24</sup> Source: Hungarian Central Statistical Office- [http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_qpt014b.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_qpt014b.html) (KSH data for year 2016)- Update: 29.12.2017

<sup>25</sup> Hungary reached the milestone (1,000 km) of constructed motorways in 2007, whilst Croatia already in 2005 (<http://www.huka.hr/mreza-autocesta>; <http://www.motorway.hu/>)

Budapest main axis. The channelled traffic onto one border crossing point resulted in the transport shadow areas for the other parts of the border. Thus, the peripheral position, especially of the middle part of the border area (Virovitica on the Croatian side and partly Kaposvár on the Hungarian side) has not changed to positive, despite road investments. Proper west-east connections do not exist in Hungary. Only the far west (Čakovec/Nagykanizsa) and the east (Osijek/Pécs) have modern road connections (<http://www.huka.hr/mreza-autocesta>; <http://www.motorway.hu/>), but only with the capital cities.

Currently, there are only seven road border crossings (Figure 8). The number is not sufficient for a good level of cross-border transport. Three out of seven road border crossings are between Baranja/Baranya, within a very short distance and two of them even do not have a river barrier (Figure 8). There are several strong cross-border, mainly cultural contacts and partnerships around Mura and Drava, but the lack of bridges and border-crossings prevents adequate communication (Čelan, 2011, 2013). The only major joint investment in the last decade was one bridge (with names- HR: *Most Mura* – HU: *Zrínyi-híd*) on the Pan-European transport corridor<sup>26</sup> V/B, where the new border crossing Goričan – Letenye II is located. That bridge<sup>27</sup> connects Zagreb (Zagreb-Goričan motorway A4) and Budapest (Budapest–Letenye motorway M7) from October 2008.

The regulation of the Croatian Government on border crossings published in the Official Gazette No. 79/2013 defines<sup>28</sup> five more international road border crossings with Hungary (Kotoriba, Donja Dubrava, Legrad, Ferdinandovac, Sopje), but without existence of plans for imminent construction. A project was implemented between 2012 and 2015 in Hungary with the aim of defining possible new border crossings and the cross-border infrastructure with all neighbouring countries, including Croatia. On the Croatian border section, 44 possible crossings and construction areas have been examined. The results of the given project (*KÖZOP-3.5.0-09-11-2012-0003*) were published and the decision of the Hungarian government was taken in January 2016 on prioritising road and partly bridge construction at four border crossings with

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<sup>26</sup> The term Pan-European transport corridor is used, as more appropriate for the region, not EU- TEN T network

<sup>27</sup> Uredba o objavi Ugovora između Vlade Republike Hrvatske i Vlade Republike Mađarske o uspostavi graničnog prijelaza Goričan – Letenye II (...): Official Gazette, Croatia (NN- MU 1/2006)

<sup>28</sup> Narodne novine- NN 79/ 2013: *Uredba o graničnim prijelazima Republike Hrvatske*

Croatia<sup>29</sup>. Future construction depends on the availability of funds and agreements with the Republic of Croatia.

Road traffic from Croatia to Hungary is very limited, comprising only 6.5% (in 2017) of the total number of passengers crossing all Croatian state borders. Goričan–Letenye is the busiest road border-crossing<sup>30</sup> of the Croatian–Hungarian section where 60.4% of all passengers (Figure 6) and 56.8% of all vehicles crossed the border in 2004. Figures were similar in 2008 (64%) and in every other observed year with approximately 60% share of passengers. It has to be noted that from 2008 the old and new border crossings Goričan-Letenye I-II have been functioning as one joint unit (e.g. trucks can only use the old crossing)<sup>31</sup> and data in this paper have been observed taking one unit into consideration. The peak in the number of passengers and vehicles was reached in 2008, while afterwards figures decreased every year until 2013 (Figure 6). As it is primarily a touristic summer border-crossing and dominantly available for cars, it can be concluded that the reason for the decline is to be explained with the financial crisis and consequently significant reduction of Hungarian tourists<sup>32</sup> travelling to Croatia (from 453,000 in 2005 to 308,000 in 2012). From 2014, the number of Hungarians strongly and constantly increased: in 2016 it reached 486,000 arrivals, while in 2017 statistics<sup>33</sup> showed for the first time more than half a million Hungarian tourists in Croatia (546,000). As Goričan-Letenye I-II mainly has a summer touristic character, for assessing cross-border activity it is important to examine other Croatian–Hungarian border-crossings.

All Croatian–Hungarian border crossings have showed decreasing tendency of traffic until 2013, with the exception of Duboševica-Udvar, which has been continuously expanding since 2008 (Figure 6), due to the importance of the direction Osijek-Mohács/Pécs-Budapest (Pan-European corridor V/C). Motorways from Zagreb to Osijek (opened in spring 2009) and from Budapest to Mohács/Pécs (opened in spring 2010) significantly improved the conditions

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<sup>29</sup> 1007/2016. (I. 18.) Korm. Határozat: A 2014–2020. évek közötti határ menti közúti infrastruktúra-fejlesztésekről-

<sup>30</sup> The data are observed for the 6 chosen years in the last 10 years, from 2004 to 2014. Year 2008 was important due to the opening of the new border crossing Goričan-Letenye, while last three years to indicate recent changes

<sup>31</sup> The majority (more than 80%) of the traffic since 2008 has been channelled through Goričan-Letenye II (new)

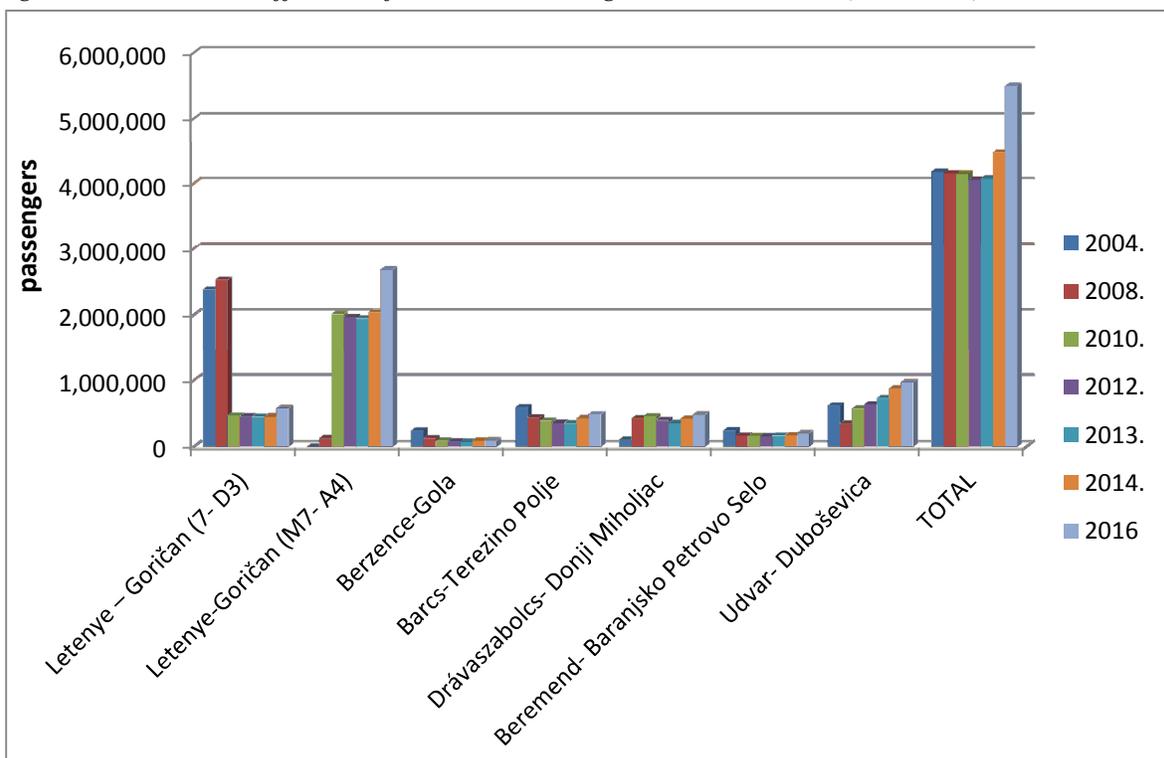
<sup>32</sup> Statistical Yearbook of the Republic of Croatia, 2013 (<http://www.dzs.hr>)

<sup>33</sup> Statistical Yearbook of the Republic of Croatia, 2018 (<http://www.dzs.hr>)

and shortened the time of travelling; however the connection between Osijek and Mohács is still missing. Based on the traffic data (Figure 6) the author categorises (Čelan, 2016) border-crossing points having:

- strategic importance: Goričan–Letenye I-II and Duboševica–Udvar,
- middle level importance: Terezino Polje–Barcs, Donji Miholjac–Drávaszabolcs,
- minor (local) importance: Gola–Berzence and Baranjsko Petrovo Selo–Beremend.

**Figure 6: Border road traffic data of the Croatian–Hungarian border section (2004–2016)**



Source: Data provided by the Police Headquarters of Baranya, Somogy and Zala counties.  
<http://www.huhr-cbc.com>

The total number of passengers in the 2004-2013 decade was the highest in 2004 (4,183,381) with a stagnant tendency; although relatively stable around 4 million, whilst in 2013 a slight increase compared to the previous year was registered for the first time. The data for 2014 show significant increase on all road border-crossings (total number of passengers 4,469,764). Finally the latest available data, for 2016 (5,497,285) as presented in Figure 6, show an increase of 23% compared to 2014. The significant raise was already evident in 2015 (total number of road passengers 5,082,460). The Croatian accession to the EU and easier crossing of the border with faster police and no customs control after 1 July 2013 influenced the change.

However as the main reason significant and gradual increase in number of Hungarian tourist in Croatia could be identified.

As a comparison, in the previous decade (1994-2003), the changes were much more turbulent. From the maximum of even 10.7 million passengers in 1996 to a slight stagnating until 2000, the amount in 2003 was halved to only 5.1 million (Opačić et al. 2004). In 1980 the number of passengers travelling between the SFRY and Hungary both by road and railway reached 7.6 million (Pepeonik, 1985). The big boom of the cross-border traffic started in the 1990s, after the fall of the „Iron Curtain“ and had its peak in 1996, right after the end of the war (1995) in Croatia. The first reason for the intensified cross-border traffic was a large number of refugees coming to Hungary, escaping from the war. Popular shopping tourism from Croatia to Hungary driven by the availability of goods and cheaper prices, mainly food, could be identified as the second reason. Many small towns and settlements alongside the border (Barcs, Letenye, Berzence, Mohács) as well as bigger cities (Nagykanizsa, Pécs), were overwhelmed by Croatian shopping tourists in those years. Croatian language knowledge seemed to be a great labour market advantage and shopping tourism in the region highly relied on Croatian speaking shop assistants (Čelan, 2016). After 2000 when the first big malls opened in Croatia the interest for shopping in Hungary decreased. In parallel, inflation and EU accession raised up prices in Hungary so there seemed to be no reason any more for frequent travelling (Opačić et al. 2004).

Water transport (Drava, Mura) exists at a symbolic level<sup>34</sup>. As of its transit character (Pan-European transport corridor VII) the only cross-border river way used is the Danube (ports Mohács in Hungary and Vukovar in Croatia).

Railway network is underdeveloped, especially on Croatian side, although with current complex reconstruction financed via EU Funds. There is only one important train station, in the whole border area with Hungary, and that is Koprivnica. A significant problem is that the rail network does not make it possible to commute to the employment centres for most of people due to the long travel times and high costs (Tésits et al. 2013). Figure 7 presents border crossing data of three existing Croatian–Hungarian railway border crossing points in the period 2004-2016, characterised with a considerable decrease in the number of passengers. The most remarkable is Murakeresztúr-Kotoriba (western part of border zone) where the number of 97,299 passengers

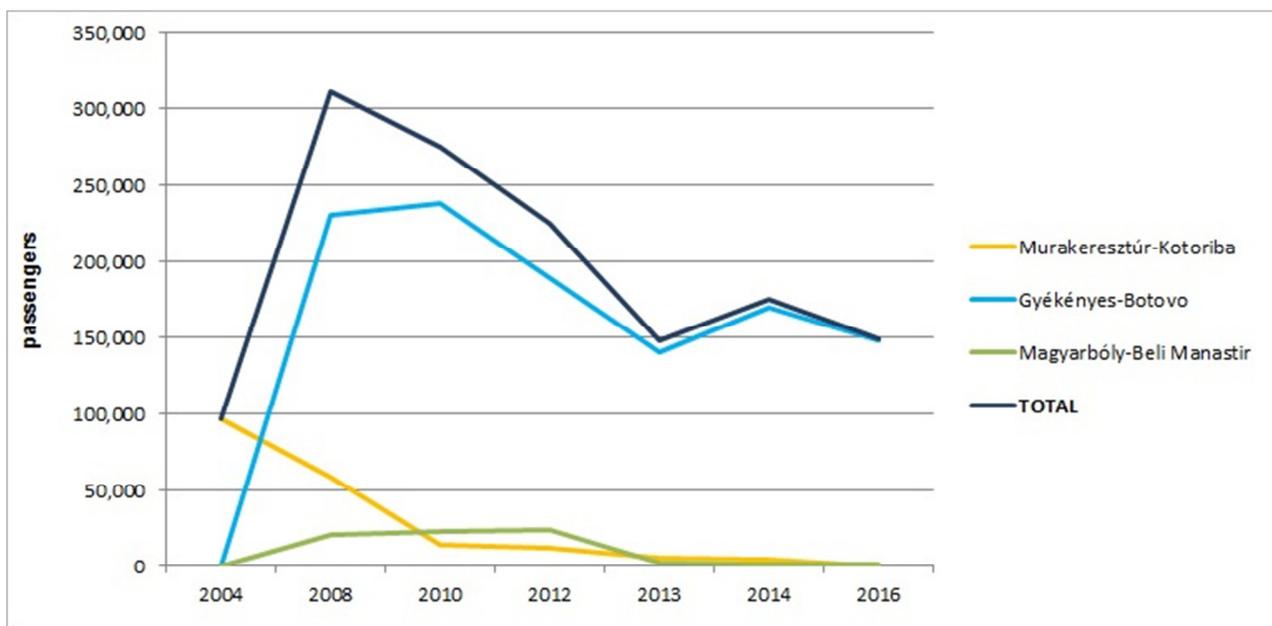
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<sup>34</sup> Source: Data provided by the Police Headquarters of Baranya, Somogy and Zala counties (Hungary) <http://www.hu-hr-ipa.com/en/documents-draft-op->

(in 2004) dropped to just 134 (in 2016). The last international train interconnecting Zagreb and Budapest via that border-crossing was terminated in December 2008, and afterwards only a local cross-border train operated once a day. From 2014, there is no direct train connection on that section anymore.

Out of three railway border crossings the most important is Gyékényes–Botovo (Koprivnica), but also with a significantly decreasing tendency: 230,475 passengers (2004) dropped to 140,403 (2013) (Figure 7). The suspension of Inter-City (IC) train Budapest-Venice at the end of 2011 and Budapest-Zagreb-Rijeka, furthermore Budapest-Pécs-Osijek-Sarajevo at the end of 2012 led to only one daily train line operated from 10 December 2012 until 9 December, 2013 between Hungary and Croatia. In December 2013 one IC train from Budapest to Zagreb was put back to operation (but via Kaposvár instead of Balaton route), which improved the situation and resulted in a modest increase of passengers in 2014 at Gyékényes–Botovo. But, again in 2016 it was evident decrease of passengers with the numbers coming back to 2013 level (Figure 7). At the Magyarbóly–Beli Manastir crossing, the number of passengers dropped from 24,240 (2012) to only 939 (2016), after abolishing the international train to Sarajevo. To summarise, it is rather clear that the suspension of the abovementioned train lines negatively influenced the cross-border traffic.

**Figure 7: Border railway traffic data of the Croatian–Hungarian border section (2004–2016)**



Source: Data provided by the Police Headquarters of Baranya, Somogy and Zala counties.  
<http://www.huhr-cbc.com>

The refugee and migrant crisis occurring on the Croatian–Hungarian border section from the middle of September 2015 had further negative direct influence (Rácz, 2017/b). During the summer and autumn in 2015 a fence was constructed with the aim to discourage migration at the southern borders of Hungary, including the Croatian–Hungarian border zone (Pap et al., 2017). It has to be emphasised that Croatian–Hungarian relations have been balanced, sometimes even completely friendly since Croatia became independent state (Bali, 2012). However, at the autumn of 2015, the first strong political conflict occurred between Croatia and Hungary since 1990, due to refugee and migrant crisis, although it was lasting for a rather short time.

The suspension of the international railway transport, lasting until the middle of March 2016 on the given section (Gyékényes–Botovo) ensued the possibility to travel only with car or bus between two countries for half of the year. The train connection between Pécs and Osijek via Magyarbóly–Beli Manastir was finally restored only in December 2018 (source: <http://www.glas-slavonije.hr/vijest.aspx?id=386754> ), although travelling time is still rather long, two and a half hours.

Daily public transport to or within the border area does not exist at all. Besides mentioned limited train lines between Budapest and Zagreb a bus line was introduced in July 2013 and connected two capitals twice a week at the beginning. Since summer 2016, the frequency raised to daily level after German Flixbus started to operate in the Central Europe. Flixbus extended in 2018 its service to Budapest-Beli Manastir-Osijek bus line (source: <https://www.flixbus.hu>), operating on a weekly basis. Author considers that much faster Budapest-Zagreb bus connection, using modern motorways in Hungary and Croatia, had influence on a recent decrease on the number of railway passengers. A weekend bus line operated in the Pécs–Osijek–Pécs direction from summer 2013, but that limited possibility did not allow mobility of students and teachers between the two towns. The bus transport could be available for more settlements than the train, but the long travelling time (it was three hours from Pécs to Osijek) did not support its usage in the border area and it was rather quickly abolished. Higher petrol prices in both countries in some earlier years hindered commuting by car for the most of the inhabitants of the border zone.

The Croatian–Hungarian border zone shows a typically low mobility character. The mobility of the labour force in the cross-border area is mainly negatively influenced by the strong language barrier, as elaborated in the previous sub-chapters, according to the findings of

the project HUHR/0901/2.1.2/0001, *Mobile Region*<sup>35</sup> financed within the framework of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013. Next to language and transport barriers, the project specifies further reasons for the low mobility: lack of information and transparency, level of wages, differences in taxes and the social system, legal and administrative problems, recognition of qualifications and cultural differences. Based on the situation analysis of the Mobile region project in 2011, the conclusions are presented as follows:

- mobility between Hungary and Croatia is very low,
- the mobility in Croatia is even considered as a threat,
- Hungary has the lowest percentage of citizens in the EU willing to move for a job change,
- State social policies encouraging mobility and reducing of risks for individuals do not exist.

**Figure 8: Map of the border area with the settlements and border crossing points**



Source: Own editing

<sup>35</sup> <http://www.hu-hr-ipa.com/en/funded-project/13>

The accession of Croatia to the European Union has not brought significant changes in labour mobility and there are only some sporadic examples (beforehand mentioned case on the border section between Varaždin/Čakovec and Nagykanizsa). Accessibility of the closest border-crossing by road is low (Rácz, 2017/b) and hinders mobility in the Croatian–Hungarian border area. It is especially evident between the crossing points (middle border stone markers B278.2/a-C12.5) Gola–Berzencze and Terezino Polje–Barcs where a border-crossing does not exist at the distance of 112.58 kilometres (Figure 8), furthermore Terezino Polje – Barcs and Donji Miholjac – Drávaszabolcs (C12.5-C288.3) with the distance between two border crossings of 75.97 kilometres (source: State Geodetic Administration, Croatia, E-mail of 4 December, 2017).

The socio-economic changes in the Croatian–Hungarian border zone have not positively affected the development of the area. It can be concluded that the development of the area is neither naturally driven, nor balanced. There are several obstacles (Čelan, 2016) that hinder proper cross-border relations:

*a)* The spatial structure shows imbalance, demographic trends became more and more gloomy in the last intercensal periods, which further disable the possibility for co-operation in the area. Population decrease from 1991 and until the last census in 2011 officially amounts to 185,594 persons.

*b)* The Croatian–Hungarian language barrier is particularly accented and joint communication is almost impossible without English or German.

*c)* Road transport conditions have improved, with the construction of new motorways, but until now it has not achieved any significant positive effect on the border area, which is still in a peripheral position (Figure 8). Although low and stagnating, road border crossings still showed relative stability in the last decade. The significant increase on all road border crossings between Croatia and Hungary started with year 2014.

*d)* Cross-border rail traffic has almost disappeared. The refugee/migrant crisis occurring on the Croatian–Hungarian border section since the middle of September 2015 has had additional adverse effect on the transport across the border area (e.g. suspension of the international train transport for half of the year until March 2016).

e) Mobility is especially low in the border area, and with minor exceptions (such as mentioned example on the western part of the border area, although on a small scale), daily labour commuting does not exist.

Due to development problems in the peripheral areas, the transborder region has not been formed yet along the Croatian–Hungarian border (Opačić et al. 2004). That recapitulation was formulated 15 years ago and it is still valid, taking into account the current negative demographic trends, the language barrier, the peripheral location, the low mobility of people and the limited cross-border traffic.

As a conclusion of this chapter it can be confirmed that the transborder region has still not been formed alongside the Croatian–Hungarian border, but the cross-border activity is more significant than in the previous decade, visible also via European Grouping of Territorial Co-operation (EGTC) activities (Čelan, 2016). Besides earlier existing Pannon EGTC, with the seat in Pécs, small municipalities on the both sides of Mura river formed Mura Region EGTC (Csapó et al. 2015/a) through the project (HUHR/1101/2.1.4/0004), financed within the Third CfP of the HU-HR (IPA) CBC Programme 2007-2013. The cross-border activity brought stronger co-operation in the area, but not sufficient for significant results, except some micro-developments. The latter statement will be further elaborated in details in the next chapters.

#### 5.4. The role of tourism in the economies of Croatia and Hungary

Tourism has an important role in the economy and share of GDP in both countries and especially in Croatia (WTTC Report on travel & tourism economic impact 2018, Croatia and Hungary), where the country's economy is fully depending on tourism results ([www.dzs.hr](http://www.dzs.hr)). On the other hand, the border area with Hungary (specifically middle part: Virovitičko-podravska and Požeško-slavonska counties) is from touristic point of view the most underdeveloped part of Croatia, although there are some notable natural resources, such as the mountain and Nature park Papuk. Požeško-slavonska until October 2017 was the only Croatian county without officially classified and registered hotel<sup>36</sup> accommodation.

Rural and eco-tourism, which are characterising products on the Croatian side of the border area are defined as key tourism products in the Croatian Tourism Development Strategy

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<sup>36</sup> <https://www.jutarnji.hr/vijesti/hrvatska/svi-misle-da-smo-potpuno-poludjeli-nevjerojatna-prica-o-mladom-paru-koji-ozivljava-zapustenu-slavoniju-otvorili-smo-prvi-hotel-u-svojoj-zupaniji/6684366/>

until 2020 (Strategija razvoja turizma Republike Hrvatske do 2020. godine (Official Gazette-NN 55/13)). However, in practice the income generating Adriatic coast region, thus Istria, Kvarner and Dalmatia is still more highlighted. The development of continental tourism was neglected for a longer period in Croatia, as the country focused on its coastal area (Demonja, 2012). *"It is unrealistic to expect that the continental regions should simply rely on the concept of the geographical expansion of tourism from the coastline toward the inland. The need for a more complex and thorough approach toward the tourism development of the continental regions, directed primarily toward national and regional markets, is the most realistic development scheme."* (Curić et al., 2012, p. 36).

In 2017 in Croatia, the contribution of travel and tourism to the GDP was directly 10.9% and in total 25%, with a constant growth in the last years (source: WTTC Report on travel & tourism economic impact 2018, Croatia). According to data officially released on 15 January 2018 by the Ministry of Tourism<sup>37</sup> of the Republic of Croatia, the 18.5 million tourists generated 102 million overnight stays in 2017, which was already 12% more than in 2016. According to preliminary results 2018 had 19.7 million tourist arrivals and over 106 million bed nights, thus it could be classified as the most successful year of the Croatian tourism<sup>38</sup>.

The last fully covered year with the available data on tourist arrivals in Croatia on the county level is 2017 (source: Statistical Yearbook of the Republic of Croatia, 2018). The statistical data on that level can illustrate the huge difference between coastal and continental part of Croatia. Istria (at the same time it is also a single tourism region/destination) had the most tourist arrivals (4.1 million) among the 21 counties, making almost 25% of all tourist arrivals in Croatia in 2017. At the same time Požeško-slavonska (13,284) and Virovitičko-podravska counties (14,184) had the least tourist arrivals in the whole country. They were followed by two more counties at the border area with Hungary, at the bottom of Croatian arrivals statistics for 2017: Koprivničko-križevačka (18,537) and Bjelovarsko-bilogorska (22,556). Those four counties have the weakest tourism performance in Croatia, although it has to be noted that they show year by year a slight increase in tourism arrivals and nights, immanent to all Croatian counties. On contrary of the state average where foreign tourists encompassed 89.5% of all

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<sup>37</sup> <http://www.mint.hr/vijesti/rekordna-2017-turisticka-godina-ostvareno-102-milijuna-nocenja/11589>

<sup>38</sup> For the year 2018 data still have to be officially revealed- preliminary results: <https://mint.gov.hr/news-11455/2018-sees-6-5-more-tourist-arrivals-4-more-bed-nights-says-htz-director/17817>

tourist arrivals (2017), in all four abovementioned counties domestic tourists are in majority (Statistical Yearbook of the Republic of Croatia, 2018). This adds to the fact that the Croatian middle part of the border area with Hungary has not been targeted tourism destination so far. In addition, it is interesting that in Požeško-slavonska, Virovitičko-podravska, Koprivničko-križevačka and Bjelovarsko-bilogorska counties, Hungarians are not among the most represented foreign tourists.

Tourism has important role in the economy and share of GDP in Hungary, but compared to Croatia, economic dependency on tourism is not visible (WTTC Report on travel & tourism economic impact 2018, Croatia and Hungary). In case of Hungary the figures for 2017 showed that the direct contribution of travels and tourism to GDP was 2.4% and the total contribution to GDP 8%, what was below the EU average (direct 3.9% and total 10.3%) and with decreasing tendency compared to the previous year.

On the other hand, increasing tendency in foreign tourist arrivals and nights from 2014 ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt002a.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt002a.html)) is rather obvious in the last years in Hungary, whereas domestic trips with overnight stay decrease from 2008 ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt009.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt009.html)), although showing more stable figures in the last five years.

From methodological point of view it has to be noted that the absolute values of numbers related to the arrival of tourists cannot be fully compared between Croatia and Hungary i.e. the tendencies in tourists' activities are more relevant to observe. According to the definition of the Croatian Bureau of Statistics the tourist is a person who, outside of his/her place of permanent residence, spends at least one night in a hotel or some other accommodation establishment for reasons of rest, recreation, health, study, sport, religion, family, business, public tasks or meeting (source: Statistical Yearbook of the Republic of Croatia, 2018).

In Hungary the terms tourist arrivals and nights are not in use, but tourist trips (inbound, domestic) area measured. Inbound trips of foreign tourists from one (same) day to more days are counted. Domestic (Hungarian) trips are counted based on overnights. According to the Hungarian Central Statistical Office ([www.ksh.hu](http://www.ksh.hu)) methodology, inbound travellers can be: 1) Same-day visitors: visitors, who spend less than 24 hours – therefore not having an overnight stay – in the place visited and 2) Overnight visitors: travellers, who stay overnight in the place visited, with more detailed classification: one–three nights – short duration and four or more

nights – long duration (source: Központi Statisztikai Hivatal / Hungarian Central Statistical Office Sectoral Statistics Department Tourism and Transport Statistics Section Budapest: E-mail response to author's enquiry sent in English on 8 February 2019, with the respective clarification on the methods of data collection of international tourist trips to Hungary).

In 2016 in Croatia they introduced eVisitor information system for check-in and check-out of tourists (<https://www.evisitor.hr>), operated by the Croatian National Tourist Board, where all tourists (domestic, foreign) have to be registered. Until 2016, data on tourist activity (number of tourist arrivals and nights) and accommodation capacities were collected on the monthly report on tourist arrivals and nights (TU-11 form<sup>39</sup> of [www.dzs.hr](http://www.dzs.hr)). In 2016, they parallel used two sources. Besides the monthly reports on tourist arrivals and nights, the eVisitor system was introduced as the administrative source (on rooms to let, apartments, studio-type suits, summer houses and camping sites in households). In 2017, data on accommodation capacities and tourist activity were extracted from the eVisitor system and further processed statistically (source: Statistical Yearbook of the Republic of Croatia, 2018; Chapter 24: Tourism - Notes on methodology / Sources and methods of data collection).

What is interesting from the aspect of tourism destination, Croatia as a summer vacation resort is the target country of Hungarians. In 2017 Hungary was at the 8<sup>th</sup> place in Croatia with the arrivals and tourism nights (source: Statistical Yearbook of the Republic of Croatia, 2018). On the other hand, Croatian tourists are far away from the top ten countries of origin among the foreign guests in Hungary, especially if we consider the length of stay of visitors ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt006.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt006.html)). The average length of stay with only 1.1 days in 2017 and rather similar in every antecedent year, results in the fact that Croatian citizens with Slovenians spend the shortest time in Hungary. Croatians after Bulgarians spend the least per day per person in Hungary (source: [http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt003e.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt003e.html)). Croatian citizens travel to Hungary mainly to Budapest and to Southern Transdanubia – to Pécs and the surrounding area ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt007.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt007.html)). The average length of stay of Hungarian tourists in Croatia in 2017 was 5.1 days, which was a constant figure in the previous years as well (Statistical Yearbook of the Republic of Croatia, 2018).

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<sup>39</sup> <https://www.dzs.hr/hrv/important/obrasci/04-trgovina/obrasci/tu-11.pdf>

Compared to Croatia where in 2017 domestic tourists comprised only 10.5% of all tourist arrivals, share of inland tourists is stronger in Hungary with 20.7% compared to all inbound trips to Hungary ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt009.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt009.html)). Nevertheless if we use the same methodology and compare the share of domestic tourist trips with overnight stay and international trips i.e. all inbound trips with overnight stay in Hungary in 2017, the share is rather balanced: 47.7% domestic vs. 52.3% foreign tourists ([http://www.ksh.hu/docs/eng/xstadat/xstadat\\_annual/i\\_ogt002b.html](http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_ogt002b.html)). Foreign tourists prevail with their share of overnights in Budapest and the western part of Hungary ([http://www.ksh.hu/interaktiv/terkepek/mo/idegenf\\_eng.html?mapid=OGA001](http://www.ksh.hu/interaktiv/terkepek/mo/idegenf_eng.html?mapid=OGA001)).

One very motivating element in encouraging domestic tourists to stay within Hungary is the holiday cheque system (Printz-Markó et al. 2017) i.e. so-called “cafeteria”, which has a long tradition in the country (<https://mtu.gov.hu/cikkek/szep-kartya>). In the last eight years it is mainly connected to the usage of the so-called Széchenyi Card (*in Hungarian: Széchenyi-kártya/“SZÉP-kártya”*), which has become the most important tool for stimulating domestic tourism (Csapó et al. 2017). Such system does not exist in Croatia and based on Hungarian example there is an aim to introduce some similar payment method (<https://www.tportal.hr/biznis/clanak/cro-kartica-u-pripremi-zaposlenima-do-10-000-kuna-za-putovanja-po-hrvatskoj-foto-20180129/print>).

Unlike Croatia, where a separate Ministry of Tourism (<https://mint.gov.hr/en>) has been established, the Hungarian Tourism Agency (<https://mtu.gov.hu>) since 2016 has been responsible for tourism in Hungary, although the information on the official website is only available in Hungarian language. Furthermore, the promotional and market oriented concept, which is represented by the Croatian National Tourist Board, with branch offices abroad (e.g. in London, Prague, Budapest, Munich, Milano, Shanghai, New York etc.) and with county and town level tourism boards network, does not exist in Hungary.

While Croatia is world-famous about its coast and summer tourism, Hungary belongs to the most important spa and health tourism destinations in the world (Michalkó et al. 2010). Hungary possesses rich heritage not only with the respect to its geological background, but also to its complete range of tourism supply of spa and wellness. Ever since tourism has played an important role in the socio-economic processes of Hungary the leading tourism product proved to be health tourism (Csapó et al. 2017). In Hungary 51 settlements have certified medical spas

(Michalkó et al. 2010). It has to be emphasised that there is a strong spatial concentration of spa and wellness demand in Hungary, which relies on the supply of Budapest, Lake Balaton and the western areas of Hungary (Csapó et al. 2017). The last one comprises also Zala, the border county with Croatia.

Hungarian spa heritage originates from the Roman age and Ottoman occupation, when the foundations of today's spa culture were established (Michalkó et al. 2010). The state at first in the socialist era during 1960s realised the importance of tourism, with numerous spa developments and investments, which decisively founded the country's present health tourism basis (Csapó et al. 2017). The majority of those spas are still in function.

After the change of the regime, the development of health tourism became a priority in Hungary only after 2000. According to Csapó et al. 2017, the development strategies, which were carried out with state support and later on since 2004 with EU Structural and Investment funds, can be classified into four major investment periods: the first Széchenyi Plan (2001–2003), the first National Development Plan (2004–2006), New Hungary Development Plan/ New Széchenyi Plan (2007–2013) and the present Széchenyi 2020 Programme.

Numerous new spas were constructed and accommodation capacities were increased, consequently those investments fundamentally restructured the Hungarian tourism market, but in many cases, as a result of the not so adequate planning process or intense market changes, there were numerous negative characteristics (Csapó et al. 2017). In the recent decades, especially since the 2000s, the spa development and the relative geographical distance or proximity of these investments have challenged the competitiveness of all the spas and their sustainability. Local governments often became bankrupt due to the “over-investments” or the frequent change of the owners (Csapó et al. 2011).

Thus the author could conclude that tourism development, via strongly (over-)financed spa (re-)construction was already reached via national/mainstream EU funded Programmes in Hungary and the EU financed cross-border co-operation was not necessary, but just an additional and complementary source of funding. On the other hand the tourism potential of the Croatian–Hungarian EU cross-border co-operation could be better utilised if not just geographically scattered investments were financed in general (see chapter 5.10), but some joint and complementary programmes would have been created. Health tourism has had huge potential in this border zone. There are five spas (Lenti, Letenye, Barcs, Harkány and Siklós) in direct

proximity of the Croatian border, but generally the foreign guest nights rate is below the national average in Hungarian spas which are located near border (Martyin, 2012).

The Hungarian border counties Zala, Somogy and Baranya are from touristic aspect more developed than the Croatian side, mainly thanks Balaton and wellness tourism. This situation is vice versa – while Croatia as a country shows stronger figures and depends much more on tourism, the Hungarian part of the border area on county (NUTS III) level has one of the strongest impacts on the country's tourism results. Southern Transdanubia, NUTS II region where Somogy and Baranya counties belong, has the highest number of bed-places in accommodation establishment per thousand inhabitants in Hungary ([http://www.ksh.hu/interaktiv/terkepek/mo/idegenf\\_eng.html?mapid=OGA001](http://www.ksh.hu/interaktiv/terkepek/mo/idegenf_eng.html?mapid=OGA001)). From touristic perspective the Croatian part of the border area is again at the periphery of the country.

## 5.5. History of the Croatian–Hungarian cross-border co-operation

The previous chapters elaborated historical and geographical specificity of the Croatian–Hungarian border area; furthermore the role of tourism in the economies of Croatia and Hungary was needed to detect the background and the endowments for cross-border co-operation, specifically in the thematic field of tourism. This chapter intends to reveal the history and development of cross-border co-operation along the Croatian–Hungarian border in order to better understanding the specific topic of the dissertation.

The Hungarian–Croatian cross-border co-operation started in the year 2002, when local actors along the border initiated the creation of the Hungary–Croatia Pilot Small Projects Fund within the framework of the Hungarian National PHARE Programme. The Pilot Small Projects Funds were afterwards launched in 2003 as well (Čelan 2011). Their main goal was to support non-profit cross-border co-operation (CBC) and to prepare Croatian organisations alongside the joint border for future Interreg funding opportunities.

In both pilot Calls for Proposals, in 2002 and 2003, co-financing was only possible on the Hungarian side, with 14 projects in the first and further 17 projects in the second year (Váti Kht, 2006). All projects were soft (without any works component), with the maximum subsidy/grant of 50,000 euro. Most of them were so-called people-to-people and tourism projects (joint culture heritage, wine routes, online tourism information system development) showing already the direction of interest of potential beneficiaries in the future. With roughly 100 applications

received, it was a modest beginning of the Hungarian–Croatian CBC, but the roots of the current co-operation originate from those times.

In the period of 2004-2006 the cross-border co-operation between Hungary and Croatia formed a trilateral co-operation completed with Slovenia in the Neighbourhood Programme. The Neighbourhood approach meant a significant development in co-operation along the external borders of the European Union, incorporating external (CARDS/PHARE for Croatia) and internal (ERDF) EU financial sources in the same Programme (<http://www.hu-hr-ipa.com>). A major step forward for the Croatian partner organisations was that in this case the funds were opened to them as well, making them fully equal project participants (Rózsa, 2014). Compared to Small Project Funds in 2002-2003 and 31 projects financed in Hungary, in the 2004-2006 trilateral period 86 projects were contracted on the Hungarian side (286 applications were submitted) in the amount of 13.16 million euro and 61 were contracted on the Croatian part of the border (out of 161 submitted) with 6.92 million euro.

The projects were financed within two priorities: Sustainable development and Economic-social cohesion and Human resources development. The latter included the measure for joint tourism and culture space (Community Initiative Interreg IIIA SLO-HU-CRO, 2008). Besides the novelty that Croatian organisations from the four border counties with Hungary (and seven with Slovenia) were eligible for funding, the maximum allowed subsidy/grant per project was several times higher (e.g. grant was 400,000 euro in Croatia) than in the Pilot Small Projects Funds, furthermore works/infrastructure component could also be implemented.

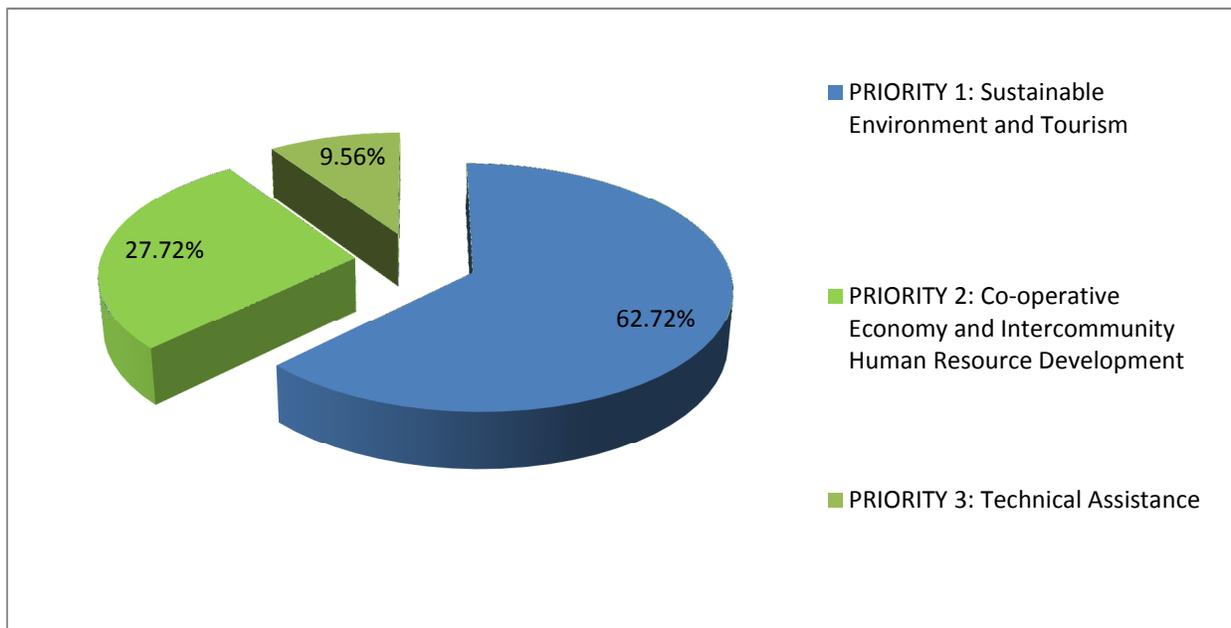
Although it was a huge step forward, the financing was imbalanced – the amount of the received grants was twice more on the Hungarian side (13.16 vs. 6.92 million euro) due to a larger allocation from the ERDF as well as stronger experience. Cross-border co-operation between the three countries was more dispersed and majority of projects were single, mirror or co-operative, while only five real jointly implemented projects existed on the Hungarian-Croatian border area. The Instrument for Pre-Accession Assistance (IPA) had the task from 2007 to mitigate those imbalances and to set a more integrated approach in the CBC programme and project implementation.

The Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 was approved by the European Commission on the 13<sup>th</sup> of March 2008. The Programme allocated originally 52,433,025 euro of Community funding (EU contribution) for seven years, but after

the accession of Croatia to the EU in 2013 an additional allocation of 2.4 million euro was added.

The planning of the Programme was considered to be rather important, as IPA brought significantly better financial allocations to joint and balanced Hungarian–Croatian co-operation. The final EU contribution amounted to 54.8 million euro: of IPA and ERDF for the seven-year budgetary period (Figure 9). This was the first source of funding which was directly assigned to the border area. Current Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 is a successor of HU-HR (IPA) CBC Programme 2007-2013. The results of the Programme(s) will be further elaborated in the forthcoming chapters of the dissertation.

*Figure 9: The financial allocation of the HU-HR (IPA) CBC Programme 2007-2013 (share of priorities)*



Source: Own editing based on the <http://www.hu-hr-ipa.com/en/downloads/programming-document>, Hungary–Croatia (IPA) Cross-border Co-operation Programme – Programming Document for the period 2007-2013, CCI NUMBER: 2013CB163PO002, approved on 18 December 2013

## 5.6. The EU Cohesion Policy and the role of IPA/ERDF and ETC/Interreg in the EU budgetary periods 2007-2013 and 2014-2020

Cohesion Policy is the strategy of the European Union with the aim to promote and support the harmonious development of its Member States and EU regions and cities. The EU's Cohesion Policy aims to strengthen economic and social cohesion by reducing disparities in the level of development between regions ([https://ec.europa.eu/regional\\_policy/en/policy/what/glossary/c/cohesion-policy](https://ec.europa.eu/regional_policy/en/policy/what/glossary/c/cohesion-policy)). Approximately 32.5 % of the EU budget 2014-2020 (equivalent to ca. EUR 351.8 billion over seven years at 2014 prices) is allocated to financial instruments which support cohesion policy.

The Instrument for Pre-Accession Assistance (IPA) has been the European Union (EU) financial assistance offered to countries engaged in the accession process. IPA I instrument was a significant step ahead for Croatia before the accession to the European Union (<http://arhiva.strukturnifondovi.hr/ipa-2007-2013>), from both allocation and implementation aspects. Replacing several previous financial instruments (PHARE, SAPARD, ISPA, CARDS) it brought much larger financial envelope to Croatia than before, with 997.6 million euro available. After accession to the European Union in 2013 and with the access to Structural and Investment funds, allocation in the 2014-2020 perspective has been more than 10 times higher than in the IPA I perspective (<https://strukturnifondovi.hr/eu-fondovi/esi-fondovi-2014-2020/>). Out of 10.7 billion euro, 8.4 billion is assigned to the Cohesion Policy objectives in Croatia (<https://cohesiondata.ec.europa.eu/countries/HR>).

On the other hand, Hungary who started its EU accession much earlier than Croatia has not used IPA as the instrument, being at that time already an EU Member State. The PHARE (in French: *Pologne, Hongrie Aide a la Reconstruction économique*) programme was already launched in 1989 by the European Communities. The original purpose was to provide support in strengthening democracy, training experts for market transformation and establishing of new institutions. Focus was shifted from 1998 to help beneficiary countries ensuring conditions necessary for accession to the EU. Economic and social cohesion was the main objective of PHARE after 2000, laying emphasis on building institutions and to 'twinning' programmes, from which Hungary strongly benefitted from improving efficiency of its institutions (Kaszás et al. 2016). After accession to the European Union in 2004, EU financial support to Hungary has been

steadily increasing. Allocation to Hungary in the 2014-2020 perspective from European Structural and Investment Funds (ESIF), distributed through nine national programmes, amounts to 25 billion euro (<https://cohesiondata.ec.europa.eu/countries/HU>).

Information sources available at the Regional policy website of the EU state that 37.5% of the EU citizens live in the border areas defined by 38 international borders ([http://ec.europa.eu/regional\\_policy/hu/information/publications/reports/2015/cross-border-cooperation-in-the-eu](http://ec.europa.eu/regional_policy/hu/information/publications/reports/2015/cross-border-cooperation-in-the-eu)). The main aim of cross-border co-operation is to reduce the negative effects of borders as administrative, legal and physical barriers; furthermore to tackle common issues and offer solutions (Timothy et al. 2013).

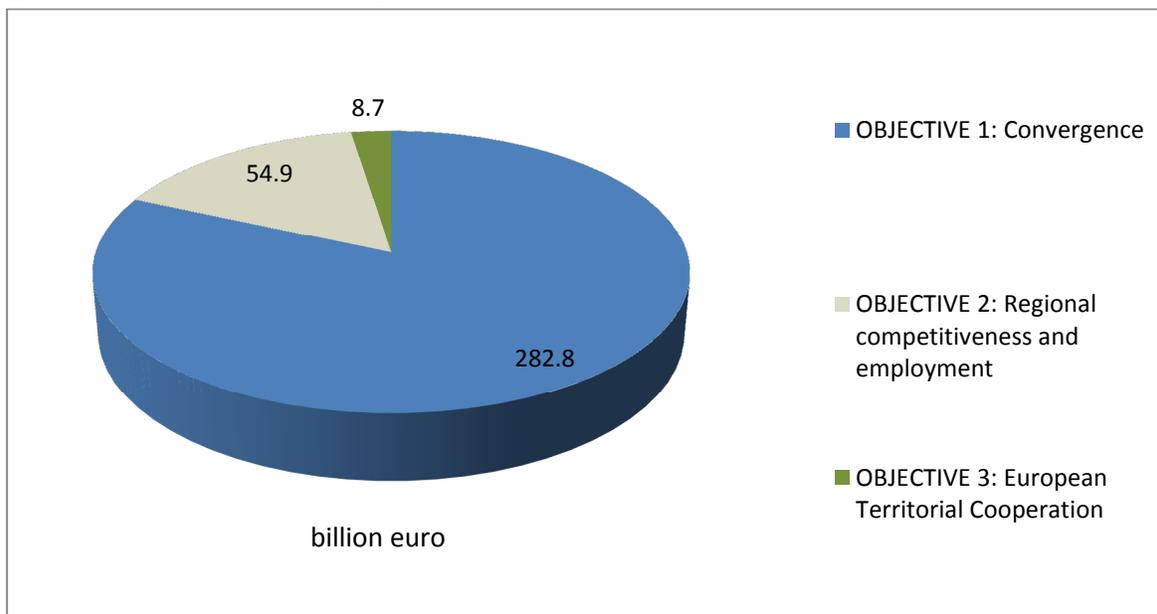
Cross-border and transnational co-operation started as a separate Community (EU) initiative funded by the European Regional Development Fund (ERDF) in 1990 (Čelan 2011). Since then the importance and financial envelope within the ERDF has gradually increased. The initiative developed through different stages of Interreg (*Interreg I, Regen Initiative, Interreg II, Interreg III*) whilst in the previous financial perspective (2007-2013) it became as the European Territorial Co-operation (ETC) one of the three objectives of the EU Cohesion Policy, next to Convergence and Regional Competitiveness and Employment. It aimed to reinforce co-operation at cross-border, transnational and interregional level and it acts as a complement to the two other objectives. Co-operation between Member States continued to be financed from the European Regional Development Fund (ERDF).

On the other hand from 2007 the co-operation with countries outside the European Union was not anymore supported by the Structural Funds but by two new financial tools: the European Neighbourhood and Partnership Instrument (ENPI) and the Instrument for Pre-Accession Assistance (IPA). Cohesion Policy encourages regions and cities from different EU Member States and from potential and candidate EU countries with the help of IPA I and IPA II (IPA II in 2014-2020 EU perspective) instruments in the budgetary period to jointly co-operate and learn from each other through joint programmes, projects and networks. The Hungary–Croatia Cross-border co-operation Programme until the Croatian accession to the EU of 1 July 2013 belonged to IPA.

Starting with the previous 2007-2013 EU budgetary period the system setup went through simplification and the fact that the European Territorial Co-operation (ETC) grew to be a new Cohesion Policy objective marked a major step forward. ETC as one of the objectives could

more directly address the problems of the border regions in Europe and call for development of those areas. Still, it is hard to discuss its effects on regional development if only 2.5% i.e. 8.7 billion euro of the available funds for the EU Cohesion 2007-2013 policy (346.4 billion euro) was allocated for the ETC (Figure 10). The geographical and socio-economic features of the programme areas as well as the physical and political nature of the covered borders are very heterogeneous, at the same time the programmes have varied considerably in their financial size.

**Figure 10: The financial allocation per objectives of the EU Cohesion Policy 2007-2013**



Source: Own editing based on the [http://ec.europa.eu/regional\\_policy/index.cfm/en/funding/available-budget/](http://ec.europa.eu/regional_policy/index.cfm/en/funding/available-budget/) and [http://ec.europa.eu/regional\\_policy/sources/docgener/presenta/working2008/work\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/presenta/working2008/work_en.pdf)

Consequently only the micro developments on the given territories can be assessed. In this dissertation paper the Hungary–Croatia (IPA) CBC Programme 2007-2013 and its influence on the regional development of the border area will be analysed. It has to be noted that 52 cross-border, 13 transnational, 4 interregional programmes, furthermore 10 IPA (with Hungary–Croatia and Slovenia-Croatia) and 12 ENPI programmes were operating between 2007 and 2013. The European Commission has summarised the data on the whole Cohesion Policy (<https://cohesiondata.ec.europa.eu/>), but on the territorial co-operation level there is no thorough statistical analysis, except ex-post evaluation report of the European Territorial Co-operation for 2007-2013 period, with the main aim to assess the results of Interreg/ETC programmes.

The outcomes of the ex-post evaluation for the ETC period of 2007-2013 are summarised in the Work Package 11 (European Territorial Co-operation) of the Ex-post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), available at: [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp11\\_final\\_report.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp11_final_report.pdf). Cross-border co-operation programmes funded over 6,800 projects, with a particular focus on innovation and entrepreneurship, environment, transport, tourism and culture. More than half of projects were related to the topics such as tourism, culture, sport, health and safety i.e. improving a quality of life. In the conclusion part of the report it is emphasised that beyond the outputs and results at project level, the programmes also contributed to wider effects. Significantly in terms of alleviating specific barriers to co-operation and of better social integration.

Among the factors influencing the effect of Interreg programmes and harder realisation of set objectives, the financial weight of the programmes, marginal to the other European Structural and Investment Funds (ESIF) Programmes, had a crucial role ([http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp11\\_final\\_report.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp11_final_report.pdf)). Furthermore, some other problems were pointed out: not all NUTS III level units are relevant for dealing with cross border challenge (author of the dissertation also elaborates similar problem in forthcoming chapter 5.7), low level of co-ordination between Interreg and other ESIF programmes and not much sharing of project results between regional stakeholders and central/regional/local authorities. Author considers that ex-post evaluation pointed out problems that could be also linked to HU-HR (IPA) CBC Programme 2007-2013

As of people's awareness and perceptions of EU regional policy the Analytical report from October 2010 (Euro-barometer survey requested by EC) showed that 79% of the EU citizens never heard of the EU cross-border co-operation (source: [http://ec.europa.eu/public\\_opinion/flash/fl\\_298\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_298_en.pdf)). Thus, in the reformed EU Cohesion Policy 2014-2020, although kept as the objective, the common and popular re-branded name Interreg has been used again instead of the ETC with the aim of making cross-border co-operation more recognisable on the European (EU) level. It is also to be noted that according to Flash Eurobarometer 452, Citizens' awareness and perceptions of EU regional policy (Publication in June 2017, European Commission; source:

[https://data.europa.eu/euodp/data/dataset/S2145\\_452\\_ENG](https://data.europa.eu/euodp/data/dataset/S2145_452_ENG)) published in 2017, only 13% of respondents have heard of Interreg, and that 78% of the EU citizens never heard about the EU funded cross-border co-operation.

The total allocated amount for territorial co-operation has increased to 9.4 billion euro and 2.6% of the available funds within the EU Cohesion Policy 2014-2020 ([http://ec.europa.eu/regional\\_policy/index.cfm/en/funding/available-budget/](http://ec.europa.eu/regional_policy/index.cfm/en/funding/available-budget/)), however it is not realistic to expect major developments, which can only be realistic in bilateral CBC programmes with larger allocations and well established, functional management.

### 5.7. The role of the Hungary–Croatia (IPA) CBC Programme 2007-2013 and Interreg V-A Co-operation Programme 2014-2020 in the development of the border area

The Hungary–Croatia IPA Cross-border Co-operation Programme one of the 'new generation' of CBC programmes in the budgetary period 2007-2013, belonged to the second component of IPA, covering co-operation between one EU Member State and one EU Candidate Country. This chapter intends to reveal the author's analysis of the Hungary–Croatia (IPA) CBC Programme 2007–2013 (Figure 11) and the Interreg V-A Co-operation Programme 2014–2020 focusing on the development aspects of the border area.

The aim of IPA has therefore been to enhance the efficiency and coherence of aid by means of a single framework (replacing several previous financial instruments functioning between 2000 and 2006 - PHARE, SAPARD, ISPA, CARDS) in order to strengthen institutional capacity, cross-border co-operation and economic, social and rural development (Čelan, 2011). In this bilateral Programme the Participating Countries, Hungary and Croatia established in 2008 a '*shared management system*', which proved to be more integrated and joint than ever before.

A single set of the management structures was created: single Managing, Certifying and Audit Authority in Hungary as the EU Member State and the Joint Technical Secretariat (JTS) in Budapest, as the main operational joint body of the Programme (Rózsa, 2014). In practice, it meant a single and only one signed subsidy contract with the Managing Authority for one project (vs. separated contracts per each country in SLO-HU-CRO 2004-2006 period, or just funding on the Hungarian side as in Hungary – Croatia Pilot Small Project Fund 2002-2003). Focus has been on Croatia as the Candidate Country for the EU Membership and on technical assistance for the future membership period (*Hungary–Croatia JTS – Bedeniković, Čelan and Szűcs 2013*).

**Figure 11: The Programme Area of the HU-HR (IPA) CBC Programme 2007-2013**



Source: [http://www.hu-hr-ipa.com/en/programme\\_area](http://www.hu-hr-ipa.com/en/programme_area)

Out of the available funding (54.8 million euro of EU contribution IPA+ERDF for the seven-year EU budgetary period) 90.5% was available for developing and implementing projects within two priorities. The remaining funds were used for technical assistance activities. The Programme offered a wide range of opportunities to potential beneficiaries in the framework of Sustainable Environment and Tourism and Co-operative Economy and Intercommunity Human Resource Development priorities (Table 3).

The HU-HR (IPA) CBC Programme 2007-2013 had a non-profit character and thus it was open to non-profit organisations only, for various projects in content and size of subsidy. Projects for example could develop sewage systems; build waste water treatments plants or do de-mining of the joint border area (up to 3 million euro of EU contribution). Joint labour mobility, educational, research, people to people or bilingualism projects were also possible to be implemented. In the last Call for Proposals building tourism infrastructure, bicycle paths and joint cultural heritage were new areas for which projects could apply (Csapó et al. 2015/b).

**Table 3: Priorities and actions of the HU-HR (IPA) CBC Programme 2007-2013**

<b>Priority / Area of intervention / Action</b>
<b>Priority 1 – Sustainable Environment and Tourism</b>
<b>1.1 Sustainable and Attractive Environment</b>
1.1.1 Development of landscapes in the Mura-Drava-Danube area and its natural and rural surroundings
1.1.2 Environmental planning activities and minor public actions to improve the quality of the environment in the natural areas
<b>1.2 Sustainable Tourism in the Mura-Drava-Danube River Area</b>
1.2.1 Elaboration of a regional tourism product plan
1.2.2 Development of infrastructure for active and ecotourism: visitor centres, forest schools, water sport infrastructure, bicycle routes, trekking-hiking paths, rentals
1.2.3 Thematic routes of cultural heritage
1.2.4 Promotion of the river area as a single touristic product
1.2.5 Private investment attraction
<b>Priority 2 – Cooperative Economy and Intercommunity Human Resource Development</b>
<b>2.1 Co-operative Economy</b>
2.1.1 Cross-border business partner finding
2.1.2 Cross-border labour market mobility promotion
2.1.3 Joint research, development and innovation
2.1.4 Joint local planning, strategies, programmes
<b>2.2 Intercommunity Human Resources Development</b>
2.2.1 Joint cross-border education and other training projects between educational institutions
2.2.2 People to people actions
2.2.3 Bilingualism actions

Source: Own editing based on the data published on the <http://www.hu-hr-ipa.com/en/priorities>

One of the most important features of the Programme was the Lead Beneficiary/Lead Partner principle. It was basic requirement for all projects and meant that one beneficiary/partner, either from Hungary or from Croatia, had a leading coordination role in the project with contractual obligations towards the Managing Authority, signing one Subsidy contract on behalf whole partnership. In order to have joint projects with a real cross-border effect, project partners from both countries had to be obligatory involved in every project. Projects had to be planned and implemented according to the joint co-operation criteria: joint planning, joint staffing, joint financing and joint implementation, having impact on both sides of the border.

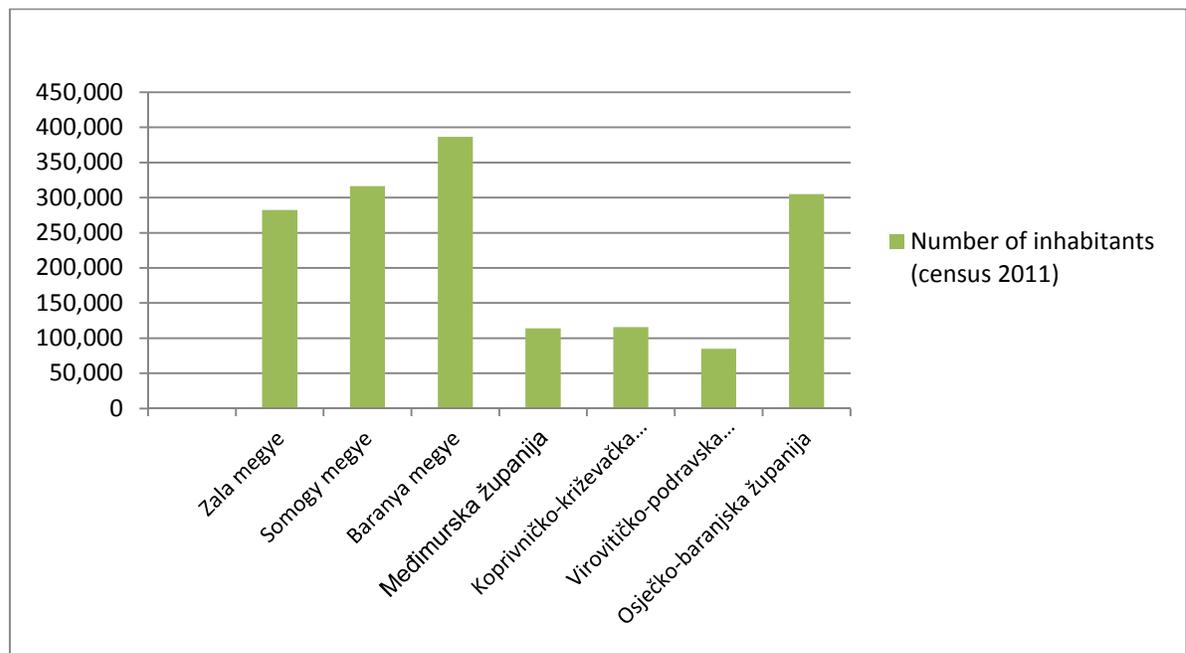
Three Calls for Proposals (CfP) of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 were launched from 2009 to 2012 by the National Development Agency of Hungary (at that time Managing Authority of the Programme) with the support of the Croatian Ministry of Regional Development and EU Funds. The relevant Joint Monitoring Committee (JMC) decided about the lists of projects to be supported. Out of total number of applications (315) in all three CfPs, 169 genuinely joint projects selected by the JMC signed subsidy contracts. Until the end of the Programme closing year 2016 ([www.hu-hr-ipa.com](http://www.hu-hr-ipa.com)), 26.7 million euro were allocated to Hungarian and 26 million euro were allocated to Croatian organisations.

In the 2007-2013 period the main thematic focus of the bilateral HU-HR (IPA) CBC Programme was on environmental/nature protection and tourism. At the same time with the “regular” First CfP, the Specific Call for Proposals for *Action 1.2.1- Elaboration of the regional tourism product plan (RTPP)* was opened and closed (March-June 2009). A Hungarian–Croatian Regional Tourism Product Plan was developed (Varjú et al. 2013) until March 2011 (<http://www.hu-hr-ipa.com/en/funded-project/8>), as an extensive document with more than 600 pages, creating a joint tourism strategy and the basis for all other later HU-HR tourism projects.

The Handbook to Tourism Projects in the Hungary–Croatia IPA Cross-border Co-operation Programme, which summarised the most important RTPP findings, was prepared and published (in September 2011) in an applicant and public friendly way on the official website (<http://www.hu-hr-ipa.com/en/open-calls-for-proposals/16>). This document served as the basis for application for tourism project proposals (Csapó et al. 2014). However, the highest interest showed for the third CfP (154 applications were submitted, so half of all applications in the whole Programme period), proving that tourism gained special attention of the potential

project partners and Lead Beneficiaries. The impact of these projects on the Programme and on regional development cannot be estimated in the author's opinion, as complex and thorough, but individual and locally based in the areas where projects were implemented. Although there is, besides tourism, constant increasing and spreading amount of environmental related co-operations, the limited number of partners and the spatial density of the connections could not facilitate the extension of environmental network for the whole area (Varjú, 2016).

**Figure 12: Population of Croatian and Hungarian border counties**

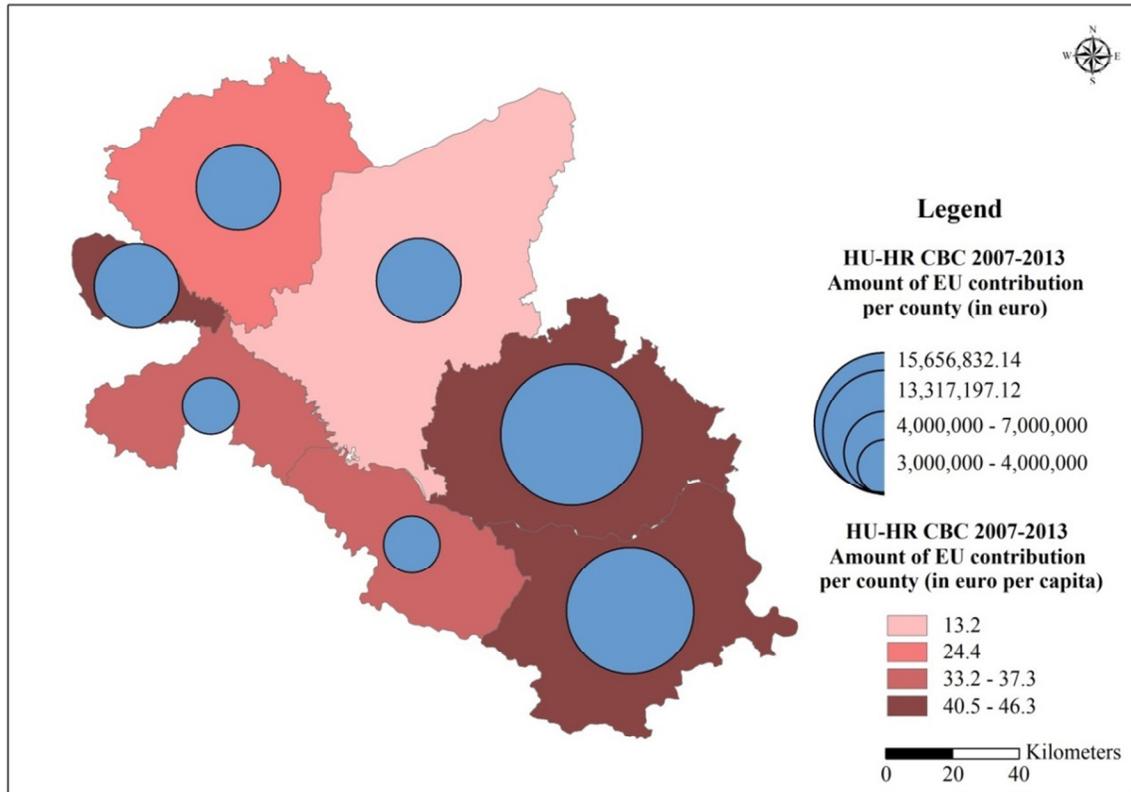


Source: Own editing based on [http://www.ksh.hu/nepszamlalas/detailed\\_tables](http://www.ksh.hu/nepszamlalas/detailed_tables) (Hungarian Central Statistical Office), and CROSTAT (Croatian Central Bureau of Statistics) Censuses in 2011- [www.dzs.hr](http://www.dzs.hr)

Counties (NUTS III units- *Figure 12*) can be compared based on the contracted amount of the funds to the abovementioned 169 joint projects (*Figure 13*). Out of the contracted amount (52.7 million euro), 28.97 million euro (55%) was allocated to two eastern counties, Baranya in Hungary and Osječko-baranjska in Croatia. By checking the relative numbers in euro per capita per county (*Figure 13*), in average 34 euro per capita was received per county. It is obvious that all four Croatian counties are at the average level or above it, whilst on the Hungarian side only Baranya. Zala is below the average; furthermore, Somogy can present very low benefit from the cross-border Programme. Diána Rózsa, first Head of the Hungary–Croatia JTS, in her interview (question 8/ Appendix II) emphasised: “At the same time some regions (such as Somogy) could

even showcase in the past that no more than 15 participants were present on the Info days at the time of the opening of the Call for Proposals in their county, thus the projects they won could not contribute to the development of the border area.”

**Figure 13: Euro per capita per county for all 169 projects of HU-HR (IPA) CBC 2007-2013**



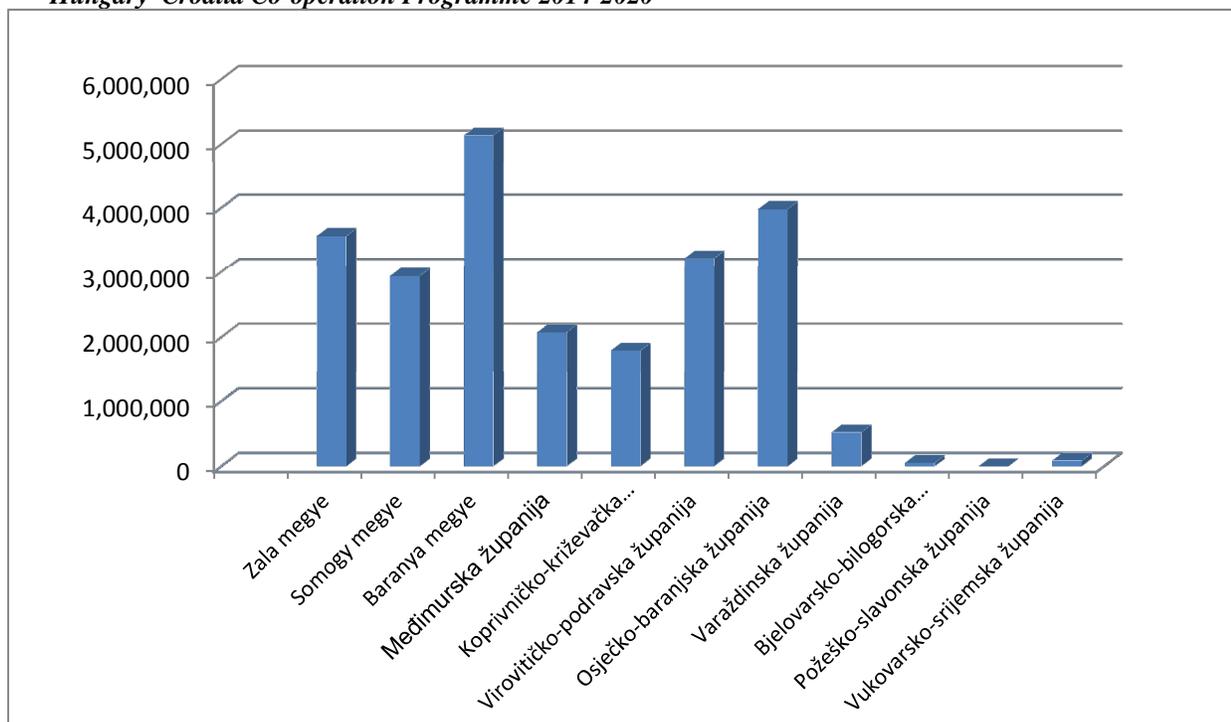
Source: Own editing based on the 169 supported HU-HR (IPA) CBC 2007-2013 projects and data published on the [www.hu-hr-ipa-cbc.com](http://www.hu-hr-ipa-cbc.com)

The Croatian border side better utilised its participation in the Programme, because the initial allocation share to the Programme funds (source: [www.hu-hr-ipa.com](http://www.hu-hr-ipa.com)) was 66.66% (Hungary) and 33.34% (Croatia). Although it has to be noted that the data of four Croatian adjacent counties have not been analysed (Figures 12, 13, and 17) due to their low amount of spending (Figure 14). Out of the possible 20% of the funds in the Programme lifecycle they used only 0.8% (414 131 euro). In the new 2014-2020 period, after the integration of the previous adjacent counties, the tendency became slightly better for Varaždinska and Vukovarsko-srijemska counties (Figure 14).

In the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 one open Call for Proposals was launched and closed in 2016, with 207 submitted applications. Majority of funds were requested for tourism. The amount of the requested support for projects within First

Call for Proposals (CfP) of the Programme was 20 million euro higher than the available funds (60.8 million euro) for the whole seven year budgetary period.

**Figure 14: Division of euro per county for 54 selected projects, First Call for Proposals of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020**



Source: Own editing based on the data published on the [www.huhr-cbc.com](http://www.huhr-cbc.com)

Finally, the Monitoring Committee (MC) selected 54 projects within the First CfP in March 2017 (<http://www.huhr-cbc.com/en/news/first-call-for-proposals--press-release--234-million-euro-awarded/244>). Out of 54 selected projects in the 1<sup>st</sup> CfP, 17 were tourism projects: 7 tourism attractions, 6 bicycle paths and 4 thematic routes. 23.4 million euro was allocated to 54 selected projects; out of it 15.5 million euro went to 17 tourism projects (chapter 5.10).

It is important to emphasise that an ample amount of Interreg V-A Hungary–Croatia Co-operation Programme funds (9.96 million euro of EU contribution/16.38%) was allocated to the Priority 1 – Enhancing the Competitiveness of SMEs (Table 4). That Priority has not been handled via the standard Call for Proposals application system, but a special B-light scheme. The impact of the projects on the SMEs and consequently, on the Programme area could only be assessed after the project implementation is over i.e. after July 2021 (source: <http://www.huhr-cbc.com/en/newsletter-read/trategic-projects-/84>, <http://hamagbicro.hr/bespovratne-potpore/b-light/grant-shema-b-light/>).

**Table 4: Priorities and components of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020**

<b>Priority / Component</b>
<b>Priority 1 – Enhancing the Competitiveness of SMEs</b> <i>(Special B-light scheme, not under the standard Call for Proposals application system)</i>
<b>Priority 2 – Sustainable Use of Natural and Cultural Assets</b>
2.1.1 Bicycle paths
2.1.2 Tourism attractions
2.1.3 Thematic routes and other tourism products
2.2.1 Restoring the ecological diversity in the border area
<b>Priority 3 – Co-operation</b>
3.1.1 Thematic co-operation
3.1.2 People-to-people co-operation
<b>Priority 4 – Education</b>
4.1.1 Co-operation in higher education
4.1.2 Co-operation in preschool, primary and secondary education and adult education

Source: Own editing based on the data published on the [www.huhr-cbc.com](http://www.huhr-cbc.com)

The author has to point out that out of 54 selected projects in the 1<sup>st</sup> CfP Croatian organisations are Lead Beneficiaries in 34 projects, whilst there are 20 projects with Hungarian Lead Beneficiaries. It is an important change in the 2014-2020 period (source: <http://www.huhr-cbc.com/en/list-of-successful-projects--first-cfp>), compared to HU-HR (IPA) CBC Programme 2007-2013 where Hungarian organisations had dominant role as Lead Beneficiaries: out of 169 projects, Hungarian organisations were LBs in 112 cases, while Croatians in 57 projects (source: <http://www.hu-hr-ipa.com/en/project-database>). Based on his professional experience in the Programme the author considers that successful implementation of projects and better results

than expected in HU-HR (IPA) CBC Programme 2007-2013 (see chapter 5.9, outcome of questionnaire with beneficiaries and the interviews with the regional stakeholders), encouraged Croatian organisations in the border area with Hungary, as well as Croatian regional members of the Monitoring Committee, to have stronger orientation towards Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020.

From the submitted questionnaires (out of 17 sent, in total 14 were received; all nine Croatian LBs sent back filled in questionnaire, and from eight Hungarian LBs five submitted), it is also rather clear that Croatian LBs are recently more proactive and time-line oriented. These observations are further elaborated in chapter 5.9.

## 5.8. Analysis of the Regional Tourism Product Plan (RTPP) of the Hungary–Croatia (IPA) CBC Programme 2007-2013

This subchapter highlights the author’s evaluation of the Regional Tourism Product Plan (RTPP) of the Hungary–Croatia (IPA) CBC Programme 2007-2013 in order to receive a focused in depth analysis of the results and problems appeared during the programming in the analysed region. Two-step tourism development in the HU-HR (IPA) CBC Programme 2007-2013, included as a first step preparation of a Regional Tourism Product Plan (RTPP) for the Mura-Drava-Danube River Area. It was elaborated as a result of a special, strategic oriented project (Specific Call for Proposals (CfP), for Action 1.2.1.) Only after the finalisation and approval of RTPP, could the Programme launch open Call for Proposals in the field of tourism with the condition that selected projects have to be aligned with the RTPP. There was no similar methodology applied within similar programmes in the period 2007-2013 in relation to tourism development, thus the HU-HR (IPA) CBC Programme was considered to be a unique positive example. The idea behind the RTPP shows a high commitment towards a strategy oriented development in the thematic field of tourism (Hitesy et al. 2014).

Besides the “regular” first Call for Proposals (CfP), the Specific CfP for Action 1.2.1 – Elaboration of the Regional Tourism Product Plan (RTPP) was opened in 2009. Potential consortia could submit their project proposals until end of June 2009 in line with the rules set out in the Specific Guidelines for Applicants of Action 1.2.1 and in the Technical Specifications. The RTPP had to be elaborated so that tourism actions 1.2.2 to 1.2.5 (Table 3) could be interconnected with its content. The RTPP was developed in the period between March 2010 and

March 2011, as an extensive document with more than 600 pages creating a joint tourism strategy and a basis for all HU-HR tourism projects (Varjú et al. 2013). The Handbook to Tourism Projects summarised the most important RTPP findings and it was published in September 2011 in an applicant friendly way on the official website of the Programme.

During the analysis of the RTPP, as well as the implementation of the HU-HR (IPA) CBC Programme 2007-2013, the author realised that the Regional Tourism Product Plan entailed serious risks that were not completely foreseen by the planners and the decision makers (Task Force) at the time of planning phase in 2006 and 2007, when they decided for reaching out for such a strategy. The purpose of the specific Call for Proposal for Action 1.2.1: Elaboration of a Regional Tourism Product Plan was to select the cross-border partnership of organisations that will prepare the extensive plan. Problems in the application of the RTPP in practice however incurred, which will be presented in the followings:

#### **a) Lack of expertise in the region**

In a border area with limited cross-border academic connections and lack of capacity for such professional expertise, it was hard to expect a large number of quality applications for developing a comprehensive tourism development plan. On the Hungarian side, at least every county ranked town (Zalaegerszeg, Nagykanizsa, Kaposvár, Pécs) had university level education. On the Croatian side until 2013 (when the University North in Koprivnica and Varaždin was established), there was only one university centre in Osijek. There is still neither geographical institute nor there is possibility to do geographic studies on the BA/MA level in that part of Croatia, such possibility exists only in Zagreb and Zadar (Čelan, 2014). The only competent actors on the Croatian side of the border area were the regional development agencies with their management experience. Still they had to outsource the professional expertise related to the elaboration of the RTPP to the organisations in other parts of Croatia, such as Institute for Tourism in Zagreb.

Failing to find a project partnership for the RTPP elaboration would lead to probable losing of funds or modification of the Programming Document, and as a consequence, huge delays in the implementation of the Programme. Professional competences and required references defined in the Technical Specification for the elaboration of the RTPP were demanding for the organisations in the border area. The requirement set in the in the Technical

Specification that the project partners selected for developing the RTPP would be limited in applying on later tourism CfP was also an important factor that decreased the number of potential applicants.

During the information days organised in April 2009 by the JTS it became clear that the interest for applying was rather low. Only two project proposals were submitted until the deadline for the elaboration of the RTPP (Čelan, 2015). Concerns and criticism expressed by applicants and Joint Monitoring Committee (JMC) members (*elaborated also in this dissertation under the Chapters 3 (Methodology of the research) and 10 (Appendix)*) were mitigated with the selection of one project in October 2009. Contently, rather mixed partnership was composed by the Lead Beneficiary: University of Pannonia, Nagykanizsa, and with Project Partners: Regional Development Agency of Slavonia and Baranja from Osijek, Centre for Economic and Regional Studies of Hungarian Academy of Sciences in Pécs and Development Agency of Town Čakovec.

#### **b) Programme level documents were not in harmony**

The Programming Document of the HU-HR (IPA) CBC Programme foresaw four different tourism actions (Table 3):

- 1.2.2 Development of infrastructure for active and ecotourism: visitor centres, forest schools, water sport infrastructure, bicycle routes, trekking-hiking paths, rentals
- 1.2.3 Thematic routes of cultural heritage
- 1.2.4 Promotion of the river area as a single touristic product
- 1.2.5 Private investment attraction

The Technical Specification for the Specific Call for Proposals for Action 1.2.1 Elaboration of the Regional Tourism Product Plan specified that the RTPP should list the eligible activities within the mentioned tourism actions. Still, the structure of the RTPP defined by the Technical Specification was not harmonised with the Programming Document (OP) and the needs of future Calls for Proposals. The prescribed structure obliged to prepare an extensive plan elaborating seven modules with 16 tasks (Váti Nonprofit Kft, 2009). The modules were:

1. *Overall concept for the whole eligible area,*
2. *Setting up the GIS basis with data collection and landscape and spatial analysis,*
3. *Marketing strategy,*
4. *Specific plans of bicycle networks of the region,*

5. *Water related types of tourism,*
6. *Plan of trekking, hiking,*
7. *Equestrian tourism plan.*

The modules were not fitting the actions of the OP. With such requirements it was clear that the future RTPP, no matter whether it might be a good document, would significantly deviate from the needs of the Programme, thus its application in “real life” might cause problems. In the Technical Specification, a separate table was published with the indicative time of tourism Calls for Proposals, based on the advancement of the preparation of the RTPP modules. The table was not realistic, due to the complexity of tasks and aforementioned incompatibility of Programme level documents.

#### **c) RTPP had to be adopted to the needs of the Programme and to the applicants**

After the finalisation of the RTPP in March 2011, it was concluded that the Calls for Proposals for tourism could not be launched on the basis of the too lengthy document (644 pages). Thus, it had to be shortened and its content had to fit to the logic of the Programming Document and to the future tourism Call(s) for Proposals. New external experts had to be hired urgently for preparing a summary document. This is how the Handbook to Tourism Projects (126 pages) was created and published in September 2011 in an applicant friendly way on the official website of the Programme, containing the most important findings of the RTPP. In practice instead of one plan and strategy, the Programme was supplied with two documents, produced by one strategic project and by another group of outsourced experts (it is further elaborated in this chapter based on the outcome of the interviews with two heads of the JTS/JS).

#### **d) De-commitment pressure and meeting Programme objectives**

Deadlines were tight from all aspects. For the implementation of RTPP project partners had 12 months. The Handbook to Tourism Projects had to be quickly produced during the summer time to enable the launch of the Call for Proposals for tourism actions, in November 2011. After successful selection of tourism projects in autumn 2012, the first of them started their implementation only in February 2013. Most of the funds (75%) of the selected projects were allocated to the development of infrastructure for active and ecotourism and bicycle routes with large works and equipment procurements that could cause additional delays. Thus, the time-

consuming preparatory phase entailed a significant risk for the de-commitment (rule n+3) of the Programme funds.

The disadvantage of this approach, identified also in the ongoing evaluation of the HU-HR (IPA) CBC Programme 2007-2013 (Hitesy et al. 2014), was that it proved to be slow with a consequence that a significant amount of Programme funds (40%) could only be spent at the end of the programme period. It caused a considerable three-year delay in launching the call for tourism related projects having infrastructural investments and needing more time and bigger amount of subsidy. Due to the late start of tourism developments, the target values (Table 7) of several Programme level indicators (set in the Programming document: <http://www.hu-hr-ipa.com/en/downloads/programming-document>) were not met or only met at the end of the Programme implementation in 2016 (Chapter 5.10). The fact that the Programme objectives would probably be achieved, but only at the final stage, was one of the conclusions of the ongoing evaluation (Hitesy et al. 2014).

Three Calls for Proposals (CfP) of the Programme were launched and the Programme saw the largest interest in the third Call for Proposals. 154 applications were submitted, out of which more than half (81) applied for tourism actions, proving that tourism gained the biggest attention of potential Lead Beneficiaries and Project Partners. Tourism actions 1.2.2 to 1.2.5 were opened to the applicants within the third Call for Proposals from November 2011 to March 2012. Potential Lead Beneficiaries and Project Partners **had to wait more than three years for the launch of the CfP for tourism actions**, thus it caused tensions among applicants (elaborated in chapter 5.9, Lead Beneficiary questionnaires' feedback) and resulted in a huge interest and thematic concentration. Out of 81 applications, only 38 tourism projects could be contracted with the available financial resources (<http://www.hu-hr-ipa.com/en/project-database>).

*“Strategic planning should be separated from the implementation of the Programme, too long waiting time for launch of the tourism Call for Proposals, which was four years, contained a lot of risks.”* – commented Sandra Polanec Marinović, representative of Međimurska county in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 and JMC of HU-HR (IPA) CBC Programme 2007-2013.

Diána Rózsa, Head of the Hungary–Croatia Joint Technical Secretariat (JTS), 2008-2012, labelled the RTPP logic as very stressful for the JTS team, with constant risk to have possible failure of the whole tourism area of intervention, the most prominent with the environmental

protection actions in the previous Hungarian-Croatian CBC Programme. In her interview (Appendix II) she clearly stated that the approach looked on the first sight in 2006 innovative, but soon at the Task Force meetings it became clear that the idea was brought rather fast on the agenda without re-considering all possible consequences for later implementation. She added that the first JMC meeting of the HU-HR (IPA) CBC Programme 2007-2013 in June 2008 in Pécs proved to be rather unpleasant, because several county level decision makers (specifically at-that-time representatives of Baranya and Međimurje Counties in the JMC) were attacking the RTPP approach: *“At the time of submission of project proposals for Specific Cfp for the Action 1.2.1, it was not clear whether any project proposal would arrive at all and in time. Finally the JTS and I were even lucky with two submitted RTPP project applications. The submitted applications proved that the scientific background was weak on the Croatian side, but the regional management capacity was strong. Thus, one of Croatian partners from the winning RTPP project consortium had to subcontract for the content-related tasks the experts from the Institute for Tourism in Zagreb. After the project finished with the implementation at the beginning of March 2011, it was evident that the RTPP as such (644 pages) cannot be used in the forthcoming Call for Proposals for tourism projects. It had to be urgently summarised in a shorter version (Handbook) to be annexed to the Guidelines for Applicants. None of the experts from Croatia wanted to participate in that job during summer 2011, thus only Hungarian experts with the help of JTS colleagues with geographical background could do the summarisation. The Call for tourism actions was finally launched in November of that year, but the preparation was definitely too long, tiresome, stressful and questionable by the public audience and in fact it could mainly, in my opinion, bring the benefit to a forthcoming Programme.”*

The outcome of the Lead Beneficiaries questionnaires confirms her opinion, further elaborated in chapter 5.9.

#### **e) Zonal and sub-regional division of the Programme area in the RTPP**

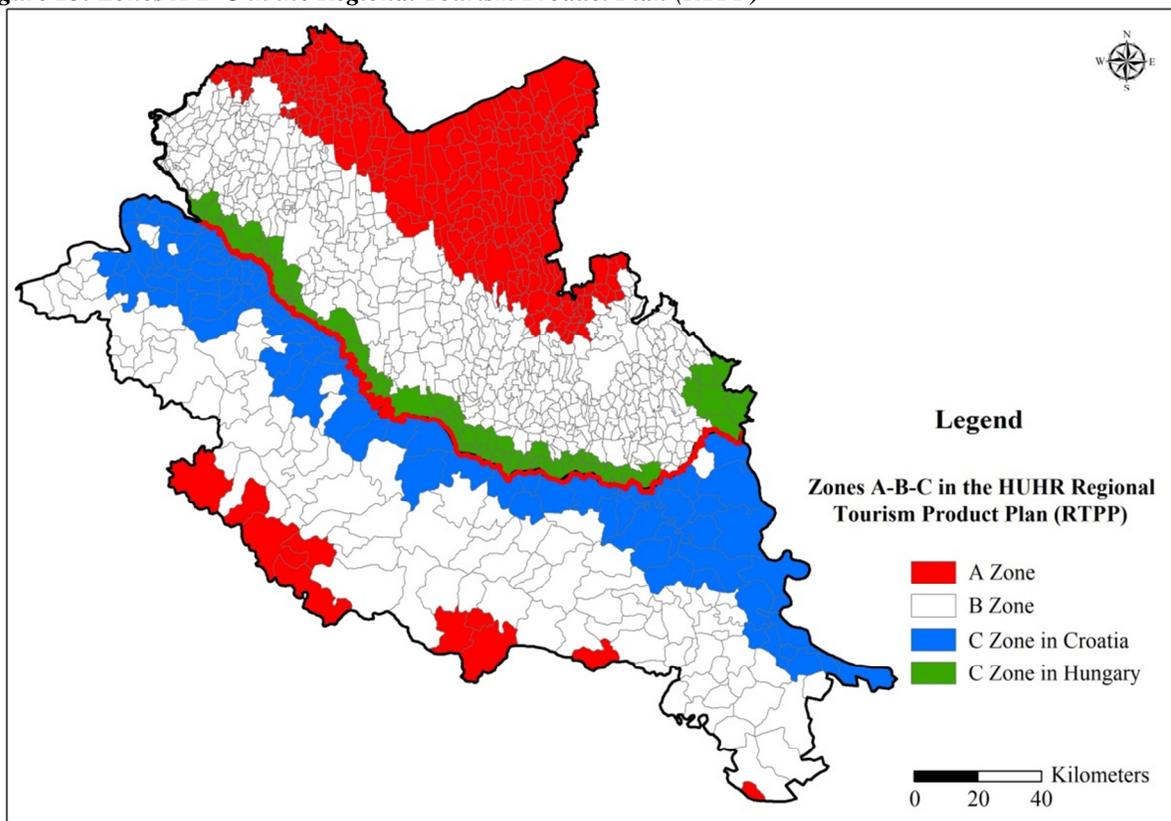
The Technical Specification for the elaboration of the Regional Tourism Product Plan divided the territory of planning into three zones (Figure 15):

- *Zone A consisting of the whole Programme area*
- *Zone B covering the strip within a 40 km from the rivers Mura, Drava and Danube*
- *Zone C comprising destinations within 5 km from the riverbanks of the three rivers.*

Different kinds of tourism products were supposed to be developed in the RTPP for each zone, which later influenced the applicants in the tourism CfP. The types of the activities and selection criteria for the project proposals depended on their location in zone A, B or C.

The author considers that the zonal approach in defining the tourism planning areas was a novelty in the Hungarian–Croatian border area, thus it turned out to be an innovative element of the RTPP, which has been sustained in the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020. The deficiency was that the Zone B (Figure 15) and zone C as defined in RTPP were planned within 40 km and 5 km from the riverbeds of Mura, Drava and Danube.

**Figure 15: Zones A-B-C in the Regional Tourism Product Plan (RTPP)**



*Source:* Own editing based on the Handbook to Tourism Projects of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013

Accordingly both zones included areas in Croatia with less geographical and cross-border connections to Hungary (such as the southern segment of Vukovarsko-srijemska county). Thus, those parts, quite far away from Croatian–Hungarian border (Figure 15) could be eligible for the same types of the activities like the settlements, which are situated closer to the border. On the other hand several settlements in Baranja and Baranya located on the border (Figure 15, white

colour indication at the borderline), with direct cross-border contact and without geographical barrier were placed only in zone B because of a distance to the rivers Drava and Danube.

The Technical Specification identified one more special task, as a part of module 3, which proved to be problematic. It prescribed the identification of tourism sub-regions on both sides of the border. The sub-regions had to present geographical or cultural landscape units, and guiding principle for their definition had to be the existence of attractions and representation of one dominant character (e.g. wine production, strong culture heritage) to define their marketing strategy later.

On the Hungarian side of the Programme area ten sub-regions were created, whereas on the Croatian side, due to differences in territorial administration, division was done along the existing NUTS III borders of the eight eligible counties. Ten Hungarian sub-regions were delimited based on extensive consultations between the RTPP project partnership and the local stakeholders. Márton Szűcs, Head of the Hungary–Croatia Joint Secretariat (JS) emphasised in his interview (see: Appendix II) that mainly due to a new approach in Hungarian regional operational programmes (ROP-s) of that time, the project endorsed the “sub-regional matrix” method. The method was effortless to apply on the Hungarian side, but it was not successful on the Croatian side.

On the Croatian side, due to sensitivity connected to the possible reform of the public administration, which might affect the structure of counties, administrative principle was fully applied i.e. official NUTS III regions (counties) were designated as the sub-regions (Handbook to Tourism Projects, 2011). Thus the RTPP preparation, although indirectly, took into account political circumstances. Politically driven tourism development in a cross-border context can be problematic, particularly from the perspective of economic and social sustainability (Prokkola, 2007). Anyhow, harmonisation of the Hungarian and the Croatian parts of the Programme area into one tourism development plan appeared to be one of the biggest content-wise problems, from the GIS merging to defining joint plans, sub-regions and finally marketing strategy. At first in Croatia GIS had to be compiled from several sources into one base for the Croatian part of the Programme area, which was a rather extensive and time-consuming task as well.

As a positive outcome of RTPP one can mention the strategic concept for connecting all tourism projects to one common framework, aiming in strengthening concentration of development outcomes. In the implementation of the priority 2: Sustainable Use of Natural and

Cultural Assets of the succeeding Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, the Handbook to Tourism Projects has been used again as a background document for the interventions in tourism. The ongoing evaluation of the Programme in 2014 concluded that the sustainability of the Regional Tourism Product Plan might be ensured through its application in the 2014-2020 period and could be understood as a strategic basis for the future. Author considers that it has been proven at a certain extent with the outcome of the First Call for Proposals of the Interreg V-A Hungary–Croatia Co-operation Programme, elaborated in the chapter 5.10. To quote the relevant interview section (question number 3 – Appendix II) of Márton Szűcs, Head of the Hungary–Croatia Joint Secretariat (JS) from 2012 until present:

*“Next to the positive features of the RTPP approach (e.g. bringing very detailed research with it, done by mostly local planning personnel with the involvement of local stakeholders, trying to establish a uniform stance towards tourism development in two separate countries, and preparing a strong footing for the publishing of Calls), the downsides of this planning method can be summarised as follows:*

- *Difficulty of establishing standard territorial units. Statistics tend to be available on slightly different levels in Hungary and in Croatia (see settlement vs. “općina” level); countries’ traditions may support or discourage the creation of NUTS 3 like units, apart from counties; etc.*
- *The two-step approach halting the tourism-development Calls of the programme, resulting in stakeholder / applicant frustration and some risk of loss of funding due to n+3 rule*
- *Danger of producing output that is overly scientific. This came partly true in case of the HU-HR RTPP since the document itself is 650 pages long and is accompanied by a huge GIS database. The solution applied here was to condense the RTPP into a Tourism Handbook of ca. 100 pages, this was then suitable to present to applicants as a guidance document. Nevertheless, extra time and resources (financial and human) had to be involved in order to reach an applicant-friendly level of conciseness before opening the Calls in the tourism Areas of Intervention. It was not easy to find proper external expertise for this summarisation task; in the end the JTS managed to subcontract Hungarian tourism experts only, and they had to work in a relatively tight timeframe.*

*All in all, two years passed between the publishing of the Call to prepare the RTPP and publishing the Calls that were based on the ready document. Based on the time need, this two-step approach can only be recommended to EU programmes which are otherwise properly under implementation and have enough ongoing projects right from the beginning with the help of which they can be covered against the de-commitment rule of n+3 or even n+2 (which will be the main rule in ERDF programmes in the upcoming period 2021-2027)."*

The survey with questionnaire to Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 First CfP tourism components' Lead Beneficiaries also brings reflection on the RTPP, which will be elaborated in the forthcoming chapter 5.9.

One important aspect of decision making and Programme management has to be emphasised as well. As the Programme management structures are hosted by public administration bodies in Hungary, the institutional changes of these bodies influenced the Programme itself. Although a single set of management structures was created in 2007-2013 and the principle continued in the current 2014-2020 period, no matter that it proved to be better and more integrated than in the earlier periods (Čelan, 2015), in the opinion of author the system has shown several serious bottlenecks. The abovementioned changes showed that the Programme implementing structures have been quite vulnerable (Rózsa, 2014).

Although it has been evident that either slow responding time and slow transition of the new desk officers in the European Commission or frequent institutional changes in Croatia had slowing down effect to joint co-operation Programmes, the fact that Hungary has had the managing role in the bilateral Programmes with Croatia, have made such changes more evident. During the implementation of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, institutional set-up resulted in serious reporting delays (<http://www.huhr-cbc.com/en/monitoring-committee-mc>) caused by much later than planned readiness of the IT monitoring system, effecting negatively large tourism projects as well. In such circumstances, it is less realistic to expect the development of tourism industry via EU funded cross-border co-operation Programme. The author considers that Programme structures, especially the Joint Secretariat, as the main technical and operational body has to be fully functionally independent from existing structures, taking into account the fact the staff of such body (bodies) is by default international.

## 5.9. Review of interviews and survey

In order to enhance the primary research and being able to understand at the right moment the analysed processes six interviews were carried out in May 2016, at the time of the submission of project applications to the First Call for Proposals of Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 and right after the planning finished and the Co-operation Programme was approved by the European Commission on 7 September, 2015.

The interviews were conducted in person with the help of a questionnaire. All six interviewees (HU: Baranya and Somogy counties, HR: Međimurska, Koprivničko-križevačka, Virovitičko-podravaska and Osječko-baranjska counties) were designated as regional voting members during the planning of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, i.e. they were members of the Task Force (TF).

All six<sup>40</sup> interviewees are relevant technical persons who possess decision making right in their counties (county prefect, heads of county level regional development agencies, regional coordinators). Most of them later remained voting members in the Monitoring Committee (MC) of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020.

From the answers of the interviewees it can be generally concluded that the achievements of the Hungary–Croatia (IPA) CBC Programme 2007-2013 and specifically tourism projects are positively assessed. The opinions are interconnected with the level of investments achieved in the given county, specifically on the Croatian side. The results of tourism projects were only estimated negative by Baranya county (see assessment of the question/criterion 4 in this chapter) and connected to under-developed cross-border infrastructure. In the author's opinion it is rather subjective impression of the respective county representative, taking into account results achieved in the Programme (Tables 3 and 4, Figures 11 and 15).

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<sup>40</sup> Representative of Zala county (megye) finally neither participated in the interview, nor at least sent back answers on the interview questions. Two interviewees participated on the Hungarian side and all four on Croatian side

**Table 5: Assessment<sup>41</sup> of the semi-structured interviews with regional stakeholders**

1	2	3	4	5	6	7
Interviewees participated in HU-HR (IPA) CBC Programme 2007-2013 planning (TF)	Evaluation <sup>42</sup> of planning of HU-HR (IPA) CBC Programme 2007-2013	Opinion on the concept of Regional Tourism Product Plan (RTTP) in planning	Satisfied with results of HU-HR (IPA) CBC tourism projects in the county	Interviewees participated in Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 planning (TF)	Evaluation <sup>43</sup> of planning of Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020	RTTP and Handbook to Tourism Projects will be used for Interreg V-A Hungary–Croatia Co-operation Programme
Yes- 3 No- 3	Positive- 5 Partly positive - 1	Positive- 4 Partly positive - 1 Not positive - 1	Yes- 0 Partly yes- 5 No- 1	Yes- 6 No- 0	Positive- 2 Partly positive - 4	Positive- 6
Croatia/ Hungary	Croatia/ Hungary	Croatia/ Hungary	Croatia/ Hungary	Croatia/ Hungary	Croatia/ Hungary	Croatia/ Hungary
<i>Croatia</i> Yes- 2 No- 2  <i>Hungary</i> Yes- 1 No- 1	<i>Croatia</i> Positive- 3 Partly positive - 1  <i>Hungary</i> Positive- 2	<i>Croatia</i> Positive- 2 Partly positive - 1 Not positive - 1  <i>Hungary</i> Positive- 2	<i>Croatia</i> Partly yes- 4 No- 0  <i>Hungary</i> Partly yes- 1 No- 1	<i>Croatia</i> Yes- 4  <i>Hungary</i> Yes- 2	<i>Croatia</i> Positive- 1 Partly positive - 3  <i>Hungary</i> Positive - 1 Partly positive - 1	<i>Croatia</i> Positive- 4  <i>Hungary</i> Positive- 2

<sup>41</sup> **Two interviewees** (out of three) participated on the **Hungarian side** and all **four interviewees** (out of four) participated on the **Croatian side**

<sup>42</sup> Evaluation categories specified and aggregated based on the answers of the interviewees.

<sup>43</sup> Evaluation categories specified and aggregated based on the answers of the interviewees.

Related to the language issue, the author can conclude based on the outcome of the interviews and its personal professional experience in the Programme management body since August 2008, that Croatians and Hungarians have completely opposite standpoint. Hungarian side has been trying to propose parallel usage of Hungarian and Croatian as a solution for mitigating the language barrier. Croatian side has consequently insisted since February 2009 on the usage of English as the official Programme language. English as the official Programme working language was finally accepted in the Interreg V-A Co-operation Programme 2014-2020, for the sake of equal opportunities and joint (unique) technical language.

Another important conclusion is that Croatian regional members were more willing to express critical points and to emphasise concerns or problems during the planning processes (such as RTPP and Call for proposals for tourism projects or problem with the lack of cross-border infrastructure in connection with insufficient funds in the Programme). Hungarian members were more focused to improve the cross-border infrastructure even with modest funds available and as abovementioned to overcome the language barrier, via usage of national languages instead of English.

Based on the submitted answers of the interviewees the author quantified and grouped the answers (Table 5), enabling to make several conclusions based on each of seven questions/criteria in the questionnaire.

- *Assessment of criterion 1:* Only half of the interviewees who were Tasks Force (TF) members in the planning of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 have experience from the previous 2007-2013 programming period. It can be interconnected with the fact that too long time passed since 2006-2007 planning period of the previous Programme and human resources might have changed, but also with the composition of the Task Force 2006-2007 when national level stakeholders were more involved than the members from region.
- *Assessment of criterion 2:* Based on the answers of the 2<sup>nd</sup> question of the interview whether interviewees were satisfied with the planning process of HU-HR (IPA) CBC Programme 2007-2013, positive opinion strongly prevails. Although half interviewees did not participate in the planning of the Programme, they still have positive opinion. Author considers that it can be interconnected with results of HU-HR (IPA) CBC

Programme 2007-2013 and large number of selected projects (169), which brought tangible results in every county.

- *Assessment of criterion 3:* The concept of Regional Tourism Product Plan (RTPP) was positively assessed by the majority of interviewees. Two interviewees out of six expressed criticism related to this concept as the elaboration of RTPP resulted in a delay in the launch of tourism projects Call for Proposals. Still, compared to the Joint Monitoring Committee (JMC) of the HU-HR (IPA) CBC Programme, which strongly opposed the RTPP concept/methodology, the critical elements expressed by the two interviewees could be considered modest. In the author's opinion results of tourism projects and relatively big infrastructural investments (bicycle paths, cultural and thematic routes, visitors' centres) counterbalanced possible concerns related to the RTPP. Author also has to add that the JMC and TF members never had to work with the RTPP and its lengthy content (644 pages), but only with the 126-page summary Handbook to Tourism Projects.
  
- *Assessment of criterion 4:* Five interviewees (all four on the Croatian side and one on the Hungarian), were partly satisfied with the results of tourism projects in their county, whilst one county representative on the Hungarian side was not satisfied. The investments achieved in the given county through the tourism projects affected more positive than negative opinion. In Croatia during the EU pre-accession period until July 2013, HU-HR (IPA) CBC Programme meant a significant source of funding for the local communities as mainstream EU-funded operational programmes started fully to operate only after Croatian accession to EU. Dissatisfaction with the results of HU-HR (IPA) CBC tourism was only expressed by the Baranya county representative, due to the lack of adequate cross-border infrastructure, which disables proper tourism co-operation of Hungarians and Croatians. As author stated above, it is rather subjective impression of the respective county representative, possibly influenced by the planning of 2014-2020 period, where the Croatian–Hungarian agreement on the cross-border infrastructure could not be reached. Taking into account total and tourism results achieved in the Programme (Tables 3 and 4, Figures 11, 15), Baranya county could be the most satisfied.

- *Assessment of criterion 5:* All six interviewees participated in the Tasks Force and in the planning, as professionals and voting members on behalf of their counties, of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020.
- *Assessment of criterion 6:* This set of answers is mostly critical compared to the other questions. Planning of Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 was assessed as partly positive by four interviewees and fully positive by only two. Interviewees were more satisfied with the planning process of HU-HR (IPA) CBC Programme 2007-2013 (see Assessment of criterion 2), although half of them did not participate in that process and the regional level was not intensively involved. The strongest criticism (almost the full Croatian regional side, three out of four interviewees) is channelled to the roads planning and cross-border infrastructure, initiated by the Hungarian side on the Task Force meetings. According to the opinion of Croatians, cross-border co-operation Programme context and its available funds are not appropriate for such investments. Funds could be allocated instead to smaller scale tourism projects. On the Hungarian side one critical answer questioned English as the official working language of the Programme.
- *Assessment of criterion 7:* The concept of RTPP and the Handbook to Tourism Projects received positive feedback as the documents were available prior to Programme approval and launch of the Calls for Proposals. TF and MC members considered the importance of continuation when they answered on this question.

The overall outcome of the interviews presented a positive picture on the achievements of the Croatian–Hungarian cross-border co-operation. Interview results showed differences in strategic approach of Croatians and Hungarians in the Programme: from understanding of the language barrier and measures to mitigate it, to the approach with the cross-border infrastructure. *“The planning process was successful and efficient but our work was a bit difficult because the documents are in English. We still force the trilingual documents within the Programme because many stakeholders in Hungary still have barriers regarding the language.”* – András Göndöc, representative of Baranya county in the Task Force of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020.

*"I don't like the situation with the roads for the purpose of improving the access into nature areas. Better would be to use those funds for tourism projects or other priorities." – Sanja Bošnjak, representative of Virovitičko-podravaska county in the Task Force of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 and the JMC of HU-HR (IPA) CBC Programme 2007-2013. "In some aspects, planning process was maybe too much influenced by central government in Hungary in a way that certain actions (small road infrastructure), which are not a natural match for Interreg framework were included." – Stjepan Ribić, representative of Osječko-baranjska county in the Task Force of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 and the JMC of HU-HR (IPA) CBC Programme 2007-2013. "It is a good thing that we have a strategic document and we decided upon the main direction of the developments in the different zones of the Programme Area, so we have a strategic approach to tourism development in the region based on a professional work of experts. But I think it is still limited if we do not have the proper links between the counties (good quality roads and infrastructure, border-crossing points etc.). We still need strategic projects to improve these facilities also serving the development of tourism products." – András Göndöc, representative of Baranya county.*

A joint and pragmatic interest prevails to participate in the cross-border programme but author considers, that except for some individual cases (such as traditional university co-operation Osijek-Pécs) the main driving force is not inner but it is managed via a set framework of the EU funded Programme, to which both sides try to fit with their earlier defined separate development needs. This statement is reflected in tourism as the most popular field of cross-border co-operation in the area. Joint understanding and naturally driven development with joint Croatian–Hungarian concrete initiatives in the border area is mostly missing. There is no coherence between the two sides, regardless to the fact that more than a decade has passed since Croatian and Hungarians started to meet more intensively, thanks to the availability of EU funds for cross-border co-operation.

The **second round of semi-structured interviews** was conducted in January 2019 with two heads of Hungary–Croatia JTS/JS. As indicated in the chapter 3.1., both heads of JTS/JS: Diána Rózsa, January 2008 – July 2012 and Márton Szűcs, from August 2012 until present are professionally and technically the most competent persons who can assess the whole planning and approval process of the HU-HR (IPA) CBC Programme 2007-2013. They are the only

persons who were involved in the phasing-out of the Interreg III-A Neighbourhood Programme Slovenia–Hungary–Croatia 2004-2006, eventually in the setting up of the JTS in 2008 and in building up existing Programme structures. Thus, both have complete overview on the Programme(s) and on the financed projects. The author would like to add as well that he pointed out in the dissertation several important conclusions from the thesis of Diána Rózsa (2014), with the topic of development and results of Hungarian–Croatian cross-border co-operation from the perspective of programme management.

The interview questions with the two heads of Hungary–Croatia JTS/JS were rather similar as those answered by regional stakeholders/county decision makers' interviews in 2016 with some minor differences (the outcome is fully available in Appendix II).

The overall outcome of the Heads' of JTS/JSs depicts a positive picture on the development of the Croatian–Hungarian cross-border co-operation, but the interviewees raised certain new thoughts. Some of these additional aspects are:

- overview of the planning process, which was more expert driven than led by decision makers
- planning of RTPP within the HU-HR (IPA) CBC Programme 2007-2013 and its later submission as the project proposal
- summarisation of RTPP (644 pages) in a shorter version (Handbook to Tourism Projects)
- complicated implementation of RTPP strategy

Important quotations from two interviewees are included in the relevant chapters (mostly 5.8. and 5.10) in order to support the discussion and the results.

**The survey with questionnaire in the frame of tourism projects of the first CFP of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 was conducted in English language in January 2019.** The questionnaire was sent at the same time to all 17 projects (Lead Beneficiaries), with two reminders before the deadline expired. Out of 17 Lead Beneficiaries (LBs) nine were Croatian and eight were Hungarian organisations (Table 6). Finally 14 LBs returned the questionnaires, within a 10-days deadline (see Appendix III).

**Table 6 List of 17 tourism projects (First CFP) of Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020**

APPLICATION FORM ID HUHR1601	LEAD BENEFICIARY (LB) ORGANISATION (in original language)	PROJECT ACRONYM	Submitted questionnaire	Tourism project in HUHR CBC 2007-2013
211_0001	Nagykanizsa Megyei Jogú Város Önkormányzata	Cycle in a network 2.0	No	Questionnaire not submitted
211_0003	Mohács Város Önkormányzata	Bike&Boat	Yes	Yes
211_0006	Virovitičko-podravška županija	EV13 Gap	Yes	Yes
211_0008	Grad Donji Miholjac	BYPATH	Yes	No
211_0009	Letenye Város Önkormányzata	Happy Bike	Yes	No
211_0011	Grad Križevci	Cyclo-Net	Yes	Yes
212_0004	Mura Régió – Korlátolt Felelősségű Európai Területi Társulás Regija Mura – Europska grupacija za teritorijalnu suradnju s ograničenom odgovornošću	Two Rivers one Goal	Yes	No
212_0006	Mohács Város Önkormányzata	Sokci	Yes	Yes
212_0010	Javna ustanova za razvoj Međimurske županije REDEA	Attractour	Yes	Yes
212_0011	Općina Pitomača	Preradović & Csokonai	Yes	No
212_0013	Grad Orahovica	HU-CRO Wine Stories II	Yes	Yes
212_0014	Virovitičko-podravška županija	Tourism 4 All	Yes	Yes
212_0016	Udruga za zaštitu prirode i okoliša Zeleni Osijek	Green Baranja / Baranya	Yes	Yes
213_0008	Grad Virovitica	Bee2Be	Yes	No
213_0010	Dél-dunántúli Vízügyi Igazgatóság	DRAWA	No	Questionnaire not submitted
213_0022	Gyeregyalog.hu Összefogás a Dél-Dunántúli Aktív- és Ökoturizmusért Közhasznú Egyesület	Eat Green	No	Questionnaire not submitted
213_0024	Zala Megyei Népművészeti Egyesület	CultuREvive Tour	Yes	No

Source: Own editing as the outcome of the questionnaire conducted by author in January 2019

Out of the 14 questionnaires returned, all nine Croatian LBs sent them back filled in (Table 6). Five Hungarian LBs answered, while three did not give feedback. From the author's experience it has been clear that Croatian LBs are in general more proactive in the Interreg V-A

period. English as the official working and communication language is rather accepted on the Croatian than the Hungarian side, as also revealed from the regional stakeholders/co-ordinators' interviews. Another reason for lack of feedback from Hungarian LBs could lie in the fact that certain delay in implementation of tourism projects occurred more on Hungarian than on Croatian side, which affected the prolongation of the duration of projects – from 20 to 24 months (source: <http://www.huhr-cbc.com/en/monitoring-committee-mc>).

Out of the 14 submitted questionnaires eight organisations implemented tourism project(s) within the HU-HR (IPA) CBC Programme 2007-2013. Five of them criticised delay in implementation of tourism projects and late launch of the Third Call. In one case (Grad Križevci) the LB was strongly critical with the RTPP approach, while the comments of LBs: Javna ustanova za razvoj Međimurske županije REDEA, Mohács Város Önkormányzata and Udruga za zaštitu prirode i okoliša Zeleni Osijek were moderate. These reactions are worth taking into account especially that more than seven years have passed meanwhile.

*“In my opinion such approach had several disadvantages: tourism projects couldn't start until the strategic project was implemented - and that was after 3<sup>rd</sup> call for proposals evaluation has been completed (we were able to start with the three projects we have been implementing from the 3<sup>rd</sup> Call in 2013 and 2014), also I find RTPP did not properly determine all of the priority tourism products for our county. Generally, I think it would be better to determine all of our priorities in the programming period and not to define any strategic project at all, but widen the scope of the call and enable partners prepare their own strategic projects, since the area covers large geographical surface and is pretty diverse in resources and potentials. Also, RTPP did not anticipate the need for building parts of infrastructure which are not tourism infrastructure, but are necessary preconditions or preliminary works in order to build such infrastructure and create tourism products. For example, we have a geothermal spring which could possibly be used for tourism related purposes, but first additional examination is necessary which include works on drilling another well for testing the quality, temperature and amount of water. That would give us the necessary information for potential spa resort creation. Currently there was no opportunity to finance such activities.”* (Marija Podolski, LB: Grad Križevci, “Cyclo-Net” project; answer on question number 3 / see the questionnaire template in Appendix III).

Town Križevci has been one of the most successful applicants and project implementers in the last decade (see chapter 5.10). Regardless of their success story, RTPP approach brought unnecessary complications to them even. The opinion of Town of Križevci is in line with the opinion of regional stakeholder/county decision maker of Koprivničko-križevačka county (see: Appendix I). It is rather visible, both from regional stakeholders' interviews and LB questionnaires that frustration with the RTPP approach was more evident on the western side of the Programme area, primarily in Međimurska and Koprivničko-križevačka counties.

Regarding Međimurska county, large disparity is evident between the highest absorption of the funds (euro per capita) in case of all priorities (chapter 5.7.) and low absorption in case of tourism projects (chapter 5.10) in the HU-HR (IPA) CBC Programme 2007-2013. Thus it had the influence on their feedback to the interview questions.

*“The RTPP was a genuine tool in defining the tourism activities to be developed in the border area; therefore it was a useful tool of big added value. It was a logical step that the call for proposal was only launched afterwards. On the other hand, timing of the RTPP was not appropriate, as it was launched too late, elaboration has lasted very long, therefore all the resources available for tourism development had to be spent in one call, therefore the step-by-step approach – which is typical in most of the tourism development issues – couldn’t be applied.”* (Zoltán Pámer, on behalf of LB: Mohács Város Önkormányzata, “Bike&Boat” and “Sokci” projects, answer on question number 3 / see: Appendix III).

About the usage of Handbook to Tourism Projects, which serves as the obligatory document for tourism development projects, all 14 LBs were positive. Having calls for tourism projects accessible was positively emphasised. However, call for update of the Handbook with new information and additional tourism products and activities, following the latest trends, was requested in several LB-questionnaires.

In all 14 interviews Lead Beneficiaries were satisfied with the added value of cross-border tourism projects. They consider that they help in development of neglected areas and contribute to creation of cross-border links. One should not be surprised that project beneficiaries have pre-dominantly favourable opinion about the value of cross-border tourism investments. Each winning tourism project received up to 400,000 euro for thematic routes and other tourism products, up to 1,500,000 euro for tourism attractions and up to 2,000,000 euro for bicycle paths

(source: <http://www.huhr-cbc.com/en/first-call-for-proposals---archive>). Out of which, 85% is reimbursed by the EU funds (ERDF) and they receive additional state support as well.

#### 5.10. Evaluation of cross-border tourism projects at the Croatian–Hungarian border area in the 2007-2013 and 2014-2020 EU budgetary periods

As described in the previous chapters, out of 81 applications, only 38 tourism projects could be contracted with the available financial resources (<http://www.hu-hr-ipa.com/en/project-database>). More than 36% of contracted funds (19.2 million euro) supported those 38 tourism projects, which proved to be more than what the planners originally expected. This subchapter consists of the author's evaluation of cross-border tourism projects at the Croatian–Hungarian border area in the 2007-2013 (whole period overview) and 2014-2020 (overview of the currently available First Call results) EU budgetary periods.

It has to be noted additionally here, similarly to sub-chapter 5.6 that the data of four Croatian adjacent counties have not been specifically presented on the map (Figure 16), because of their low spending in the tourism area of intervention. Varaždinska županija received only 71,336.84 euro of EU contribution for its tourism projects in the 2007-2013 period, Vukovarsko-srijemska županija 45,915.60 euro and Požeško-slavonska županija 21,007.75 euro. Bjelovarsko-bilogorska županija did not win any tourism project, thus finally its financial result was 0. Regardless to the fact that those four Croatian counties adjacent to the border NUTS III units are fully integrated in the Programme area in the 2014-2020 period, the financial result (total and in the field of tourism) is not significantly better, thus their participation in the Programme cannot be considered justifiable (Figure 14).

Related to the data on the amount of EU contribution allocated by the tourism actions/projects to the border NUTS III regions in Figure 16, there are certain similarities as well as derogations compared to Figure 13, where financial results per NUTSIII regions for all 169 projects has been displayed. Međimurska County, as the most successful in absorption of funds (measured in euro per capita) from HU-HR (IPA) CBC Programme 2007-2013 is the least successful in the field of tourism (Figure 16). This county had high success in winning big infrastructural projects, such as Waste Water Treatment Plant and sewage system development in the First and the Second Call for Proposals (HU-HR JTS, 2013, 2016).

At the same time dispersed co-ordination among stakeholders on county level brought less success with tourism which was also pointed out by the interviewee from Međimurska county (further elaborated in sub-chapter 5.9).

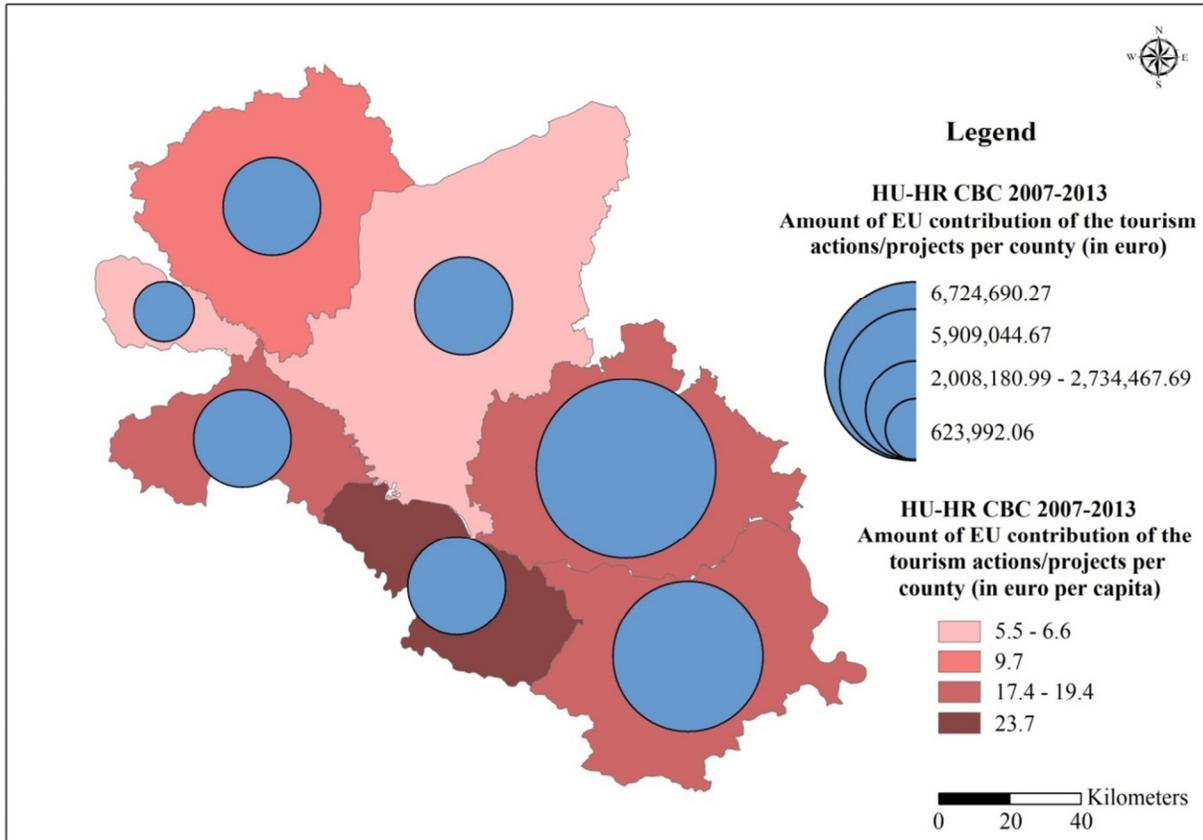
Besides Baranya and Osječko-baranjska counties, which are on the top of total and tourism projects statistics (Figures 13, 14 and 16), Virovitičko-podravska and Koprivničko-križevačka counties proved to have better results in tourism (Figure 16). Virovitičko-podravska with 23.7 euro per capita (Figure 16) had the highest absorption of funds per capita in case of tourism out of all counties in the Programme area. The reason lies in the high number of large scale CBC tourism-infrastructure projects, from development of bicycle paths and visitors centres to development of thematic, specifically wine-routes including supporting infrastructure (source: <http://www.hu-hr-ipa.com/en/project-database>).

Constant growth in number of projects, even more evident in the Interreg V-A HU-HR Programme (<http://www.huhr-cbc.com/en/press-release/first-call-for-proposals---234-million-euro-awarded/372>) shows in the author's opinion, a strategic orientation of Virovitičko-podravska county towards Croatian–Hungarian cross-border co-operation and a commitment to use a Programme funds as a tool to mitigate its peripheral status.

In case of Koprivničko-križevačka county, out of 2,094,825.49 euro contracted to tourism, 62.5% (1,308,243.50) euro of EU contribution was allocated to one beneficiary/partner, Town Križevci and their three projects. This case demonstrated that in situation where stronger and co-ordinated capacities for applying and implementing projects exist, individual success stories can unfold. On the other hand, it also indicates that tourism development has not been balanced, but rather scattered and individual.

Although there was a strategic logic behind the idea of applying such concept for the tourism area of intervention, Regional Tourism Product Plan did not foresee available financial sources and possible lack of Programme funds to achieve balanced development. Lower pre-financing capacities of potential beneficiaries for project implementation pushed potential applicants not to send their project proposals to the open Calls in several cases. Due to the fact that only one Call for Proposals was launched for tourism projects, with high competition and limited finances at disposal, author considers that polarisation of considerably successful and completely unsuccessful parts of the border area was inevitable (Figure 16).

**Figure 16: Euro per capita per county of 38 tourism projects HU-HR (IPA) CBC 2007-2013**



Source: Own editing based on the 169 supported HU-HR (IPA) CBC 2007-2013 projects and data published on the [www.hu-hr-ipa-cbc.com](http://www.hu-hr-ipa-cbc.com)

In chapter 6 (Expected results of the strategy) of the Programming Document of the Hungary–Croatia (IPA) Cross-border Co-operation Programme, for the period 2007-2013: (<http://www.hu-hr-ipa.com/en/downloads/programming-document>), a set of indicators per priorities and actions were defined for the assessment of the results of the Programme. Twelve types of indicators were assigned to tourism actions 1.2.2, 1.2.3, 1.2.4, 1.2.5 (Table 7).

Out of these 12 indicators, target values were not met in five cases (Table 7), three in Action 1.2.2: Increase in number of visitors; number of projects on water sport infrastructure development in the Programme and length of hiking path signed by the Programme. Two indicators were not achieved within Action 1.2.4: Increase in the number of tourists in river and eco-tourism area of the region and number of potential customers belong to the target group reached by multiple channels. In case of some key indicators, such as length of bicycle path

paved (Action 1.2.2), the target value was met only in the last year of the Programme implementation.

Author considers that besides the late launch of the Third Call for Proposals at the end of 2011, the reason of non-fulfilment of several indicators lies in described aspects of programming and RTPP (chapter 5.8) and the fact that the Programme level documents were not in harmony. Lack of harmonisation consequently led to underperformance of the indicators, and at the same time the original target values were overestimated by the planning experts.

Diána Rózsa, first Head of the Hungary–Croatia JTS, in her interview (question 1/ Appendix II) commented: *“Although such programming process was a novelty, the time was too short for the experts (joint Hungarian-Croatian expert team) to dig all necessary information and to finish the whole planning process, foreseeing the possible consequences. The 1<sup>st</sup> Task Force (bilateral decision making working group, consisted of regional/county and national /ministerial level actors) meeting took place in July 2006 in Pécs and the last, 6<sup>th</sup> Task Force meeting in April 2007 in Nagykanizsa- which is a timeframe of less than a year.”*

After the Programme closure it turned out that several reasons led to under achievement of the indicators. Number of projects on water sport infrastructure development in the Programme (Action 1.2.2) with the achieved value is considerably the most problematic out of all underperformed indicators. The potential circle of applicants in the thematic field of water sport infrastructure development was much narrower than what it was originally thought over, due to reasons that were not foreseen at the time of planning; such as water tourism on the Drava and Mura bounded to strict permitting procedures and possible later access of the Republic of Croatia to the Schengen Area.

Tourism indicators with the successful achievement values are connected to the following groups of activities (Table 7):

- a) bicycle routes (length of bicycle path paved, length of existing bicycle paths designated by signs by the Programme) and
- b) tourism attractions and infrastructure development activities (number of visitor centres and number of forest schools established by the Programme).

**Table 7: Summary of tourism actions indicators and their achievement - Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013**

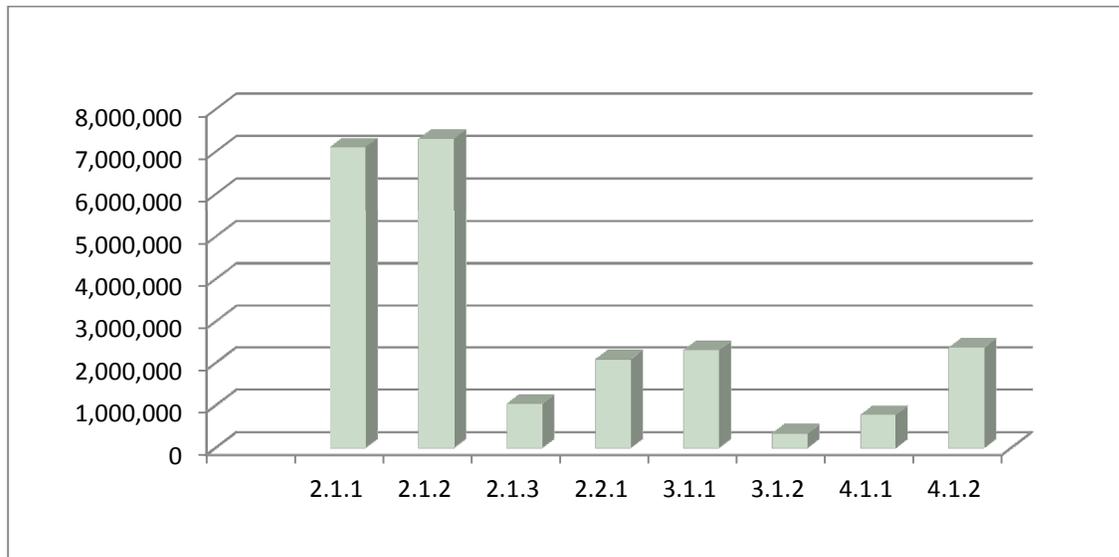
Indicator	Target Value	Achievement
Length of bicycle path paved (Action 1.2.2)	50 km	108.94 km
Number of visitor centres (Action 1.2.2)	3	12
Number of forest schools established by the Programme (Action 1.2.2)	2	6
Length of existing bicycle paths designated by signs by the Programme (Action 1.2.2)	200 km	765.27 km
Length of hiking path signed by the Programme (Action 1.2.2)	300 km	204 km
Number of projects on water sport infrastructure development in the Programme (Action 1.2.2)	20	1
Increase in number of visitors (Action 1.2.2)	25,000	1,100
Number of thematic routes projects (Action 1.2.3)	15	16
Increase in the number of tourists visiting the attractions included in the projects of Action 1.2.3	25,000	96,511
Number of potential customers belong to the target group reached by multiple channels (Action 1.2.4)	200,000	36,485
Increase in the number of tourists in river and eco-tourism area of the region (Action 1.2.4)	75,000	10,294
Number of potential investors reached (Action 1.2.5)	300	5,650

Source: Own editing based on the <http://www.hu-hr-ipa.com/en/downloads/programming-document>, Hungary–Croatia (IPA) Cross-border Co-operation Programme – Programming Document for the period 2007-2013, CCI NUMBER: 2013CB163PO002, approved on 18 December 2013; <http://www.hu-hr-ipa.com/en/news/final-implementation-report-approved-by-jmc/210> and available data and reports on <http://www.hu-hr-ipa.com> and [www.huhr-cbc.com](http://www.huhr-cbc.com)

In the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020, the interest for tourism projects significantly raised. 207 applications were submitted and the majority of funds were requested for tourism (source: <http://www.huhr-cbc.com/en/press-release/first-call-for-proposals---234-million-euro-awarded/372>). Out of the 54 selected projects in March 2017, the 17 belonged to three tourism components (Bicycle paths, Tourism attractions, thematic routes

and other tourism products). MC allocated more than 66% of funds (15.5 million euro) to tourism projects (Figure 17).

**Figure 17: Division of euro per component for 54 selected projects, First Call for Proposals of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020**



Source: Own editing based on data published on the [www.huhr-cbc.com](http://www.huhr-cbc.com) and Table 4 in this dissertation: *Priorities and components of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020*

The Interreg V-A HU-HR Co-operation Programme 2014-2020 cannot be fully compared with Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013, due to methodological changes in the current 2014-2020 period:

- Tourism projects are eligible for financing only in zone B (Figure 15/ Balaton area in the Somogy and Zala counties is not geographically eligible, unlike 2007-13), while in the previous period the whole Programme area i.e. zone A was eligible for tourism activities
- Four previous adjacent counties in Croatia (see Figures 2, 11) can compete within the Calls for Proposals with the same rights as four Croatian border counties and receive more funds in the 2014-2020 period than in the 2007-2013 period, when they were eligible for only 20% of Programme funds
- Unlike in the previous Programme when only one Call for Proposals was available for tourism projects, Interreg V-A HU-HR Co-operation Programme has offered the chance in all its Calls for Proposals to apply for tourism projects. Although it has to be noted that at

the time of finalising the dissertation the results of only one Call for Proposals in the Interreg V-A HU-HR Co-operation Programme have been revealed and the Second call for Proposals has just been launched at the time of finalising the dissertation (the Second Call was launched on 31 January, 2019, with submission deadline of 3 May, 2019 and expected start of implementation of projects at the beginning of 2020).

HU-HR (IPA) CBC Programme 2007-2013 with 38 tourism projects and Interreg V-A HU-HR Co-operation Programme 2014-2020 with 17 tourism projects (with some more potential from the Second Call for Proposals) brought almost 35 million euro to Programme area. Such investments, mainly targeting bicycle paths (re)construction and tourism attractions and thematic routes developments, have had an impact on local communities in the area. However, the impact is still not clear and measurable and cannot be easily monitored.

First of all, investments were as presented in this chapter, rather scattered and individual. Márton Szűcs, Head of the Hungary–Croatia Joint Secretariat (JS) answered among the others, on the interview question number 8 (see: Appendix II): *“One tough challenge remains though: to produce that bit of added value which comes from co-operating with each other, instead of every side developing their tourism infrastructure and offer on their own. I believe that joint Hungarian–Croatian tourism development projects have a good chance to help the regional development of the cross-border area, but they have to show the added value of joint work and have to emphasise the strong ties to each other. With single developments, scattered all over the map and with no co-ordination also over the border, it is not possible in the future to efficiently enhance the tourism appeal and attractiveness of the borderline counties.”*

As a second, although last available data on tourist arrivals in case of Croatia on the county level (Statistical Yearbook of the Republic of Croatia, 2018) show slight increase, the raise of arrivals can, according to author, hardly be interconnected with the investments from two cross-border Programmes (as indicated in chapter 5.3. via visits to Croatian counties in the border area).

The raise of tourist arrivals is, as described in the previous chapters, a general tendency in Croatia. Tourism industry cannot be developed via EU funded cross-border co-operation Programme, with the RTTP approach and similar ad hoc decisions in the planning process. The only possible way is that both countries develop joint tourism strategy for the Programme area, with concrete plans and investments, which currently does not seem to be feasible.

## 6. CONCLUSIONS

In this dissertation the author intended to make a complex analysis of the Croatian–Hungarian border area, taking into account historical and geographical aspects of development – from reviewing historical periods to current demographic, socio-economic trends, transport and mobility in the Croatian–Hungarian border area, to exploring the role of tourism in the economies of Croatia and Hungary. The author presented the Croatian–Hungarian EU funded cross-border co-operation, and described in details the Hungary–Croatia (IPA) CBC Programme 2007-2013 and the Interreg V-A Hungary–Croatia Co-operation Programme 2014–2020 and their influence on the development aspects of the border area. The analysis of the Regional Tourism Product Plan (RTPP) of the Hungary–Croatia (IPA) CBC Programme 2007-2013 and the evaluation of cross-border tourism projects at the Croatian–Hungarian border area in the 2007-2013 and 2014-2020 EU budgetary periods are essential parts of the dissertation.

The specific and main objective was to reveal the author’s opinion whether it is realistic to expect the development of tourism industry via an EU funded cross-border co-operation Programme. As emphasised, the author had the possibility to make his own observations benefiting from his personal professional experience, since he has been continuously working from 2008 as a staff member of the Joint Technical Secretariat (JTS) in Budapest. He participated at the development and implementation of the HU-HR (IPA) CBC Programme 2007-2013 and at the planning and the implementation of the Interreg V-A Hungary–Croatia Co-operation Programme 2014–2020. The lack of stronger scientific interest in the Croatian–Hungarian border zone, especially on the Croatian side, furthermore the lack of complex analysis of the benefits of EU funded cross-border co-operation motivated the author to deal with the topic.

The author used various primary and secondary sources to reach the objective and to achieve the results of the research. As of the primary sources, besides the author’s own field observations and personal professional experience, interviews were conducted. The first group of interviewees were regional stakeholders, i.e. regional representatives of the seven border counties from both Hungary and Croatia, who participated in the planning process of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 and of the Interreg

V-A Hungary-Croatia Co-operation Programme 2014-2020, as well as in the decision making bodies.

The second round of semi-structured interviews, with two heads of the Hungary–Croatia JTS/JS was conducted in January 2019. These interviews contained new elements compared to the first round.

To gain an authentic perspective about the border area, surveys with questionnaire were sent out in January 2019 to the LBs of the First CfP tourism projects of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020. The questionnaire was elaborated in English. Out of 17 financed tourism projects, 14 returned the questionnaire.

In order to evaluate the results and impact of the Programme and to define whether the methodology used during the planning of HU-HR (IPA) CBC Programme 2007-2013 has had a positive impact, an ample amount of EU level regulations and Programme level regulatory documents were processed and thoroughly analysed. Additional literature describing the historical and geographical background of the Croatian–Hungarian boundary and border, as well as documents about the joint cross-border co-operation, were studied as secondary sources. The European and world level equivalent literature in the field of cross-border co-operation was processed as well.

In chapter 2, the author set the first hypothesis that *both parts of the Croatian–Hungarian border benefitted from the higher financial allocations and larger number of supported projects in the recent years from the European Union’s cross-border co-operation Programmes.*

Three Calls for Proposals (CfP) of the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 were launched from 2009 to 2012 by the Managing Authority of the Programme with the support of the Croatian Ministry of Regional Development and EU Funds. Out of the total number of applications (315) in all three CfPs, 169 genuinely joint projects selected by the JMC signed subsidy contracts. 26.7 million euro was allocated to Hungarian and 26 million euro to Croatian organisations until the closing Programme year 2016.

The Croatian border side better utilised its participation in the Programme, as the initial allocation share to the Programme was 66.66% (Hungary) and 33.34% (Croatia). Counties (NUTS III units) are compared based on the contracted amount of the funds to the 169 joint projects. Out of the contracted 52.7 million euro, 28.97 million euro (55%) was allocated to two

eastern counties, Baranya in Hungary and Osječko-baranjska in Croatia. In average 34 euro per capita was received per county. All four Croatian counties are at the average level or above it, whilst on the Hungarian side only Baranya. Zala is below the average; furthermore Somogy can present very low benefit from the cross-border Programme. The data of four Croatian adjacent counties included in the Programme have not been in-depth analysed due to their low amount of spending. Out of the possible 20% of the funds in the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 lifecycle they used only 0.8%, thus their participation cannot be considered justifiable, taking into account as well that their financial results in the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 are not significantly better.

More than 36% of contracted funds (19.2 million euro) supported 38 tourism projects, which proved to be more than what the planners originally expected. A lot of opportunities for co-operation were identified through the field of tourism (Table 8). Related to the data on the amount of EU contribution allocated via tourism projects to the border NUTS III regions, Međimurska County, as the most successful in absorption of funds (measured in euro per capita) in whole HU-HR (IPA) CBC Programme 2007-2013, is the least successful in the field of tourism. Besides Baranya and Osječko-baranjska counties which are on the top of both analysed, total and tourism projects statistics, Virovitičko-podravaska and Koprivničko-križevačka counties proved to have better results in tourism. Koprivničko-križevačka reached a huge success with the projects of Town Križevci. Virovitičko-podravaska with 23.7 euro per capita had the highest absorption of funds per citizen in case of tourism out of all counties in the Programme area. The reason behind is in the high number of large scale CBC tourism-infrastructure projects, from (re)construction of bicycle paths and visitors centres to development of thematic, specifically wine-routes including supporting infrastructure. Constant growth in the number of projects, even more evident in the Interreg V-A HU-HR Programme shows the strategic orientation of Virovitičko-podravaska county towards Croatian–Hungarian cross-border co-operation and its commitment to use Programme funds as a tool to mitigate its peripheral status in the author's opinion.

Until finalising this dissertation in the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 one open Call for Proposals was launched and closed in 2016. The Second Call for Proposals was launched on 31 January, 2019, with the submission deadline of 3 May 2019 and expected start of implementation of projects at the beginning of 2020. The

majority of funds in the First Call were requested for tourism. The Monitoring Committee selected 54 projects out of 207 submitted applications, in March 2017. In the First CfP 17 projects were financed in the field of tourism. Out of 23.4 million euro allocated to 54 selected projects; 15.5 million euro (66.2%) financed 17 tourism projects.

Thus, the first hypothesis is confirmed through the results of last two (2007-2013, 2014-2020) bilateral HU-HR cross-border co-operation Programmes.

**Table 8: Opportunities and threats for Croatian–Hungarian tourism cross-border co-operation**

Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Existence of protected areas (Mura-Drava-Danube Transboundary Biosphere Reserve by UNESCO since 2012; Danube-Drava National Park/HU, Nature Parks Kopački rit and Papuk/HR)</li> <li>▪ Good conditions for health tourism (spa and wellness), specifically on the Hungarian side</li> <li>▪ Strong cultural (Pécs, Osijek, Varaždin) and historical (Szigetvár, Mohács) heritage</li> <li>▪ Various wine and pilgrim thematic routes</li> <li>▪ Possibilities for active sports such as cycling, angling, rowing, hiking and equestrian</li> <li>▪ Existence of Tourism Handbook as the compendium of the Regional Tourism Product Plan (RTPP) which could be re-developed as the future joint strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong language barrier</li> <li>▪ Tourism development has not been balanced, but rather scattered and individual</li> <li>▪ Lack of harmonised and real joint tourism planning on the both sides of the border (example of spas in the direct proximity of border on the Hungarian side)</li> <li>▪ Tourism peripherality, especially on the Croatian side (Virovitičko-podravska, Požeško-slavonska counties)</li> <li>▪ Lack of tourism infrastructure (especially on the Croatian side) in the border area</li> <li>▪ Lack of services and weak tourism marketing (inhabitants do not frequently visit other side of the border for tourism purposes)</li> </ul>

*Source:* Own editing based on the results of this dissertation and the Situation Analysis of the Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020; [www.hu-hr-ipa.com](http://www.hu-hr-ipa.com) and [www.huhr-cbc.com](http://www.huhr-cbc.com)

In the second hypothesis author concluded that *based on his professional experience, the tourism targeted cross-border co-operation on the Croatian side might not fulfil in the recent years the expected results of the development needs, and contribute to the objectives of the strategies and programs.*

In chapter 5.4 the authored analysed the role of tourism in the economies of Croatia and Hungary. It was concluded that situation in the Programme area is opposite compared to the

national results. While Croatia as a country shows stronger figures and depends much more on tourism, the Hungarian part of border area on the county (NUTS III) level has one of the strongest impacts on the tourism results of Hungary. The border area with Hungary and specifically middle part with Virovitičko-podravaska and Požeško-slavonska counties is from touristic point of view the most underdeveloped part of Croatia i.e. again the periphery of the country. The latter one was until October 2017 the only Croatian county without officially classified and registered hotel accommodation.

Rural and eco-tourism, which are characterising products on the Croatian side of the border area with Hungary, are defined as key tourism products in the Croatian Tourism Development Strategy until 2020. As quoted in chapter 5.4 it is unrealistic to expect that Croatian continental regions should simply rely on the concept of expansion of tourism from the coastal area towards the inland and the need for a more complex and thorough approach is needed. Author considers from that aspect even the RTPP could be a beneficial document, in case the planning was not done respecting only administrative county level structure in Croatia, while creating new sub-regions in Hungary, as emphasised in the chapter 5.8.

As presented earlier, Virovitičko-podravaska had the highest absorption of funds per citizen in case of tourism out of all counties in the Programme area. This is a positive example, taking into account its proven tourism peripherality (Table 8). The constant growth in the number of projects, based on the author's experience and conclusions, is not a consequence of the properly planned RTPP and the Programme tourism strategy, but it is more interconnected with increased regional capacities in the last decade. Anyhow, as obvious from chapter 5.10 and clearly visible on Figure 16 (Euro per capita per county of 38 tourism projects HU-HR (IPA) CBC 2007-2013), tourism development is uneven and it did not reach some parts of the Programme area at all.

In the third hypothesis the author expressed *that based on his professional experience, the tourism targeted cross-border co-operation on the Hungarian side might not fulfil in the recent years the expected results of the development needs, because the development was already reached via national/mainstream EU funded Programmes in Hungary and cross-border co-operation proved to be only a complementary source.* From the dissertation it is rather clear that

both Hungary–Croatia Co-operation Programmes could bring a minor and additional source of funding to the already achieved development.

On the contrary, as analysed in chapter 5.4, in the recent decades, especially since the 2000s the spa development and the relative geographical distance or proximity of these investments have challenged the competitiveness of all the spas and their sustainability. The Hungarian border counties Zala, Somogy and Baranya are from touristic aspect more developed than the Croatian part, mainly because of Balaton and wellness tourism. Numerous new spas were constructed and accommodation capacities increased since the millennium. Those investments essentially restructured the Hungarian tourism market. However, in many cases, as a result of the not so adequate planning process or intense market changes, there were numerous negative characteristics, such as bankruptcy of the local governments.

The author concluded that tourism development, via strongly over-financed spa construction and reconstruction, was already reached via national/mainstream EU funded Programmes in Hungary and the EU financed cross-border co-operation was not necessary, if proved to be only a complementary source of funding.

On the other hand tourism potential of the Croatian–Hungarian cross-border co-operation could be better utilised in case not just geographically scattered investments were financed, but some joint and complementary programmes would have been created. Health tourism has had huge potential. There are five spas (Lenti, Letenye, Barcs, Harkány and Siklós) in direct proximity of the Croatian border, but the foreign guest nights rate is in general below the national average in Hungarian spas which are located near to the border.

The author set the fourth hypothesis that *Croatian–Hungarian cross-border co-operation did not bring tourism development on a large scale, but resulted in solely some local, separately planned and not interconnected, scattered tourism investments – thus only the micro developments on the given territory could be assessed.*

One of the most important aspects of the Croatian–Hungarian cross-border co-operation has been a specific two-step approach introduced in 2008 to tourism development. The Programming Document prescribed the preparation of a Regional Tourism Product Plan (RTPP) as a basis for launching tourism related Call(s) for Proposals in a concentrated manner. That was

considered as a unique methodology compared to other cross-border co-operation programmes. RTPP as an outcome of a special project of the Hungary–Croatia Cross-border Co-operation Programme 2007-2013 and the methodology for the planning of tourism actions in the Programme have been specifically deliberated in the dissertation. The author examined the risks RTPP entailed and its influence on the implementation of the Programme and tourism projects which started in 2013 only with a significant delay.

Such approach applied in the border area with lack of expertise could result in possible loss of funds, mainly due to the late launch of the Call for Proposal for tourism projects. The interest of potential applicants for submitting their proposals for developing RTPP was rather low, the required references and further limitation in later participation on the tourism CfP proved to be big obstacles for organisations to apply. The harmonisation of Programme level documents was quite problematic and the RTPP significantly deviated from the needs of the Programme. Sub-regional division on the Hungarian and Croatian side of the Programme area was not harmonised, sub-regions were not created in Croatia, while the existing county structure was taken into consideration. Although the zonal approach in defining the areas for tourism planning was a novelty in the Hungarian–Croatian border area, Zones B and C were planned in an overlapping manner within 40 km and 5 km from the river beds of Mura, Drava and Danube. Both zones include areas far away from the Croatian–Hungarian border, which could be eligible for the same types of activities like the settlements close to the border.

The RTPP became a very lengthy document, which had to be tailored to the needs of the Programme and of the applicants. The Handbook to Tourism Projects had to be elaborated, as a summary and user friendly version of RTPP. In practice, instead of one plan and strategy, the Programme ended up with two strategic documents. Interviews with both heads of Hungary–Croatia Joint Secretariat (JS) clearly identified the problems with RTPP and its application.

This methodological approach slowed down the implementation with the consequence that a significant amount of funds could only be spent at the end of the programming period. The Call for tourism related projects with infrastructural investments needing more time and bigger amount of subsidy was launched with a considerable delay. At the same time the interest for applying to tourism funds was rather high, which caused tensions among applicants, which has been confirmed via survey conducted among the First CfP LBs of the tourism components of the

Interreg V-A HU-HR Co-operation Programme 2014-2020. The first tourism projects started their implementation only at the beginning of 2013, the last budgetary year of the Programme. Thus majority of Programme level obligatory indicators could be later fulfilled than originally planned, but several of them failed to be fulfilled. Author considers that besides the late launch of the Third Call for Proposals at the end of 2011, the reason lies in problematic aspects of programming and RTPP, furthermore in the fact that the Programme level documents were not in harmony.

Among the advantages one can mention the strategic concept for connecting all tourism projects to one common framework, aiming in strengthening concentration of development outcomes. Sustainability of the Regional Tourism Product Plan has been ensured through its application in the 2014-2020 period and is understood as a strategic basis for the future. In the implementation of priority 2: Sustainable Use of Natural and Cultural Assets of the Interreg V-A Hungary–Croatia Co-operation Programme, the Handbook to Tourism Projects has been used as a background document for the interventions in tourism.

Due to the shortcomings and risks that the RTPP entailed, the author concludes that the two-step approach of tourism development applied in the Hungary–Croatia (IPA) Cross-border Co-operation Programme 2007-2013 is not to be recommended to other similar cross-border programmes. The planning of strategies has to be separated in terms of timing from regular Call for Proposals procedure to reduce the time necessary for the implementation of these strategic documents. Plans should be prepared in advance, in parallel with the elaboration of the new operational programme. The aim is to avoid producing the strategy within the existing strategy and endangering the implementation of the Programme, risking late implementation of the projects and possible de-commitment of funds.

It is rather obvious that joint understanding and naturally driven developments with joint Croatian–Hungarian initiatives in the border is missing. This statement is reflected in the outcome of the conducted interviews with the regional stakeholders. Although the overall outcome of the interviews presented a positive picture about the achievements of the Croatian–Hungarian cross-border co-operation, it highlighted differences between Croatians and Hungarians in the Programme, in relation to understanding of the language barrier and measures to mitigate it (English as the official working Programme language), or to how they consider the importance of the cross-border infrastructure. A pragmatic interest prevails among these

stakeholders to participate in the cross-border programme, but author considers that except of some individual cases, such as traditional university co-operation Osijek-Pécs, the main driving force is not inner but it is set in the framework of an EU-funded Programme. As a result, earlier defined development needs, mainly in the field of tourism, from both sides of the border are squeezed into the given strategic framework.

Moreover, the interviews conducted with the two heads of Hungary–Croatia Joint Secretariat (JS) even strongly could confirm hypothesis. Márton Szűcs, current Head of the JS emphasised that the joint tourism development projects financed by the 2007-2013 (and also by the 2014-2020) Programme have brought excellent visibility to the cross-border co-operation and have created a lot of tangible elements, but one tough challenge remains: to produce that bit of added value which comes from co-operating with each other, instead of every side developing their tourism infrastructure and offer on their own. He pointed out that with single developments, scattered all over the map and with no co-ordination over the border, it is not possible in the future to efficiently enhance the tourism appeal and attractiveness of the borderline counties.

Based on the results of two Croatian–Hungarian bilateral CBC Programmes, author of the dissertation could agree that complex political, infrastructural and institutional conditions of cross-border co-operation were developed in a period of two decades (Hajdú, et al., 2013). Otherwise, as author outlined in the dissertation and papers published in the thematic field (Čelan 2014, 2015, 2016), without the EU funded cross-border co-operation Programme strong interaction would not exist in the Croatian–Hungarian border area.

Those tangible small positive changes are anyhow not sufficient enough to minimise the barriers and the strong periphery status of the border area, especially when compared to the two capital cities: Zagreb and Budapest. The most intensive modification of the role of the common border in the last century, as both Hungary and Croatia became EU members, should have positive effect on mitigating the geographical river handicap and the negative psychological effect of the border. The transport and language barriers, furthermore the negative demographic trends, depopulation and low mobility in the Croatian–Hungarian border area are in need of significant change.

The author emphasised one important aspect of decision making and Programme management. The institutional changes of the Programme management structures hosted by public administration bodies in Hungary influenced the Hungary–Croatia (IPA) CBC Programme

2007-2013 and the Interreg V-A Co-operation Programme 2014–2020. Although a single set of management structures was created in 2007-2013 and the same principle continued to be applied in the current 2014-2020 period, and no matter that it proved to be better functioning and more integrated than in the earlier periods, in the opinion of the author the system has encountered several serious bottlenecks – mainly due to the fact that Programme implementing structures have been quite vulnerable to administrative changes.

With all analysed and listed problems, the author's conclusion is that it is not realistic to expect the development of tourism industry via an EU funded cross-border co-operation Programme. Such bilateral cross-border co-operation can only serve as a tool to mitigate some minor gaps in the border area and to bring some smaller scale level developments, as was proven in this dissertation. These local investments are helpful for limited number of smaller communities or towns (such as the example of Križevci). Regardless to the fact that RTPP methodology was applied with the aim to avoid it, still tourism development has not been balanced, but rather scattered and individual (Table 8).

## **7. FURTHER RESEARCH DIRECTIONS**

As emphasised in the dissertation, the main motivation for the author to choose this topic is the lack of stronger scientific interest in the Croatian–Hungarian border zone, especially on the Croatian side and the lack of a complex analysis of the of the EU funded cross-border co-operation in the HU-HR border area. The author could make his own observations benefiting from his personal professional experience as from 2008 he has been continuously working as a staff member of the Hungary–Croatia Joint Technical Secretariat (JTS)/ Joint Secretariat (JS).

The author plans to continue with his research in the future, in the same and similar field, focusing on tourism and its implication with Croatian–Hungarian cross-border co-operation. The author is willing to publish papers in that thematic field, especially after Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 is closed i.e., after all funds are allocated to selected projects. Having the intention to further examine border phenomena in Central Europe not only from the aspects of EU financed developments, but also from current economic, social, cultural and geopolitical trends.

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### 9.3. List of abbreviations

<b>CARDS</b>	EU Assistance Programme for Reconstruction Development and Stabilisation in the Western Balkans
<b>CBC</b>	Cross-border Co-operation
<b>CF</b>	Cohesion Fund
<b>COMECON</b>	Council for Mutual Economic Assistance, an economic organization (integration) from 1949 to 1991 under the leadership of the Soviet Union – comprised the countries of
<b>CP</b>	Co-operation Programme
<b>CPR</b>	Common Provisions Regulation
<b>ENPI</b>	European Neighbourhood and Partnership Instrument
<b>ERDF</b>	European Regional Development Fund
<b>ESIF</b>	European Structural and Investment Funds
<b>ETC</b>	European Territorial Co-operation
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>HU-HR</b>	Hungary–Croatia
<b>INTERREG</b>	Community/EU initiative which aims to stimulate European territorial co-operation
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>JMC</b>	Joint Monitoring Committee
<b>JS</b>	Joint Secretariat
<b>JTS</b>	Joint Technical Secretariat
<b>MA</b>	Managing Authority
<b>MC</b>	Monitoring Committee
<b>OP</b>	Operational Programme
<b>PHARE</b>	Action plan for coordinated aid to Poland and Hungary (subsequently extended to the remainder of the Central and East European countries)
<b>RTPP</b>	Regional Tourism Product Plan
<b>SFRY</b>	Socialist Federal Republic of Yugoslavia
<b>WTTC</b>	World Travel & Tourism Council

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## 12. APPENDICES

### Appendix I

Interviews with regional stakeholders/county representatives in the Hungary–Croatia (IPA) CBC Programme 2007-2013 and Interreg V-A Hungary–Croatia Co-operation Programme (6/7 interviews<sup>44</sup>)

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*Interview No.1- Međimurska County*

#### Interview questions:

1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

*YES/ No*

2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**Positive thing was as there was a joint planning managed comparing to the 2004-2006 period of Slovenia-Hungary-Croatia trilateral Programme, and not so positive part was that the process in applying for the tourism projects was slowed down completely and influenced by the development of the Regional Tourism Plan.**

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**Strategic planning should be separated from the implementation of the Programme, too long waiting time for launch of the tourism Call for Proposals, which was four years, contained a lot of risks.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

a) *No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**I'm partly satisfied, because some important projects where tourism board was participating were implemented, but on the other hand not fully happy as on the level of our county too many small projects were applying for funding, instead of some larger projects and more coordinated approach.**

if **no**, please give your arguments?

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<sup>44</sup> Despite several attempts and tries of the author, and direct personal communication, representative of Zala county did not finally participate in the interview, nor at least sent back answers on the interview questions. From the personal experience of the author and work in the HUHR CBC Programme body (JS), it significantly reflects continuous passive and inactive approach of the member in the JMC/MC from 2012; thus finally two interviewees (out of three) participated on the Hungarian side and four interviewees (out of four) participated on the Croatian side

- b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources?

**Bicycle routes development, and soft projects, like investment strategy in tourism etc. In Medimurska county stronger infrastructural projects were implemented in the nature and environment protection field in the first and second Call for Proposals of the HUHR IPA CBC Programme 2007-13, than the tourism projects in the Third Call.**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/No

*If YES, What was your role in the Task Force?*

**Yes, I have participated. I was involved as a member of the Task Force, as a representative of Medimurska County.**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**Positively as of continuation, but partly negative because of the too much pressure coming from the Hungarian side on the inclusion of the roads in the relatively small cross-border Programme. In the naturally strongly protected area, the issue of using the asphalt for such roads and the sustainable development of such roads was not emphasised from HU side.**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

- a) Are you satisfied with such strategic direction of the Programme?

**Yes, as the continuation of the previous 2007-13 Programme.**

- b) Do you think that it can bring the benefit to the Programme area?

**Yes.**

- c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**Just partly yes, because tourism as a general brings positive tendencies, but still in the Programme area with such language and geographical barrier, furthermore differences in the Croatian and Hungarian mentalities and not sufficient funds, it is not too realistic to expect immediate better connection of the two parts of the Programme area.**

if **no**, please give your arguments?

8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**On the intermediate level I think. It is easier to connect Croatian and Hungarian part of the border through tourism than via complex and concrete projects. But there are not enough funds for overall strong development of the area via tourism, as there are not enough funds, furthermore as of all the arguments mentioned under the question/answer number 7. In Međimurje county anyhow, small amount of the GDP comes from tourism.**

.....

*Sandra Polanec Marinović, representative of Međimurska county in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020, as well as in the Joint Monitoring Committee of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013*

.....

#### *Interview No.2- Koprivničko-križevačka County*

##### **Interview questions:**

1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

*YES/ No*

**I was involved partly.**

2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**According to my experiences the planning process was very constructive and very useful because at that time in Croatia there were not a lot of strategic documents and it was a time for us to begin with drafting of our strategic documents. Also the process was based on very cooperative approach.**

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**Although this kind of approach slowed down and delayed the process of preparing (and then implementing) tourism related projects in cross-border area, from strategic point of view, it was a good approach. Only the time of the producing of the document we can consider as a disadvantage.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

*a) No/ **partly YES** / strongly YES*

if **yes**, please give your arguments?

**I'm partly satisfied, because stakeholders from Koprivnica Križevci county (mainly by that I mean on Municipalities and NGO's) could benefit a lot more from the 3<sup>rd</sup> Call HU-HR (IPA) CBC Programme 2007-2013 where tourism related project were financed. Mostly the reasons for that are related to problems and obstacles outside the mentioned Programme (low level of possibilities for pre-financing and co-financing of projects, low level of experience and operative capacities for dealing with such projects, availability of national funds).**

if **no**, please give your arguments?

- b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources?

**Major developments are visible in 2 biggest towns in Koprivnica Križevci county – City of Križevci and City of Koprivnica, where tourism related projects made significant contribution to overall development (infrastructural projects).**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/ No

*If YES, What was your role in the Task Force?*

**Yes, I have participated. I was involved as a member of the Task Force, as a representative of Koprivnica Križevci County.**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**It was very positive cooperative process.**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

- a) Are you satisfied with such strategic direction of the Programme?

**Yes.**

- b) Do you think that it can bring the benefit to the Programme area?

**Yes. Due to the fact that this is the only strategic document related to tourism development in cross-border area, it should have a role in defining major development directions of tourism related projects, which could have significant contributions and benefits to the Programme area.**

- c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**Yes, because tourism sector was analysed on the 2 tracks at the same time: first separately for the cross-border area parts of the both countries and then together as a single area (touristic destination).**

if **no**, please give your arguments?

8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**As tourism is an important component of the overall development of Croatian-Hungarian border area, tourism related projects can have a big contribution to regional development of designated area, especially on Croatian side. In 2014-2020 period, as well as in 2007-2013 period, HU-HR Cross-border Programme was one of the biggest sources of financing touristic projects in HR cross-border area (mainly for big infrastructural projects). By Croatia entering EU in 2013, HU-HR cross-border**

area became even more accessible as a touristic destination. Besides accessibility, inevitable part of tourism development is increasing the attractiveness of cross-border area. So projects directed towards making the cross-border area a single touristic destination, and can have on a long-term basis, an important contribution to overall development on both sides of the border.

.....

*Melita Birčić, representative of Koprivničko-križevačka County in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020, as well as in the Joint Monitoring Committee of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013*

.....

*Interview No.3- Virovitičko-podravska county*

**Interview questions:**

1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

*YES/(No)*

2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**Active, transparent, great role is done by participating counties as partners so that we could have a feeling of the common property of the programme.**

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**Since it is very valuable nature area, it was a logical strategic way, so to avoid not having it kept in a most protected way.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

*a) No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**We implemented almost all planned projects but still there were some other projects which couldn't be implemented because of money reduction for tourism in the programme (Orahovica bicycle route).**

if **no**, please give your arguments?

b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources?

**Bicycle roads and Tourism bicycle centre in Kapela Dvor, wine roads in Orahovica, and renovation of the Museum in Slatina.**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/ No

*If YES, What was your role in the Task Force?*

**Member of Task force group for VPC**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**Objectives are logical and can contribute to EU agenda. I would appreciate more precise rules and available budget for construction/reconstruction (e.g. 70% of budget) of infrastructural objects which are the tool and having purpose in a way to contribute overall objective of the Programme. I don't like the situation with the roads for the purpose of improving the access into nature areas. Better would be to use those funds for tourism projects or other Priorities.**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.
- a) Are you satisfied with such strategic direction of the Programme? **yes**
- b) Do you think that it can bring the benefit to the Programme area? **yes**
- c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ **partly YES** / strongly YES*

if **yes**, please give your arguments?

**We need to think that it is a common area which can be connected through several touristic routes and ways, especially for the purpose of valorisation, use and protection of the nature in a wider area.**

if **no**, please give your arguments? **N.R**

8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**Tourism is one of the sectors which doesn't know any borders and can relatively easily develop the area by developing special attractions. It is more a rural area, but with specific differences on the Croatian and Hungarian side. Tourism as such doesn't include here any competition between entrepreneurs.**

***Sanja Bošnjak, representative of Virovitičko-podravaska county (VPC) in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020, as well as in the Joint Monitoring Committee of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013***

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*Interview No.4- Osječko-baranjska County*

**Interview questions:**

1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

YES/ No

2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**Very positive example of applying strategic approach to the development of tourism sector in one specific area; it allowed specific, potential and need oriented interventions in tourism sector of one specific cross-border area. The document served and still serves also as a good tool for “tourism planning” on the local and regional level, as it lists all relevant tourist products and their development needs in the area.**

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**Very positive- as I described above.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

a) *No/ partly YES / strongly YES*

if **yes**, please give your arguments? **Not answered (authors' remark).**

if **no**, please give your arguments?

b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources?

**Development of bike routes, other thematic routes, establishment of partnerships in tourism sector, upgrade of tourism offer...**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/ No

*If YES, What was your role in the Task Force?*

**I was representative of Osijek-Baranja County, directly responsible for defining investment priorities within operational programme.**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**Planning process took into account best practice form the previous programme 2007-2013 and decided to continue supporting tourism related activities since those projects shown to be of great interest for beneficiaries from both sides of the border. In some aspects, planning process was maybe**

**too much influenced by central government in Hungary in a way that certain actions (small road infrastructure) which are not a natural match for Interreg framework, were included.**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

a) Are you satisfied with such strategic direction of the Programme?

**Yes.**

b) Do you think that it can bring the benefit to the Programme area?

**Yes.**

c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ partly YES / **strongly YES***

if **yes**, please give your arguments?

**Yes, because it detected specific development needs and potentials which can only be upgraded in longer period of time.**

if **no**, please give your arguments? **N.R.**

8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**Tourism has been indicated as one of the strategic development sectors for the Croatian border area. Investments in recent period performed by both private and public sector have provided their returns in terms of an increase in number of visitors. Change in global tourist trends show more content-oriented requests from the market. As one of the important sectors of the border area is food and wine production, tourism can be seen as one of the sales channels for the local products and destination branding based on qualitative approach can support food and wine product sales outside of the local area.**

*Stjepan Ribić, representative of Osječko-baranjska county in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020, as well as in the Joint Monitoring Committee of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013*

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*Interview No.5- Baranya County*

**Interview questions:**

1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

**YES**/ No

2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**I was satisfied with the planning process of the Program.**

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**I think it was a good logic and the RTPP is a proper strategic document to tourism projects.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

*a) No/ partly YES / strongly YES*

if **yes**, please give your arguments?

if **no**, please give your arguments?

**I think we are still missing the real links between the two countries. We should concentrate more on the missing border-crossing possibilities to improve the mobility of tourists and have more common "border-crossing" tourism product.**

b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources?

**In Baranya we had several tourism projects, but we are proud of our results related to active tourism, preferable cycling tourism. Our county is highly motivated to continue the development of bicycle roads and facilities financed from Interreg and main stream programmes.**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020?

*YES/ No*

*If YES, What was your role in the Task Force?*

**Presenting Baranya County, participating on meetings, reviewing documents**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**I think we tried to move forward and built on the experiences of the previous program. The planning process was successful and efficient but our work was a bit difficult because the documents are in English. We still force the trilingual documents within the Program because many stakeholders in Hungary still have barriers regarding the language.**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTPP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

- a) Are you satisfied with such strategic direction of the Programme? **YES**
- b) Do you think that it can bring the benefit to the Programme area? **YES**
- c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**It is a good thing that we have a strategic document and we decided upon the main direction of the developments in the different zones of the Programme Area so we have a strategic approach to tourism development in the region based on a professional work of experts. But I think it is still limited if we do not have the proper links between the counties (good quality roads and infrastructure, border-crossing points etc.). We still need strategic projects to improve these facilities also serving the development of tourism products.**

if **no**, please give your arguments? **N.R.**

- 8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**In Baranya we have outstanding tourism possibilities which we would like to build on. Baranya county has remarkable natural and cultural attractions but the cross-border projects can even make the possibilities more colourful. We are about to strengthen the cross-border co-operation in tourism and encouraging all the investments which can improve the access of the Croatian-Hungarian border area.**

*András Göndöc, representative of Baranya county in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020*

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*Interview No.6- Somogy County*

**Interview questions:**

- 1. Have you participated in the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

*YES/ No*

- 2. How would you evaluate (in both cases participating, or not participating in the Task Force) the planning process of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013 related to the tourism area of intervention?

**In my opinion it must have been highly effective, as in the previous (2007-2013) calls we have seen several high-quality projects carried out, with high added value.**

- 3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched?

**I think the idea of creating a separate guide to tourism projects is useful for both the applicants and the program itself. The possibility to create such a handbook with the financing of the programme**

**itself created the opportunity to freshly research and monitor the needs and touristic possibilities, also, a strong budget can ensure the quality of the information.**

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought to your county:

a) No/ partly YES / strongly YES

if **yes**, please give your arguments?

**In a very small amount of projects I could “feel” a little will to gather as much money as possible, and after that, just try to cover the budget with “something touristic”. Otherwise, tourism is a key aspect of every bordering region, and I think that the dominant part of the projects created high added value to tourism.**

if **no**, please give your arguments?

b) What are the major developments based on the tourism projects implemented within your county from HU-HR (IPA) CBC Programme 2007-2013 sources? **Not answered (authors' remark).**

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/ No

*If YES, What was your role in the Task Force?*

**Delegate from Somogy county Government**

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

**Effective and necessary**

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP will also be used in the new Programme as well as the Handbook to Tourism Projects which will serve as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

a) Are you satisfied with such strategic direction of the Programme?

**Yes, I think certain continuity is very important when developing or re-establishing tourism projects. At his point, a large amount of destinations etc. gained values from the program, but a lot of these projects need more development, have much more possibilities.**

b) Do you think that it can bring the benefit to the Programme area?

**Yes, as said above**

c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

*No/ partly YES / strongly YES*

if **yes**, please give your arguments?

**As I see it, projects which connect stakeholders from both sides have a much stronger multiplier effect (cultural, financial) than one would expect from a project with two participants.**

if **no**, please give your arguments? **N.R.**

8. On which level do you think, from your professional/ decision making point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

**I think on both sides, tourism is a key element of economy itself. As the new Call also favours smaller, more innovative projects, which involve much more planning and thinking, I think ‘smaller’ tourism stakeholders will have the chance to improve or to develop more values. In my opinion, this scene is the one that needs the most help from the EU funds.**

*Márk Gábor, representative of Somogy county in the Task Force of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020*

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## **Appendix II**

Interviews with both Heads of the Joint Technical Secretariat (JTS) / Joint Secretariat (JS) of the Hungary–Croatia (IPA) CBC Programme 2007-2013 and the Interreg V-A Hungary–Croatia Co-operation Programme (2 interviews)

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*Interview No.1 - Diána Rózsa, first Head of Hungary–Croatia Joint Technical Secretariat (JTS) 2008-2012*

1. How would you assess the planning process (Task Force) held between 2006-2007 of the Hungary-Croatia (HU-HR) IPA CBC Programme 2007-2013?

*The EU budgetary period 2000-2006 was shortened to three years (2004-2006) after 10 countries, including Hungary, acceded to the EU and started to use the European Regional Development Fund (ERDF). It affected the cross-border co-operation with the neighbours. Consequently we jumped fast into the implementation of the Interreg III-A Slovenia-Hungary-Croatia Neighbourhood Programme 2004-2006. Thus, the planning of the Hungary-Croatia (IPA) CBC Programme 2007-2013 was the first real cross-border co-operation planning exercise- there was no previous experience and best practice to rely on. It included for the first time ex-ante assessment and a SEA (strategic environmental assessment) of the Programming document (Cross-border Operational programme).*

*Before I was selected as the Head of JTS in January 2008, I was the programme coordinator in Hungary of the Interreg III-A Slovenia-Hungary-Croatia Neighbourhood Programme in Váti Kht. In the planning of the Hungary-Croatia IPA CBC Programme 2007-2013 I was involved as a technical support to the person responsible in Váti for the planning of all CBC Programmes in which Hungary participated.*

*Although such programming process was a novelty, the time allocated was too short for the experts (joint Hungarian-Croatian expert team) to dig all necessary information and to finish the whole planning process, foreseeing the possible consequences. The 1<sup>st</sup> Task Force (bilateral decision making working group, consisted of regional/county and national /ministerial level actors) meeting took place in July 2006 in Pécs and the last, 6<sup>th</sup> Task Force meeting in April 2007 in Nagykanizsa- which is a timeframe of less than a year.*

*We experienced lack of information (statistical data) with a delay in obtaining them, mainly from the Croatian side. Since Croatia was not an EU Member State, Croatians were more contributing and conforming to the requests of Hungarian experts. The whole process was more expert driven and from this perspective I can say that decision makers were not fully following and understanding the planning process. The Task Force was without many comments accepting the outcome of the work of experts, which was not surprising for the Croatian side, as they were not experienced at that time with EU funds. Furthermore, the planners did not have the implementation perspective. The Joint Technical Secretariat (JTS) did not yet exist at that time and the Programme structures were not established until the beginning of 2008.*

*Anyhow there was a huge work behind done in a short time-frame. Thus, the European Commission acknowledged that pilot work with the fast endorsement of the Programming document in March 2008. The possible consequences were not obviously visible and predictable to the planners and the decision makers at that time.*

2. How would you evaluate the planning process of the HU-HR (IPA) CBC Programme 2007-2013 related to the tourism area of intervention?

*During the programming exercise, SWOT and situation analyses highlighted the potential for co-operation arising especially from the existence of an underutilised common potential asset, the Mura-Drava-Danube river zone, as the main common feature of both sides of the border. Thus, it was clear that after the experiences of the Hungary-Croatia Pilot Small Projects Fund in 2002-2003 and later Interreg III-A Slovenia-Hungary-Croatia Neighbourhood Programme 2004-2006, when most of the financed projects were in the tourism field, that tourism with environment will be in the focus of HU-HR (IPA) CBC Programme 2007-2013.*

*But, as already mentioned, the Task Force approved without many comments the work of experts, not taking into account the possible risks and thinking from the implementation perspective. The tourism planning process with the Regional Tourism Product Plan (RTPP) strategic approach was one of the outcomes of a fast planning exercise, in which all, theoretically innovative ideas were accepted, but without considering possible implementation consequences.*

*The first Joint monitoring committee (JMC) meeting of the HU-HR (IPA) CBC Programme 2007-2013 in June 2008 in Pécs turned out to be partly unpleasant, because several county level decision makers (specifically at-that-time representatives of Baranya and Međimurje Counties in the JMC) openly attacked the RTPP approach.*

*RTPP approach at the moments brought a lot of stress for the whole JTS team and me as the team leader, as we had to face the risk of possible failure of the whole tourism area of intervention.*

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched at the end of 2011?

*The approach in 2006 looked on the first sight innovative, but at the Task Force meetings we felt that it was brought rather fast by the external programming experts on the agenda without considering all possible consequences for later implementation.*

*At the time of submission of project proposals for Specific CfP for the Action 1.2.1, it was not clear whether any project proposal would arrive at all and in time. Finally the JTS and I were even lucky with two submitted RTPP project applications. The submitted applications proved that the scientific background was weak on the Croatian side, but the regional management capacity was strong. Thus, one of Croatian partners from the winning RTPP project consortium had to subcontract for the content-related tasks the experts from the Institute for Tourism in Zagreb.*

*After the project finished with the implementation at the beginning of March 2011, it was evident that the RTPP as such (644 pages) cannot be used in the forthcoming Call for Proposals for tourism projects. It had to be urgently summarised in a shorter version (Handbook) to be annexed to the Guidelines for Applicants. None of the experts from Croatia wanted to participate in that job during summer 2011, thus only Hungarian experts with the help of JTS colleagues with geographical background could do the summarisation. The Call for tourism actions was finally launched in November of that year, but the preparation was definitely too long, tiresome, stressful and questionable by the public audience and in fact it could mainly, in my opinion, bring the benefit to a forthcoming Programme.*

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought, looking from Programme/JS perspective:

*No/ partly YES / strongly YES*

Please give your arguments?

*Knowing how we started the Programme, I have to admit that I am impressed and even proud to see the outcomes of the Hungarian-Croatian cross-border co-operation, when I travel through the Programme area (from summer 2012 just as a tourist). Nice re-constructed and rehabilitated eco-tourism areas, visitors' centres, bicycle paths...all look nice and show that the level of co-operation between Hungarians and Croatians has strengthened.*

*I am happy to see that almost 40 tourism project (out of total 169 in the previous Programme) were supported, and only from one available call for tourism proposals.*

*With the results I am just partly satisfied. Unfortunately, project partners within the same projects are in general distanced and the activities they implement look rather disconnected than joint, real cross-border ones.*

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? *YES/ No*

*If YES, What was your role in the Task Force?*

*I finished with my work as head of the JTS at the end of June 2012, right before the first Task Force meeting for the planning of the 2014-2020 period in July 2012. My last task was to propose three JTS colleagues Márton Szűcs, János Rakonczai and Tvrtko Čelan to participate in the Task Force (TF), as technical and professional/content support to TF.*

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

*What I can observe only from today's perspective is that the continuation of the tourism in the Programme has been kept in 2014-2020 period, seeing how huge interest we had during HU-HR (IPA) CBC Programme 2007-2013.*

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTPP have also been used in the new Programme as well as the Handbook to Tourism Projects which serves as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

a) Are you satisfied with such strategic direction of the Programme?

YES

b) Do you think that it can bring the benefit to the Programme area?

YES

c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian?

Partly YES

Please give your arguments?

*I consider it logical that the findings of the RTPP have also been used in the 2014-2020 joint CBC Programme through the Handbook to Tourism Projects, which all tourism development projects should consider.*

*As emphasised in my answer on the interview question number 3, the time devoted to producing RTPP, summarising it into the Handbook and then launching the Call for tourism project proposals in November 2011, was definitely too long, tiresome and stressful in the HU-HR (IPA) CBC Programme 2007-2013. I pointed out that in fact it could mainly, in my opinion, bring the benefit to a forthcoming Programme. With huge work and efforts, plus significant amount of luck in 2010 and 2011 (1.2.1 Call for RTPP project did not fail, RTPP was summarised in the Handbook), I can see that it did bring the benefit.*

*As for the 2014-2020 period, it is positive that stronger focus is on the narrower part of the border area (zones B-C), so that Balaton and more developed tourism areas are not in the focus of tourism investments.*

8. On which level do you think, from your professional point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

*I personally think that it is possible, however on a moderate level.*

*As stated before, the re-constructed and rehabilitated eco-tourism areas, visitors' centres, bicycle paths, show that the level of co-operation between Hungarians and Croatians has strengthened.*

*But on which level those tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area, is rather questionable. Operations are dispersed, project partners within the same project are distanced and the joint cross-border effect does not seem to be the strongest.*

*From my experience in the JTS, I could conclude that more skilful and better prepared applicants bring benefit, so the results depend individually case-by-case. At the same time some regions (such as Somogy) could even showcase in the past that no more than 15 participants were present on the Info days at the time of the opening of the Call for Proposals in their county, thus the projects they won could not contribute to the development of the border area.*

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*Interview No. 2 – dr. Márton Szűcs, Head of Hungary–Croatia Joint (Technical) Secretariat (JTS/JS) 2012- present*

1. How would you assess the planning process (Task Force) held between 2006-2007, of the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

*The bulk of the work related to the planning of the programme took place between May 2006 and May 2007, a short time span for today's standards if one can say so. The mainly expert-driven process involved 6 meetings of the Task Force (a bilateral body composed of 3+ county representatives and ministry employees), several bilateral expert meetings, one-on-one interviews with authorities and 2 stakeholder workshops.*

*Programming was steered as 'contracting authorities' for the most time by the future Managing Authority, the National Development Agency of Hungary in co-ordination with the future National Authority, the Croatian Ministry of the Sea, Tourism, Transport and Development. Contracted experts came on the Hungarian side from the Strategic Planning and Evaluation Directorate of VÁTI, a renowned spatial development institution, and on the Croatian side from the Technical Assistance financed team of the Central Office for Development Strategy and Co-ordination of EU Funds. For the first time in the preparation of Hungarian-Croatian cross-border programmes, the planning process was accompanied by an ex-ante assessment and a SEA (strategic environmental assessment) process as well, providing quality assurance feedback about the planners' and the stakeholders' ideas for the future programme, from a professional and a sustainability point of view.*

*Next to ex-ante and SEA, there were actually several 'first times' in the planning of the 2007-2013 period, such as the first time of planning an Interreg programme without Slovenia, whereby it was possible to concentrate on the needs and plans of the Hungarian and Croatian counties, or the first time of Croatia getting introduced to an era of pre-accession funding in its own right. Thinking back, there were many new actors getting to know each other from both sides of the border. The Croatian county development agencies were in the process of being set up and enlarged for their future tasks, and on the Hungarian side the two NUTS 2 regional development agencies were in their prime, acting not only as intermediate bodies for internal (mainstream) Hungarian operation programmes, but also employing serious spatial planning capacities and enthusiastic colleagues dealing with foreign relations and co-operation.*

*In terms of challenges faced, it has to be stressed that there was no Joint Technical Secretariat (JTS) set up yet in 2006 and 2007, thus no joint capacities (meaning experienced Hungarian and Croatian employees in the same organisational structure) were available at the time. From the involved planning experts the in-house planners of VÁTI were very much experienced in programming but they, and also some of the outside experts involved, had slightly less insight into the concrete border area's needs. Without a JTS composed from nationals of both countries this was partly balanced out by the involvement of regional development agency (HU) and county (HR) colleagues who managed to provide the necessary regional input into the work otherwise steered from the two capital cities. Owing to a lucky constellation of processes, there was still proper spatial planning capacity in the Hungarian NUTS 2 regions, and there was already reliable strategic planning knowledge on the Croatian county level.*

*Overall, the programming process was finished within a good timeframe with good outputs, and the draft programming document was well received by the European Commission, with only a limited number of comments and recommendations. The summary report of the planning experts prepared for the MA quotes the desk officer of the EC responsible for the programme at the time saying: 'Overall, I am impressed with the quality of the document and do not have significant comments about the substance.' Both the Task Force approval and the endorsement by the Commission could be called fast and easy-going by today's standards.*

2. How would you evaluate the planning process of the HU-HR (IPA) CBC Programme 2007-2013 related to the tourism area of intervention?

*It was clear from the very beginning of the planning process that the need for the topic is substantial, as already experienced in the framework of the SLO-HU-CRO Neighbourhood Programme, implemented*

*between 2004 and 2008. Untouched nature (a weakness in terms of industrial production and first and secondary sector GDP, but a strength in terms of tourism potential and tertiary sector growth) was very fast identified to be a major asset of this border region on both sides.*

*Input for which tourism products and routes to be mentioned in the programming document (and to be developed later) came mainly from regional tourism committees of Hungary as well as the Croatian counties' development departments. It was also of help that the Croatian NA was the ministry dealing with tourism, therefore it was possible to ensure professional oversight over the plans.*

*Regarding the content of the tourism-development related parts of the programming document (both the situation analysis part and the strategic directions) it is not my place to judge the professional quality or the recommended directions proposed by the planners and stakeholders. From the side of the implementing structure my task at that time was to technically support the programming process, but seeing how all relevant actors were involved in the planning, seeing that the ex-ante assessment has granted its approval to the draft programming document, and knowing that the draft programme was examined by the relevant Commission services and subsequently approved by the EC, I am confident that the planning of the Area of Intervention dealing with tourism was conducted in line with the professional standards of the time, and was based on the joint will of the border region's two sides, expressed via a number of channels (from Task Force meetings over personal interviews etc.).*

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched at the end of 2011?

*This approach was quite innovative and represented uncharted territory for a cross-border programme.*

*Among the reasons to choose it we can find the fact that the content of operational programmes often is too general to transpose 1:1 into a Call for Proposals. Also in the predecessor programme of the INTERREG III period the implementing structures had to involve external experts to tailor the strategic directions of the programme into calls with detailed eligibility rules which make later the assessment of the incoming project proposals possible, especially when talking about eligibility of activities, i.e. the degree to which they should be supported or not. Therefore the need for further specification and detail was given also in case of the 2007-2013 programme – and all its areas of intervention. A solution was sought after how to develop the detailed rules of the tourism-development Calls, and who could be charged with the task.*

*The possible directions were to either outsource the description of the joint tourism development Areas of Intervention to external experts, or to build on a bottom-up approach and let actors of the border region themselves develop the details. The second option seemed to the decision-makers to be a better idea than subcontracting; the 'legitimacy' of the document to be created (Regional Tourism Product Plan) was expected to be stronger than in case of an expert material with a Budapest / Zagreb influence (again). Time was not of the essence since the n+3 rule, forcing the programme to start spending on projects, was addressed by opening other thematic areas of the programme in the meantime. Thus for projects there was possibility all along to apply and to receive funding – just not in joint tourism development.*

*The Call for the drafting of the RTPP was managed in 2009 and resulted in two submitted applications which both confirmed that the partnerships had a strong scientific background and were deeply rooted in the programming area at the same time. Whichever application would win, the consortium implementing the strategic project would consist of experienced local experts with much more ties to the stakeholders than what external experts, sometimes not even coming from the border region, were thought to be able to present.*

*Next to having a broad partnership and featuring experienced spatial planners on the ground, the winning partnership creating the RTPP has researched all available strategies (county-, regional-, national + micro-regional (where applicable) and bicycle-related) in detail. Mainly due to a new approach in Hungarian regional operational programmes of the time, the project endorsed the 'sub-regional matrix' method when bringing territorial units of the border region and their most feasible tourism development activities together. This, however, led to some discrepancies in the regional coverage when establishing the concrete tourism sub-regions of the HU-HR border area. The method was effortless to apply on the Hungarian side, building on the experience existing in the regional OP-s, but it was not successful on the Croatian side where instead the NUTS 3 level remained in use, leading to a less optimal result. A vague*

*step leading to the demarcation of possible Croatian tourism sub-regions in the border area would have meant a step further in the direction of a unified approach.*

*Reflecting on the above, next to the positive features of the RTPP approach (e.g. bringing very detailed research with it, done by mostly local planning personnel with the involvement of local stakeholders, trying to establish a uniform stance towards tourism development in two separate countries, and preparing a strong footing for the publishing of Calls), the downsides of this planning method can be summarised as follows:*

- *Difficulty of establishing standard territorial units. Statistics tend to be available on slightly different levels in Hungary and in Croatia (see settlement vs. “općina” level); countries’ traditions may support or discourage the creation of NUTS 3 like units, apart from counties; etc.*
- *The two-step approach halting the tourism-development Calls of the programme, resulting in stakeholder / applicant frustration and some risk of loss of funding due to n+3 rule*
- *Danger of producing output that is overly scientific. This came partly true in case of the HU-HR RTPP since the document itself is 650 pages long and is accompanied by a huge GIS database. The solution applied here was to condense the RTPP into a Tourism Handbook of ca. 100 pages, this was then suitable to present to applicants as a guidance document. Nevertheless, extra time and resources (financial and human) had to be involved in order to reach an applicant-friendly level of conciseness before opening the Calls in the tourism Areas of Intervention. It was not easy to find proper external expertise for this summarisation task; in the end the JTS managed to subcontract Hungarian tourism experts only, and they had to work in a relatively tight timeframe.*

*All in all, two years passed between the publishing of the Call to prepare the RTPP and publishing the Calls that were based on the ready document. Based on the time need, this two-step approach can only be recommended to EU programmes which are otherwise properly under implementation and have enough ongoing projects right from the beginning with the help of which they can be covered against the de-commitment rule of n+3 or even n+2 (which will be the main rule in ERDF programmes in the upcoming period 2021-2027).*

4. Are you satisfied with the results that HU-HR (IPA) CBC Programme 2007-2013 tourism projects brought, looking from Programme/JS perspective:

c) *No/ partly YES / strongly YES*

Please give your arguments?

*The joint tourism development projects financed by the 2007-2013 (and also by the 2014-2020) programme have brought excellent visibility to the cross-border co-operation and have created a lot of tangible elements. Let us be reminded of previous programmes which mostly had smaller allocations and thus could not really present very visible results. On the contrary, the outcomes of the IPA and ERDF eras of HU-HR co-operation could be (and can be) easier communicated towards the border region’s inhabitants and towards the outside as well, mainly the national level and the EC.*

*Many renovations were undertaken by project partnerships, mostly historical buildings found a new function as e.g. tourism info centres, meaning that also built heritage was protected and restored, complementing other developments more related to the rich natural heritage. There have been many new connections established between tourism actors of the two sides which can be (and have to be) capitalised upon in the present and the future, such as between wine regions of Hungary and Croatia, previously unheard of.*

*Of course the limitations of ETC funding (see smaller size of grants possible to be provided as compared to mainstream OP-s), or the restricting of beneficiaries to non-profit organisations only) were allowing just*

*for the first steps, and sometimes it is difficult to compete with the visibility of huge projects financed from the regional OP-s or managed by big players such as the state or for-profit entities. Still, as the saying of some economists states ('Small is beautiful'), it is my opinion that the establishing of links between each other and the joint undertaking of the first steps down the road to co-operation can be even more important than huge investments where no linkages are established over the border and into the neighbouring country.*

5. Have you participated in the planning process (Task Force) held between 2012-2015, of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020? YES/ No

*If YES, What was your role in the Task Force?*

*I was, together with some of my JTS colleagues, involved in organising and managing the Task Force's meetings (providing funding, managing procurements, ensuring technical conditions). We also moderated the timing of meetings and managed the communication of the Task Force (sending invitations and drafting minutes). From the content point of view, having already the experience from working in the 2007-2013 JTS, we co-operated with the planners as well: we had interviews with them, provided them with requested data, commented on their draft materials and requiring inputs from them on time to be available for the meetings. All in all, from our point of view the work was easier because there was an existing JTS (unlike in 2006-2007) and there was programming expertise at the JTS member level, including knowledge about geographic specificities, financial and legal aspects of document drafting etc.*

6. How would you evaluate (in both cases: participating or not participating in the Task Force) on the planning process of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets?

*This time around, the entire programming process seemed to be less complicated from the content point of view, owing to the foundations laid down by the predecessor programme 2007-2013. Planners and ex ante assessment experts were partly the same as in the previous planning and/or they were, though their earlier expert work in the Hungarian-Croatian border region, more aware of the programme area's situation and needs.*

*Again it was swiftly concluded by the experts and the Task Force that nature and tourism should have a strong position in the SWOT and of course also among the thematic areas eligible for funding. A challenge to be overcome, however, was the fact that the Thematic Objectives established by the EC for the 2014-2020 perspective do not contain an explicit joint tourism development TO. Having had many exchanges with J(T)S-es and MA-s of ETC programmes from all over Europe, it can be stated that the above fact has presented a problem in many a cross-border area.*

*Most other programmes, just as the Interreg V-A HU-HR programme, have chosen the approach to 'hide' tourism development into TO 6, 'Preserving and protecting the environment and promoting resource efficiency', and within that into Investment Priority c), 'Conserving, protecting, promoting and developing natural and cultural heritage'. From this point of view it is a lucky circumstance that in case of the Hungary-Croatia border region it was effortless and self-explanatory to combine the rich natural heritage with the tourism development efforts. Other border regions which have a more industrial character might have had more difficulties inserting their joint tourism development efforts (if any) into the strict system of the 11 Thematic Objectives fixed by the EC in the regulations.*

7. Task Force decided, what was finally approved in the final Co-operation programme document by the European Commission on 7.9.2015 that the strategic orientation towards tourism in the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 should be kept as the continuation from the HU-HR (IPA) CBC Programme 2007-2013. The findings of the RTTP have also been used in the new Programme as well as the Handbook to Tourism Projects which serves as the document that provides firm strategic direction that tourism development projects shall address, as the background for any interventions in tourism.

- a) Are you satisfied with such strategic direction of the Programme? YES
- b) Do you think that it can bring the benefit to the Programme area? YES
- c) Do you think that it can better connect two parts of the border area, Croatian and Hungarian? YES

Please give your arguments?

*The idea of continuing to use the Tourism Handbook in the Calls of the 2014-2020 programme as well has a strong footing from two points of view: financially and time-wise. The RTPP and the Handbook were both produced with public funds dedicated to the development of the common border region, therefore to set them aside so fast has not been an option. The efforts and the funding embodied in the strategic approach of the 2007-2013 period were worth sustaining and further exploiting. The Handbook helped also to save a certain amount of time during the planning process, because at least in case of joint tourism development it was clear to all (MA, NA, Task Force members and planners) what the content of the programming document should be based on, thus there was more time remaining for drafting the strategy of the programme with regard to the other TO-s.*

*An important aspect to be considered is also the expectations of the sizeable pool of (potential) applicants and project beneficiaries. They can use a stable and predictable approach more than a setting of development priorities which is different in every seven-year period. I think it is to be benefit of this community that the Handbook and its recommendations could stretch over into the subsequent financial perspective, and that the new programme has very similar things to say about joint tourism development (in both its strategic part and in the concrete Calls for Proposals as well) as the previous one did. This also enables the sustaining of good partnerships over several jointly implemented projects, and one development has a good chance of building on another, previous one. In my view the stability of the framework and the background is key to upholding long-lasting cross-border partnerships.*

- d) On which level do you think, from your professional point of view that the tourism projects in the given cross-border context can help in the regional development of the Croatian-Hungarian border area? Please give your arguments.

*It is obvious from the SWOT of most Hungarian-Croatian development programmes to this day that the common border region has not been (and unfortunately is not in a short time about to be) an economically strong area on either side. In a sense, stakeholders are attempting, much like the fictional character baron Munchhausen, to pull themselves out of the water, meaning in case of EU-funded programme planning that they try to turn a disadvantage (large areas with no production activities) into an advantage and capitalise on it. With this in mind, it makes sense to continue financing joint (eco)tourism developments in the area because tourism is indeed a potential strong suit, if used successfully.*

*In both Hungary and in Croatia the counties of the border region are not in the centre of attention when it comes to state-level tourism strategies and marketing. In Hungary, currently the capital city is attraction number one, followed by Lake Balaton in the second spot, and all other regions come only after. Similarly in Croatia: the country mostly builds on its seaside, then Zagreb, and continental tourism is third at best. In both countries this situation is understandable and normal, yet there is much potential in the less frequented areas and this is where e.g. an Interreg programme can help, by providing support to the joint development and promotion of the countryside.*

*One tough challenge remains though: to produce that bit of added value which comes from co-operating with each other, instead of every side developing their tourism infrastructure and offer on their own. I believe that joint Hungarian-Croatian tourism development projects have a good chance to help the regional development of the cross-border area, but they have to show the added value of joint work and have to emphasise the strong ties to each other. With single developments, scattered all over the map and with no co-ordination also over the border, it is not possible in the future to efficiently enhance the tourism appeal and attractiveness of the borderline counties.*

## Appendix III

E-mail survey among Interreg V-A Hungary–Croatia Co-operation Programme 2014-2020 First CfP tourism components' Lead Beneficiaries (17 questionnaires) – circulated questionnaire:

1. Please indicate the ID, acronym and the Lead Beneficiary (LB) organisation name of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 First CfP tourism project you implement:

.....

2. Have you also implemented the tourism project within the Hungary-Croatia (HUHR) IPA CBC Programme 2007-2013?

.....

If **yes**, are you satisfied with the results that your HU-HR (IPA) CBC Programme 2007-2013 tourism project(s) brought, looking from LB perspective, to you and to your project partners?

.....

3. How would you evaluate the approach implemented within the HU-HR (IPA) CBC Programme 2007-2013, so that the Regional Tourism Product Plan (RTPP) was first produced as the strategic project financed within action 1.2.1., and only after its results were published in the Handbook to Tourism Projects, the regular Call for Proposals for tourism actions could be launched at the end of 2011?

.....

4. How would you evaluate the approach implemented within the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 related to the tourism activities within the Priority 2: Sustainable Use of Natural and Cultural Assets (and usage of Handbook to Tourism Projects 2007-2013 which serves as the obligatory document that provides firm strategic direction that tourism development projects shall address)?

.....

5. On which level do you think, from your professional point of view that the tourism projects in the given cross-border context can help in the regional development of both, the Croatian and the Hungarian border area? Please give your arguments.

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