

# The Analysis of the Tourism Plan within a Cross-border Development Strategy

Sustainability of the Regional Tourism Product Plan  
of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013

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## Abstract

*This paper presents the Regional Tourism Product Plan (RTPP) and analyses the strategic approach in the planning of tourism. Until 1 July 2013 the Hungary-Croatia Cross-border Co-operation Programme 2007-2013 (hereinafter HU-HR (IPA) CBC Programme) was part of the Instrument for Pre-Accession Assistance (IPA). Compared to the previous periods, IPA brought significant development in co-operation, by introducing single set of rules and the Lead Beneficiary principle.*

*The HU-HR (IPA) CBC Programme applied a new two-step development of tourism. First, it prescribed the preparation of RTPP within a special project and only after the RTPP was elaborated could the open call for tourism proposals be launched. There was no similar case in other CBC programmes.*

*The author will review the Programme level documents and reports, furthermore, examine the RTPP outcomes and the methodology introduced in the planning of tourism actions in the Programme. The risks RTPP involved and its influence on the implementation of the Programme and tourism projects will be investigated by highlighting the problems of application of RTPP in practice. The aim of this work is to focus on and to evaluate this specific planning methodology, and to assess whether it could be recommended to other similar programmes. Due to the shortcomings that the RTPP entailed, the author will come to conclusion that the planning of such strategies has to be prepared in advance and that the two-step approach of tourism development should not be recommended to other cross-border programmes.*

**Key words:** *cross-border co-operation, European Union, Hungarian-Croatian border area, regional development, sustainable tourism, strategic plan*

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## Introduction

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, Saarinen 2013).

Cross-border and transnational co-operation 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 Cooperation (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 also by IPA.

ETC as one of the objectives could in more direct way address 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/347.4 billion euro). 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, from 30 million euro (Hungary-Slovenia, Italy-Malta) 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)<sup>1</sup> 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 Hungarian-Croatian 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 border area (Figure 1) had a great potential for sustainable tourism. The excellent geographical position of the area 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 country focused on its coastal area, development of

<sup>1</sup> IPA will be used in this paper in the brackets with HU-HR CBC Programme 2007-2013, because the Programme was mostly implemented under the IPA rules; only in the second half of 2013 it lost IPA in the name

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 bordering regions since the change of the regime and especially after joining the European Union (Aubert, et al., 2012). The accession of the countries of Central Europe 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<sup>2</sup> whilst two out of five Programme specific objectives were covering tourism. The 1st was entitled “Creating sustainable joint regional tourism product of the Mura-Drava-Danube zone and in surrounding natural and rural areas” and the 2nd objective was named 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).

## Methods and data

There has been an ample amount of papers and books recently dealing with tourism and cross-border co-operation in Europe. Some of them have covered the Hungarian-Croatian border zone, 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*<sup>3</sup>, scientific advisor at the Hungarian Academy of Sciences in Pécs. 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). Several thematic articles have been published in the scope of projects (Mobile Region, Co-Op, RTPP) financed within the HU-HR (IPA) CBC Programme or other EU funded Programmes. The topics of those papers relate to the border area, especially in the array of labour mobility and tourism, among which one was published about the RTPP and the methods applied in its elaboration (Varjú, et al., 2013).

After considering all relevant literature and recent research on cross-border co-operation and tourism, the author analysed 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. 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 (644 pages) in relation to the later developed 126-page Handbook to Tourism Projects was assessed as well. The sources for this paper have been accessible through the published documents, reports and statistics of the HU-HR

<sup>2</sup> <http://www.hu-hr-ipa.com/en/priorities>

<sup>3</sup> Hajdú, Z. (2004)

(IPA) CBC Programme 2007-2013 ([www.hu-hr-ipa.com](http://www.hu-hr-ipa.com)), furthermore on official websites of the European Commission, Directorate-General for Regional and Urban Policy<sup>4</sup> and Interact<sup>5</sup>.

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 to other similar programmes, 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 Hungary-Croatia IPA Cross-border Co-operation 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 draft of the new Programming Document/Co-operation Programme of the HU-HR CBC Programme 2014-2020<sup>6</sup>, submitted to European Commission on 24 March 2015

When processing the above listed documents, the author was using following methods:

- Analysis of data related to development of cross-border co-operation in Europe
- Analysis of data related to development of Hungarian-Croatian cross-border co-operation
- Analysis and comparison of the HU-HR (IPA) CBC 2007-2013 Programme level documents regulating implementation of tourism actions
- Analysis of professional capacities in the Hungarian-Croatian border area for developing a comprehensive tourism plan
- Descriptive analysis of the RTPP
- Comparison of experiences of different cross-border co-operation programmes and their approach to tourism development
- Own observations related to the application of RTPP in practice

In this study, the author could bring own observations benefiting from its personal experience, being 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 and during the planning of the new Hungary-Croatia CBC Programme 2014-2020.

<sup>4</sup> <https://cohesiondata.ec.europa.eu/> and [http://ec.europa.eu/dgs/regional\\_policy/index\\_en.htm](http://ec.europa.eu/dgs/regional_policy/index_en.htm)

<sup>5</sup> <http://www.interact-eu.net/>

<sup>6</sup> The official name of the new Hungarian-Croatian CBC Programme for the 2014-2020 period is „*Interreg V-A Hungary-Croatia Co-operation Programme*”

## The Hungary-Croatia Regional Tourism Product Plan and its implications

### HU-HR (IPA) CBC Programme 2007-2013

The Programme area including Hungarian and Croatian counties in the 2007-2013 programming period comprised a total of 31,028 km<sup>2</sup>. On the Croatian side, in addition to border counties – Međimurska, Koprivničko-križevačka, Virovitičko-podravska and Osječko-baranjska – four other counties (Varaždinska, Bjelovarsko-bilogorska, Požeško-slavonska and Vukovarsko-srijemska županija) could participate as so-called 'adjacent regions' and could utilise the maximum of 20% of the amount of EU contribution available in the Programme. The eligible area on the Hungarian side involved the NUTS III border counties of Zala, Somogy and Baranya (Figure 1).



**Figure 1.** 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)

The indisputable character of the Hungarian-Croatian border has not so far significantly influenced on mitigating large geographical handicap, transport and language barriers, low mobility, low level of cross-border traffic and the strong periphery status of the area towards the capital cities Budapest and Zagreb (Čelan, 2014). The researches proved that in case of Hungary and Croatia the border position is not an advantage, but a handicap (Opačić, Crljenko, 2004). Based on the researches the author believes that the HU-HR (IPA) CBC Programme is one of the possible sources for overcoming the aforementioned problems in the area. The Programme i.e. the Programming Document (OP)<sup>7</sup> of the HU-HR (IPA) CBC Programme 2007-2013 was approved by the European Commission on 13 March 2008 and afterwards Hungary and Croatia established a 'shared management system'. In practice, it meant that joint Programme bodies were set up functioning in a way that they represented both Participating Countries on an equal basis (Rózsa, 2014). One of the most important features of the Programme was the Lead Beneficiary (LB) principle to be applied by all projects alongside with single set of implementation rules, from eligibility of costs to procurement.

<sup>7</sup> <http://www.hu-hr-ipa.com/en/downloads/programming-document>

PRIORITY / AREA OF INTERVENTION / ACTION
<b>Priority 1 – Sustainable Environment and Tourism</b>
1.1 Sustainable and Attractive Environment
1.1.1 Development of landscape in 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
1.2 Sustainable tourism in the Mura–Drava–Danube River Area
1.2.1 Elaboration of 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>
2.1 Co-operative Economy
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
2.2 Intercommunity Human Resources Development
2.2.1 Joint cross-border education and other training projects between educational institutions
2.2.2 People to people actions
2.2.3 Bilingual actions

**Figure 2.** Priorities and actions of the HU-HR (IPA) CBC Programme 2007-2013

Source: <http://www.hu-hr-ipa.com/en/priorities>

Out of the available 54.8 million euro of EU contribution, 90.5 % was allocated for developing and implementing projects within two priorities:

1. Sustainable Environment and Tourism (62.8%)
2. Co-operative Economy and Intercommunity Human Resource Development (27.7%).

### Role of the Regional Tourism Product Plan (RTPP)

Planners of the HU-HR (IPA) CBC Programme proposed to have a two-step tourism development, which decision makers accepted with the approval of the 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 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<sup>8</sup> with the RTPP. Out of 52 cross-border, 13 transnational and four interregional/networking programmes, as well as 10 IPA and 12 ENPI programmes in the period 2007-2013 there was no similar methodology<sup>9</sup> applied in relation to tourism development, consequently the HU-HR (IPA) CBC Programme was considered to be a

<sup>8</sup> <http://www.hu-hr-ipa.com/en/downloads/programming-document>

<sup>9</sup> [http://ec.europa.eu/regional\\_policy/index.cfm/en/atlas/programmes/](http://ec.europa.eu/regional_policy/index.cfm/en/atlas/programmes/)

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 March, 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<sup>10</sup> 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 (Figure 2) 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<sup>11</sup> of the Programme.

### Problems with the application of the Regional Tourism Product Plan

During the analysis, 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<sup>12</sup> 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.

<sup>10</sup> <http://www.hu-hr-ipa.com/en/open-calls-for-proposals/first-call-for-proposal-march-2009/14>

<sup>11</sup> <http://www.hu-hr-ipa.com/en/open-calls-for-proposals/16>

<sup>12</sup> <http://www.unin.hr/en/about-us/general-information/>

During the information days organised<sup>13</sup> 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<sup>14</sup> for the elaboration of the RTPP. Concerns and criticism expressed by applicants and Joint Monitoring Committee (JMC) members were mitigated with the selection of one project in October 2009. The partnership was composed by the Lead Beneficiary: University of Pannonia, Nagykanizsa<sup>15</sup>, 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 (Figure 2) different tourism actions:

- 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<sup>16</sup> 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.

<sup>13</sup> <http://www.hu-hr-ipa.com/en/news/information-days-2009/1>

<sup>14</sup> <http://www.hu-hr-ipa.com/en/open-calls-for-proposals/first-call-for-proposal-march-2009/14>

<sup>15</sup> <http://www.hu-hr-ipa.com/en/funded-project/8>

<sup>16</sup> <http://www.hu-hr-ipa.com/en/open-calls-for-proposals/first-call-for-proposal-march-2009/14>



**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<sup>17</sup> 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.

**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, 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 of several Programme indicators have still not been met. The Programme objectives will be probably achieved, but only in the final stage (Hitesy, et al., 2014).

Three Calls for Proposals (CfP) of the Programme were jointly launched from 2009 to 2012 by the Managing Authority in Budapest and the Croatian Ministry of Regional Development and EU Funds, with the technical support of the JTS. Out of the total number of 315 applications in the three CfPs, 163 genuinely joint projects selected by the JMC signed subsidy contracts<sup>18</sup>, with April 2015. The Programme saw the largest interest in the third Call for Proposals, when 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 three years for the launch of the CfP for tourism actions, thus it resulted in a huge interest and thematic concentration. Out of 81 applications, only 33 tourism projects could be contracted with the available financial resources (status in April 2015). Some projects from the reserve list still have the possibility for funding in 2015, on condition that already running projects will not fully spend their contracted amounts. Approximately 40% of the available funds for projects within the Programme (49.6 million euro) supported tourism projects, which proved to be more than what the planners expected.

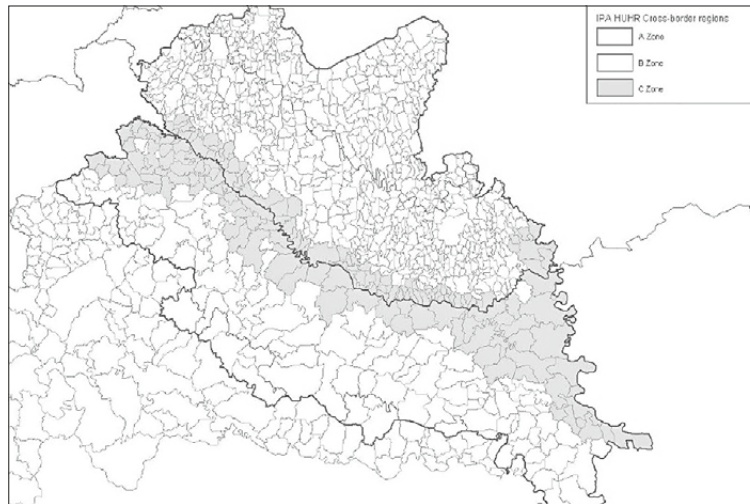
<sup>17</sup> <http://www.hu-hr-ipa.com/en/open-calls-for-proposals/16>

<sup>18</sup> [www.hu-hr-ipa.com](http://www.hu-hr-ipa.com), there are still six last projects with the ongoing contracting from May-June 2015

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 3):

- *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.



**Figure 3.** Zones A-B-C in the Regional Tourism Product Plan (RTPP)

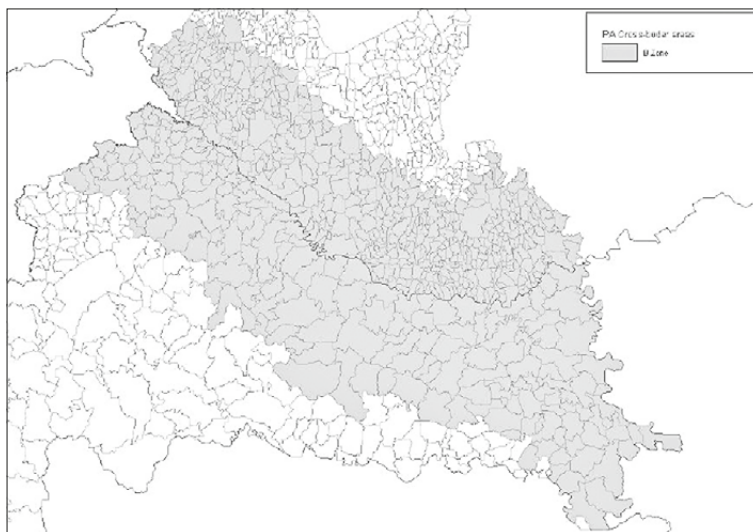
Source: developed based on the Handbook to Tourism Projects in the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013

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 will be sustained<sup>19</sup> in the Hungary-Croatia Cross-border Co-operation Programme 2014-2020. The deficiency was that the Zone B (Figure 4) and zone C as defined in RTPP were planned within 40 km and 5 km from the river beds of Mura, Drava and Danube. Accordingly both zones included areas in Croatia with less geographical and cross-border connections to Hungary (like the southern segment of Vukovarsko-srijemska County). Thus, those parts, quite far away from Hungarian-Croatian border (Figure 4) could be eligible for the same types of the activities like the settlements, which are situated closer to the border.

The Technical Specification gave one more special task, as 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.

<sup>19</sup> <http://www.huhr-cbc.com/en/official-documents>



**Figure 4.** The spatial impoundment of Zone B in the RTPP

Source: *Handbook to Tourism Projects in the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013*, page 111

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. 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.

### Tourism Development in the Hungary-Croatia CBC Programme 2014-2020

The new Hungary-Croatia Cross-border Programme 2014-2020 has been undergoing the planning process for the last three years<sup>20</sup>. The new operational programme was submitted on 24 March 2015 to the European Commission<sup>21</sup>. The solution how to upkeep the results of the 2007-2013 programme and the considerable interest for tourism projects will be realised through priority 2: *Sustainable Use of Natural and Cultural Assets*. In that priority, the spe-

<sup>20</sup> <http://www.hu-hr-ipa.com/en/workshop>

<sup>21</sup> <http://www.huhr-cbc.com/en/news>

cific objective is to convert the region's natural and cultural heritage assets to tourism attractions with income generating capabilities. Furthermore, the *Handbook to Tourism Projects in the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013* is a firm strategic direction in the new Programme, which tourism development projects have to address i.e. use as a background document for all interventions in tourism.

## Conclusion

The Hungary-Croatia (IPA) Cross-border Co-operation Programme belonged to the 'new generation' of CBC programmes which operated as an IPA 2<sup>nd</sup> component programme until Croatia's accession to the EU, covering co-operation between one EU Member State and one EU Candidate Country. Compared to the previous Hungarian-Croatian cross-border co-operations, IPA brought significant development, by applying a single set of implementation rules on the whole programme area, by setting up joint management structures and by introducing the Lead Beneficiary principle. Projects had to be jointly implemented, with the obligatory inclusion of partners from both sides of the border. The Programme strategy brought a specific two-step approach 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 a unique methodology compared to other cross-border co-operation programmes.

Still, 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 were big obstacle for organisations to apply. Harmonisation of the programme level documents was quite problematic and the RTPP significantly deviated from the needs of the Programme. Sub-regional division on the Hungarian and the Croatian side of the Programme area was not harmonised, on Croatian part sub-regions were not created, the existing county structure was used. The RTPP became very lengthy document, which had to be tailored to the needs of the Programme and of the applicants, via the Handbook to Tourism Projects. In practice instead of one plan and strategy, the Programme ended up with two documents, produced by one specific project and by a group of outsourced experts.

This methodological approach was proved to be slow with a consequence that a significant amount of funds was only spent at the end of the programming period. It caused a considerable delay in launching the Call for tourism related projects with infrastructural investments needing more time and bigger amount of subsidy. Anyhow, interest for applying to tourism funds was too high, it caused tensions among applicants. First tourism projects, based on the RTPP and the Handbook to Tourism Projects started their implementation only at the beginning of 2013, the last budgetary year of the Programme. That also influenced later fulfilment of the Programme level obligatory indicators than it was originally planned.

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. 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 new 2014-2020 period and could be understood as a strategic basis for the future. In the implementation of the priority 2: Sustainable Use of Natural and Cultural Assets of the new Programme,

the Handbook to Tourism Projects will be 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 of the Hungary-Croatia (IPA) Cross-border Co-operation Programme 2007-2013 should not be recommended to other similar cross-border programmes. The planning of strategies has to be separated from regular Call for Proposals procedure to reduce the time necessary for their implementation. Plans should be prepared in advance, in parallel with the elaboration of the new operational programme.

The aim is not to produce the strategy within the existing strategy and endanger the implementation of the Programme, risking with the outcome of the Plan, of late implementation of the projects and the possible de-commitment of the funds. Thus, such plans should be finalised prior to launch of the first Call for Proposals.

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