

Snapshot

of EGTC's
with Hungarian
participation



[2012]

Snapshot of EGTC's with Hungarian participation

Since the entry into force of the EC Regulation No. 1082/2006/EC (1st August 2007) altogether 29 EGTC's have been registered in the European Union. Out of them 10 with Hungarian registered seat and 2 with Slovakian ones with Hungarian participation. It is no coincidence that in relation to the experiences connected to the establishment and operation of EGTC's the attention paid to the Hungarian groupings has significantly increased.

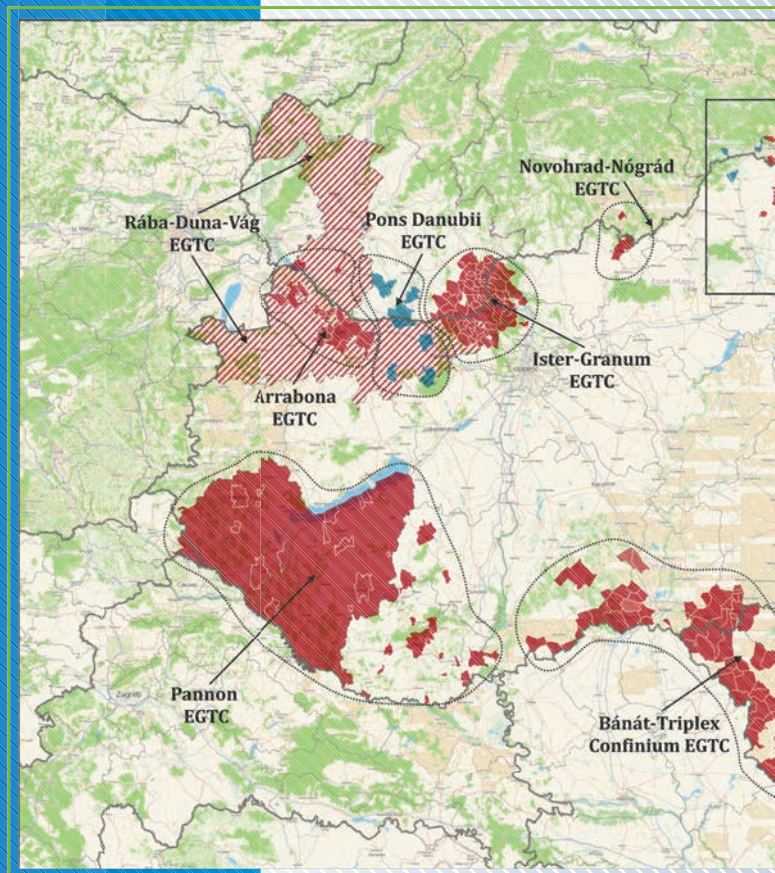
In the followings we try to provide a brief analysis of the 10 EGTC's with Hungarian participation operating actively since their establishment on the basis of answers given to a questionnaire sent out in the summer of 2012. Our aim is to give a snapshot of the work performed by the groupings and its framework to the reader. We hope that by way of the publication of this present brochure the European-level professional connections between the groupings can be broadened, as well.

Have a nice and useful browsing!

[C E S C I]

← *Map No. 1:
EGTC's in the European Union*

*Map No. 2: Registered EGTC's with
Hungarian participation*

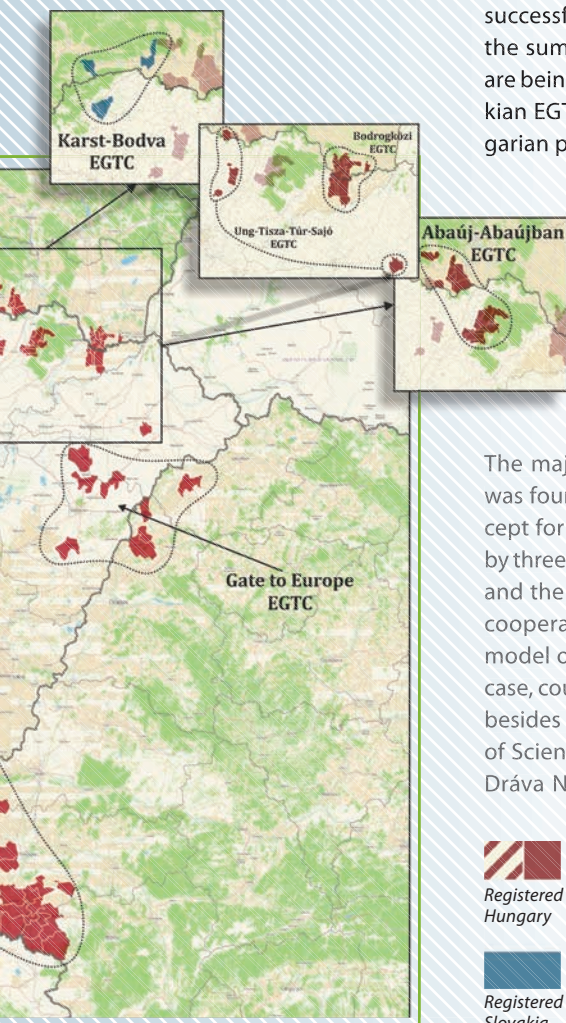


1. The establishment of EGTC's

The registration of 10 EGTC's has been successfully completed until the end of the summer of 2012 and further 6 ones are being established. Moreover, 2 Slovakian EGTC's were established with Hungarian participation.

The majority of EGTC's are established along the Hungarian-Slovakian border, but several ones were founded along the Hungarian-Romanian border and with Slovenian participation, as well.

The majority of the established EGTC's was founded by local municipalities, except for RDV EGTC, which was founded by three NUTS III level local municipalities and the Pannon EGTC, which is the first cooperation founded according to the model of multi level governance. In this case, county municipalities also take part besides the local ones and the University of Sciences in Pécs as well as the Duna-Dráva National Park are also members.



The area of cooperations is 3 800 km² on the average, the largest EGTC is Pannon with almost 15 000 km² and the smallest one is the Gate to Europe (Európa-kapu), the present area of which is 81

km². The average number of residents is 347 000, RDV has the highest population (1.36 million inhabitants) and the one with the lowest number of residents is Abaúj-Abaújban EGTC (10 000 people).



Hungarian EGTC's in the order of registration

| Date of registration | The name of the grouping | Seat | The border area in question |
|---------------------------------------|---------------------------------|-------------------|------------------------------------|
| 12 th November 2008 | Ister-Granum | Esztergom (HU) | Hungary-Slovakia |
| 8 th January 2009 | Ung-Tisza-Túr-Sajó | Kántorjánosi (HU) | Hungary-Slovakia |
| 11 th February 2009 | Karst-Bodva | Hrušov (SK) | Slovakia-Hungary |
| 12 th June 2010 | Abaúj-Abaújban | Miskolc (HU) | Hungary-Slovakia |
| 15 th December 2010 | Pons Danubii | Komárno (SK) | Slovakia-Hungary |
| 5 th January 2011 | Banat-Triplpex Confinium (BTC) | Mórahalom (HU) | Hungary-Romania |
| 24 th May 2011 | Arrabona | Győr (HU) | Hungary-Slovakia |
| 10 th December 2011 | Rába-Duna-Vág (RDV) | Tatabánya (HU) | Hungary-Slovakia |
| 21 st December 2011 | Novohrad-Nógrád | Salgótarján (HU) | Hungary-Slovakia |
| 11 th April 2012 | Bodrogközi | Miskolc (HU) | Hungary-Slovakia |
| 18 th April 2012 | Pannon | Pécs (HU) | Hungary-Slovenia |
| 4 th May 2012 | Gate to Europe | Nyíradony (HU) | Hungary-Romania |

Generally it can be said that the established groupings are open; several of them want to increase or are continuously increasing the number of their members, except for Pons Danubii EGTC.

The process of establishment generally took more than one year in each case but in some cases it took more than two years.

According to the Slovakian legal statutes, the founders have to pay equity capital. Its amount is usually symbolic; it does not exceed 1 000 EUR per member in any case.





2.

In Hungary, EGTC's set up with undetermined period of time and defining direct cross-border territorial development in a comprehensive way have only been established so far (there is no network or project EGTC founded and no programming EGTC has been established yet).

The studied active EGTC's aimed to strengthen the internal cohesion of the given region and to implement comprehensive development projects. In sectoral view they identified several areas for intervention; mainly mutual tourism developments were listed. Most EGTC's want to assist the cooperation between the representatives of business sector, the strengthening of small- and medium-sized enterprises and the energy development projects based on renewable energy sources. Danube River Danube and the integrated development projects connected to the river have a major role in the activities of the RDV EGTC.

Ister-Granum EGTC has a development plan, while the planning process has already started in the cases of Abaúj-Abaújban, BTC and RDV EGTC's. All the groupings said that they planned to prepare planning documents in the nearest future.

Strategic objectives of EGTC's

None of the EGTC's could report on closed projects; in most cases the creation of organisational frames and the assurance of operating conditions requires the greatest efforts. As we mentioned, planning work has already started in several cases, as well.

The groupings are presently managing the implementation of 5 projects altogether, Pons Danubii EGTC having the most. Here the construction of a cycle route has started (an investment of almost 2.5 million EUR), the frames of the single labour market are being created (245 000 EUR), as well as a joint web-TV station has been founded, which helps the exchange of information and flow news on the border region between the members and broadcasts on a daily basis in two languages (271 000 EUR). Formerly in the area of the Abaúj-Abaújban EGTC 4 projects had been realised with the management of an external professional organisation. Presently training institutes are being created as the continuation of one of these projects, where they would primarily like to establish the training conditions of small- and medium-sized enterprises and of unemployed people (1.4 million EUR). The fifth project aims to strengthen the internal cooperation

within the Banat-Triplex Confinium EGTC: the development strategy of the grouping will be completed, the development office on the Romanian side shall also be completed, as well as PR-activities shall also be performed (76 000 EUR).

In case of several EGTC's, projects formerly helping the foundation process were realised (such as the Europe Gate, Ister-Granum, BTC, Bodrogközi EGTC) and in the case of most of the EGTC's we could meet clear development concepts, which were defined in the form of specific projects, like the creation of the Ister-Granum entrepreneurial-logistics zone, the establishment of a cross-border health service system at RDV, the realisation of an own tourism destination management in case of Pons Danubii and Arrabona. The objective of the Novohrad-Nógrád EGTC is the integrated development of the first cross-border geopark of the world.

Within the permanent workshop of EGTC's in Hungary the planning of certain cross-border integrated territorial investments has already started.

3.

The operation of every EGTC has an impact on the institutional structure at three levels.

At the political level the steering and supervising bodies of the grouping must be created, which perform the tasks of governance. In line with the related EU and national legal regulations, every EGTC creates its General Assembly as its superior decision-making body, in which the members usually have equal voting rights. Only the RDV EGTC is an exemption from this rule, since there – besides the two Hungarian counties – one Slovakian district takes part in the joint work and in order to balance the two sides, the Slovakian member has two votes. Following the expected enlargement of the grouping (Nitra district), the voting ratios shall be balanced.

The General Assembly (GA) is usually led by a chairman. In case of the BTC the position of the chairman and the director is filled by the same person. Beside the chairman, a steering body is usually established: as a presidency, a senate or a board of directors. The task of such bodies is to perform decision-making in periods between two

Institutional framework, decision-making



meetings of the GA. This solution is cancelled in case of groupings with a low number of members.

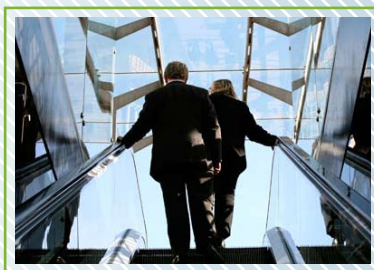
The operation in line with legal regulations is examined and checked by supervisory board consisting of 3 members, usually.

The principle of parity is enforced and exercised by all of the groupings in some way. The registered seat of the RDV EGTC is located in Hungary, while its chairman and director are nominated by the Slovakian partner. The registered seat of the Pons Danubii EGTC is located on the Slovakian side, but they also founded a non-profit enter-

prise in Tata (Hungary). The chairman of the BTC EGTC is a Hungarian citizen, whose work is assisted by two deputy directors (1 Hungarian and 1 Romanian), as well as further two members of the board of directors. The chairman of the supervisory board is Romanian. The Arrabona EGTC makes its decisions based on the principle of consensus. If it is not possible, the Hungarian and Slovakian members (separately) make their decision on the given issue with a 2/3 qualified majority. This way it can be assured that none of the parties could make a decision without the consent of the other one. A similar solution is realised in case of the RDV and the Novohrad-Nógrád EGTC, as well.

Elsewhere, decisions are subject to the consent of the majority of the members (except for separately dedicated cases).

At a professional level development projects and works are always controlled by the director. The Abaúj-Abaújban and the Bodroghözi EGTC performs the development work with the help of an external foundation, in



case of the Pannon EGTC the urban development company of Pécs (the city in which the registered seat is located) performs this task. At the start, in case of the Arrabona EGTC the solution was the microregional development office of Győr (the city in which the registered seat is located). Today, similarly to other EGTC's, the working organisation is the own body of the grouping, which is led by the director.

The establishment of professional committees is not common, except for the Pons Danubii EGTC, where the professional participants work in 7 different committees. Besides, a non-profit enterprise was also founded on the Hungarian side. Further EGTC's plan to establish committees, as well.

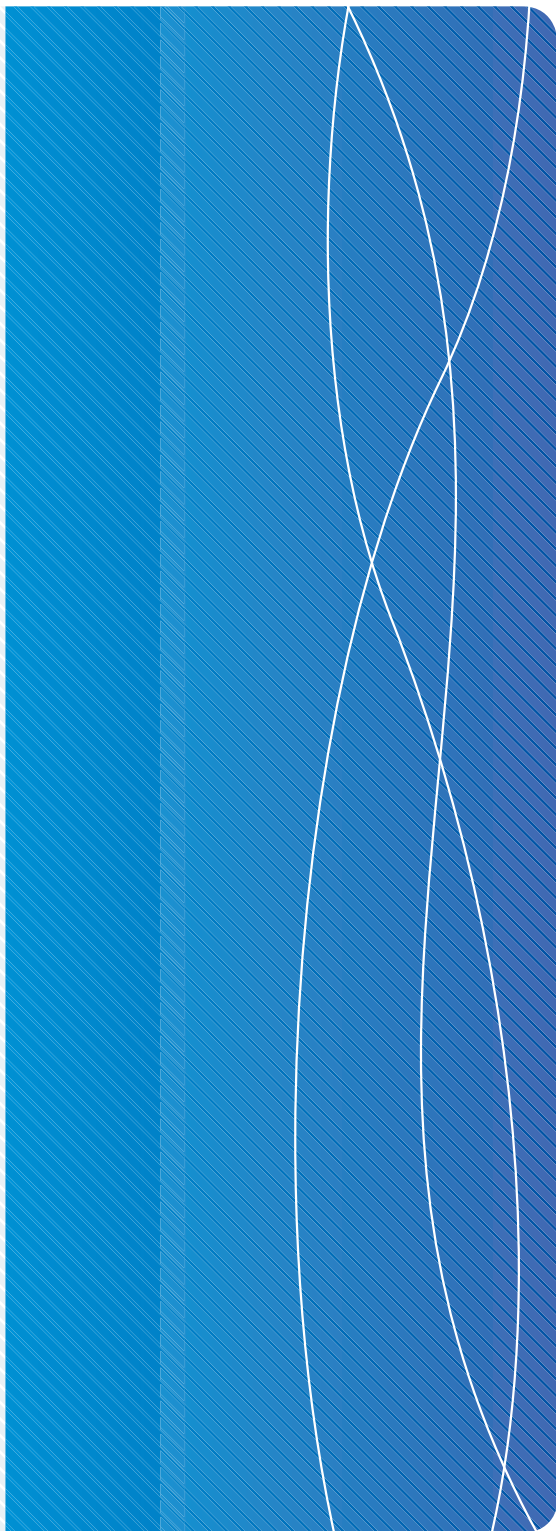


We can find innovative solution for the involvement of the civil sector in case of the Ister-Granum and the Gate to Europe EGTC's. The former one cooperates with a civil service providing network covering the area of the EGTC, while the latter one established a civil cluster for the popularising of cross-border cooperation.

Administrative tasks (together with the development work) are usually performed by an own working organisation, with the above-mentioned exceptions. The number of employees of the work organisation is various and flexible and is in connection with the age of the grouping and the value of project awarded. In 2012 the Pons Danubii has the highest number of employees (5 people). In case of the Europe Gate 2 full-time and 2 part-time employees work, while this number is 3-3 in case of the Ister-Granum and the Novohrad-Nógrád EGTC's, respectively.

The Arrabona and the Pons Danubii EGTC regularly publishes their traineeship programmes, within the frames of which university students can take part in the common work.

The director is usually elected for an undetermined period of time by the GA; however in case of the RDV his/her assignment is only for 2 years. The directors of the Ister-Granum, the Novohrad-Nógrád, the Pannon and the Pons Danubii EGTC's are elected for 4 years. The other officials of BTC EGTC fill their positions for an undefined period of time, as well, while other EGTC's connect the mandate of their senior officials (chairman, presidency, supervisory board) for the length of the election cycles (3-5 years).



4.



The financial conditions of operation

The incomes of the EGTCs's are made up of membership fees, the subsidies of the operating found established by the Ministry of Public Administration and Justice, as well as from projects. The Ister-Granum EGTC is the only one, which performs business activities within the frames of legal statutes and has a revenue of 5 000 EUR in 2012 out of it.

In 2012 the Pons Danubii (165 000 EUR), the Arrabona (94 000 EUR) and the BTC EGTC (82 000 EUR) have the highest budget, respectively. In case of the Pons Danubii and the BTC the main reasons for the high amount are the projects in progress.

The Arrabona, the BTC, the Gate to Europe, the Ister-Granum, the Novohrad-Nógrád and the Pons Danubii defined its membership fee based on its number of residents. Its amount is different, ranging from 1 HUF (Novohrad-Nógrád, BTC) to 150 HUF (Pons Danubii) or its equivalent in foreign exchange.

The membership fee is determined per members in case of the Abaúj-Abaújban (85 EUR), the Bodrogekőzi (100 EUR) and the RDV EGTC (3500 EUR).

In case of the Pannon EGTC, considering the difference in the legal status of members, the membership fee is defined in two ways: it is paid by the municipalities of various levels according to the number of their residents (1 HUF), while the institutional members pay a fixed fee (350 EUR).

The Pons Danubii EGTC has the highest membership fee revenue with 75 000 EUR annually.

The fund established by the Ministry of Public Administration and Justice for the support of institutionalised cooperation at local municipality-level plays a significant role in the kick-off of Hungarian EGTC's. It is the second year when the operation of the already existing EGTC's has been supported.

Data

of the operating EGTC's with Hungarian participation



Name of ETT: **Abaúj-Abaújban EGTC**

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Number of final
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Number of final
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Number of final
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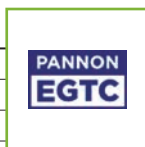
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Number of final
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Number of final
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Number of final
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