Rzeszów, 13 January 2013
Version 1.0 (for discussion)

WORKING DOCUMENT

regarding

The Carpathian Euroregion Development Strategy

"Carpathian Horizon 2020"
Table of contents

1. INTRODUCTION .......................................................................................................................... 3

2. CHALLENGES AND POTENTIALS .......................................................................................... 3
   2.1 Challenges .......................................................................................................................... 3
   2.2 Potentials .......................................................................................................................... 4

3. THE STRATEGY: AN INTEGRATED FRAMEWORK TO ADDRESS THE CHALLENGES AND OPPORTUNITIES OF THE CARPATHIAN EUROREGION ................................................... 5

4. CONTEXT ......................................................................................................................................... 6
   4.1 Geographical coverage .......................................................................................................... 6
   4.2 Temporal frame ...................................................................................................................... 7
   4.3 Actions for the strategy .......................................................................................................... 7

5. PROPOSED SOLUTIONS .............................................................................................................. 7
   5.1 An innovative region with high economic potential ............................................................. 7
   5.2 A region with high social and human capital ...................................................................... 9
   5.3 Sustainable region ................................................................................................................. 9
   5.4. Region with strong institutional interrelations ................................................................. 11

6. EXECUTION AND IMPLEMENTATION ....................................................................................... 12
   6.1 Consultation process ............................................................................................................. 12
   6.2 Governance and implementation system ............................................................................. 12
   6.3 Practical implementation ........................................................................................................ 13

7. CONCLUSION .............................................................................................................................. 14
1. INTRODUCTION

The Carpathian Euroregion constitutes one of the most prominent areas in Central Europe. It has three fundamental characteristics. Firstly, its geographical, natural and cultural environment is determined by the fact that the axis of this area is constituted by one of the longest and highest mountain ranges in Europe. Secondly, all areas in this region are peripheral in relation to development centres on the level of particular states. Hence, on internal level, it is an area sharing similar economic, environmental and cultural characteristics, whereas constituent regions have many common resources and demonstrate significant interdependences. Thirdly, the Carpathians to a large extent serve as border separating the European Union from the second largest neighbour of the EU in Europe in terms of size and population, i.e. the Ukraine. Its participation as an active actor is one of fundamental conditions as regards the development process of the region. Taking these circumstances into consideration, the Carpathian Euroregion can serve as a model of regional co-operation which allows for testing and development of new concepts and strategies being examples of best practices.

Opportunities related to community instruments and areas of policy (cohesion policy, sustainable development strategy, environmental policy, internal market, Europe 2020 Agenda, and European Neighbourhood Policy) open new ways for efficient coordination of actions in the region taken to ensure its development. Consequently, it should ensure higher standard of living for inhabitants of this region residing in various states, both EU Member States and the Ukraine. However, even with good levels of international, inter-regional and local communication and cooperation, full advantage of the new opportunities provided by the EU membership or location in the vicinity of the EU has not yet been taken.

This strategy is a bottom-up initiative taken by the actors from the Carpathian Euroregion, which is fully aligned with EU policies and which also offers solutions to problems facing the entire region.

2. CHALLENGES AND POTENTIALS

2.1 Challenges

Many challenges identified in the course of actions taken by stakeholders from Poland, Romania, Hungary, Slovakia and the Ukraine require measures applicable to the entire region of the Carpathians. This is because measures adopted on national, regional or local level may be inadequate.

As regards the entire strategy, four key challenges have been identified as requiring our urgent attention. They are:

- to create environment promoting innovation and enterprise development,
- to enable the development of social and human capital in the region,
• to enhance uniform development of all areas in the region and improved access to it,
• to enhance institutional interrelations within the area and to increase movement of ideas and know-how.

The main economic challenges are to overcome the wide disparities (and hence realise the high potential) in research and productive innovation between the areas of the Carpathian Euroregion and other areas located in the states forming its part, and to remove impediments to the single market.

As regards human and social capital, the Carpathian Euroregion faces negative demographic trends. Despite a relatively young society, the region is characterised by a major outflow of young people, social exclusion of the elderly and the disabled, a relatively low average age of death (especially among men). Hence, the area is faced with the deficit of young, well-educated persons being driving force for innovation and development. Another problem consists in unused potential of NGOs and civic structures as well as dialogue between political authorities and these groups.

Priority issues for accessibility are the improvement of networks, ending the energy isolation of parts of the region, and ensuring sustainability of transport modes with the use of environment friendly means. What is also important is sustainable development of the cities being sub-local development centres as well as rural areas.

Another challenge includes creation and reinforcement of internal institutional relations between particular areas in the region and actors, and stakeholders supporting the development of the region.

2.2 Potentials

Beyond any doubt, the Carpathian Euroregion has a vast potential which might be used in a more efficient manner: an extensive and very-well preserved natural environment rich in natural resources, cultural heritage, which is unique on both European and global scale as well as many years of tradition in regional co-operation. Hence, in some areas, the Carpathian Euroregion boasts big competitive advantages. The framework provided by European Union policies and law provides a strong base on which to build more effective cooperation in the field of increasing competitive advantages, in particular with regard to new technologies, innovation, creative industries (including culture and tourism). Certain actions will surely contribute to freeing commercial activity of communities residing in the area of the region. Furthermore, is also crucial to strengthen connections between the EU part of the region and the Ukraine. Prospects of integration of this state into community structures are becoming more and more probable. Therefore, strengthening of commercial relations with a prominent external partner can become a key success factor for areas in Poland, Slovakia, Hungary and Romania, i.e. states forming the Carpathian Euroregion.
3. THE STRATEGY: AN INTEGRATED FRAMEWORK TO ADDRESS THE CHALLENGES AND OPPORTUNITIES OF THE CARPATHIAN EUROREGION

When formulating this strategy, the following rules were taken into consideration:

- Sustainable development of the Carpathian Euroregion is conditioned upon an integrated strategic approach. It means that the strategy should not address problems existing on sectoral level; it should rather revolve around problems and challenges related to insufficiencies that can be seen in various sectors at the same time. Thereby, the strategy ensures an integrated approach which provides for complementary relations between various priority pillars and actions.

- A key element for the efficiency of the strategy suggested includes better coordination and more strategic use of community programmes. The major success factor consists in integration of results obtained in the course of execution of community programmes and implementation of policies in the territory of the Carpathian Euroregion.

- Within the existing financial and legal framework, there are great opportunities for effective action through closer cooperation and co-ordination. Nevertheless, efforts should be made to create a separate financial instrument intended for execution of "Carpathian Horizon 2020" Development Strategy, which would be coherent and complementary to other instruments of support.

- Specific actions are needed to respond to the challenges identified in the previous chapter. These will be undertaken by stakeholders in the region, including governments and agencies, municipalities, international and non-governmental organisations.

- This document is a strategy being an initiative of European regional structures acting for the development of the Carpathians and is addressed to the European Union and its Member States. The effectiveness of some of the proposed actions will be enhanced by continuing constructive cooperation with interested third countries in the region, in particular with the Ukraine. Hence, the Strategy complies with the bottom-up rule and implements the principle of dialogue between stakeholders on a local, regional and national level and representatives of the European Union.

- This Strategy is fully aligned with community policies and its major documents, including Europe 2020 Strategy, in particular with regard to the following objectives: 1. Employment 2. Research, development and innovations, 4. Education, 5. Poverty and social exclusion and indirectly with regard to objective 3. Climate change and energy. Priority pillars of the Strategy are aligned with the priorities covered by the Europe 2020 Strategy: 1. Intelligent development, 2. Sustainable development, 3. Inclusive growth.

- Instead of creating new structures, implementation of the Strategy should rely on existing and operating structures.

- When drawing up the document, what was taken into consideration were the so far experiences, both positive and negative ones, gained in the course of implementing the first integrated strategy: the EU Strategy for the Baltic Sea Region.
As a consequence, the Carpathian Horizon 2020 Strategy should provide an integrated framework that will allow the European Union and Member States to identify needs and match them to the available resources through co-ordination of appropriate policies. This will enable the Carpathian Euroregion to enjoy a sustainable environment and optimal economic and social development.

Stakeholders of the Strategy are therefore proposing an indicative Action Plan. It is postulated that the document is discussed in detail with Member States and interested parties from the region so as to support implementation of major actions. The action plan is organised around the four pillars. It is, however, an integrated strategy; the proposed actions often contributing to more than one identified objective. The individual actions and flagship projects have been selected for their fast implementation and impact.

4. CONTEXT

4.1 Geographical coverage

The Strategy covers the area which within last 20 years has been consolidated to a great extent – in social, economic, cultural and institutional terms. The limitation of the area results from the so far experiences gained in the course of actions taken by the Carpathian Euroregion and due to the fact that one of major elements of the Strategy includes cooperation between Member States with the largest neighbouring state from the Carpathians region, i.e. the Ukraine. Simultaneously, it should be noted that the structures of the Euroregion are one of the key stakeholders of the Strategy, whereas the Strategy itself is not a document of the said Euroregion.

Considering these assumptions, it is suggested that the "Carpathian Horizon 2020" Strategy includes the following areas on the NUTS II level:

- on the Polish side: Podkarpackie Voivodship (NUTS II: województwo podkarpackie)
- on the Slovakian side: Prešov Region and Košice Region (NUTS II: Východné Slovensko)
- on the Hungarian side: Counties such as: Borsod-Abaúj-Zemplén, Heves, Nógrád (NUTS II: Észak-Magyarország) and Counties: Hajdú-Bihar, Jász-Nagykun-Szolnok, Szabolcs-Szatmár-Bereg (NUTS II: Észak-Alföld)
- on the Romanian side: counties such as Bihor, Bistrița-Năsăud, Cluj, Maramureș, Satu Mare and Sălaj (NUTS II Nord-Vest) as well as counties such as Bacău, Botoszany, Jassy, Neamț, Suceava, Vaslui (NUTS II Nord-Est)
- on the Ukrainian side: Lvov, Zakarpattia, Ivano-Frankivsk and Chernihiv provinces.

Additionally, taking into account the involvement of stakeholders, Harghita county (NUTS II: Centru) in Romania should be considered as covered by the scope of the Strategy.

Overall, the strategy concerns the four Member States, in which the Carpathians are located. Close cooperation between the EU and the Ukraine is also necessary in order to tackle jointly many of the regional challenges.
4.2 Temporal frame

Planned temporal frame of the "Carpathian Horizon 2020" Development Strategy covers the end of the next period for programming EU cohesion policies 2014-2020. It results from the fact that the said policy constitutes a fundamental point of reference for the Strategy.

4.3 Actions for the strategy

Many European Union policies and programmes are important for the Carpathian Euroregion. They should constitute fundamental elements for implementation of the strategy. The said policies include in particular cohesion policy whose aim is to contribute to fulfilling all provisions of pillars covered by the Strategy. The Common Agricultural Policy, in particular through rural development, contributes to the objectives of making the Carpathian Euroregion an environmentally sustainable and prosperous place. The Single Market policies and the Lisbon Agenda, including "Charter for Small Enterprises", provide inspiration for relevant parts of the strategy (especially the section related to the creation of environment promoting innovation and enterprise development). Europe 2020 Strategy was a stimulus for defining actions for the development of human and social capital as well as making efforts related to social inclusion. Furthermore, the European Research Area, together with its funding instrument, the 7th Framework Programme (FP7), will provide a sound scientific basis for sustainable management in the Carpathian Euroregion and will contribute to the creation of scientific network within the region as well as enhanced level of innovation in this field. The Trans-European Networks for transport and energy are the backbone of the accessibility and attractiveness pillar. In addition, the European Economic Recovery Plan offers important additional financial support for numerous energy infrastructure-related projects in the region. Cooperation on the development of human resources, transport and the power industry as well as business development and spatial planning with the Ukraine will be promoted, where relevant, under the framework of the European Neighbourhood Policy.


5. Proposed Solutions

5.1 An innovative region with high economic potential

The Carpathians form a part of a large system of mountains – the Alpine-Himalayan mountain belt. They constitute second largest mountain range in Europe in terms of surface area and height, right after the Alps. Their surface area covers 190 thousand sq. km, out of which 156 thousand sq. km are located in the area of the Carpathian Euroregion. The Carpathian Euroregion is the central, major part of the Carpathian region, which also includes a strip of lowland geologically related to the Carpathians, including Prykarpattia and Pannonian Basin. The region is united by a common mountain range. But it is also clearly divided between a prosperous West and a developing East and South. What connects these parts is the fact that they constitute one of the poorest regions in the EU (western part) and peripheries of the Ukraine (eastern part). However, the differences between the most successfully innovative
regions in the EU and poorer Ukraine provide opportunities for complementary co-operation and development of great benefit to all sides. In particular, such co-operation should provide real business opportunities to SMEs, especially those working in innovative fields.

The European Union is confronting a severe economic crisis. It needs to profit from the internal market on one hand and maximise the opportunities from innovation on the other. The strategy offers the opportunity to further reduce the barriers to trade and draw greater benefits from the Single Market and to exploit the potential of wide innovative disparities between the Carpathian region and the remaining part of the EU. In addition, it is important to maintain the profitability and competitiveness of the key sectors of agriculture and forestry in order to enhance their contribution to the economy and to sustainable development. To achieve high productivity, high levels of innovation and sustainable economic growth, the Baltic Sea Region also needs to increase labour market inclusion and integration. High levels of employment, good quality jobs, the continued presence of a well-trained and adaptable workforce as well as low levels of social exclusion are all vital factors in assuring both the competitiveness and attractiveness of the region.

**Major issues regarding the creation of environment for promoting innovation and enterprise development**

**Innovation development**: The latest European Innovation Scoreboard (EIS 2010) shows a big difference between states forming part of the Carpathian Euroregion and other Member States. Hence, common efforts should be made to create dynamic conditions for better efficiency of innovations by way of strengthening of transnational co-operation in various fields such as scientific research, clusters and innovations with regard to services. Not only is strengthening of relations between R+D sector and regional entrepreneurs important, but also transfer of knowledge between entities from the region and wealthier and more innovative regions of the EU will be of great importance.

**Enterprise development**: Due to small national markets in the Carpathian Region, business environment should be modernised so as to stimulate the development of local enterprises and attract foreign investors. Despite the establishment of the internal market, there are still many practical difficulties for trade in goods and services. There are also formal barriers and requirements imposed by the Schengen Agreement which hinder co-operation between Member States and the Ukraine. Consultations and analysis carried out with a view to prepare review regarding the Single Market in 2007 demonstrated that in some areas and sectors legal framework of the Single Market still do not work as well as they should. Improvements made in this field will be particularly significant for SMEs, which has already been taken into consideration in the "Charter for Small Enterprises". It is equally important to take actions aimed at facilitation of trans-border movement of goods, capital and services as well as communication between business and public administration.

The action plan includes the following priority matters: (1) implementation of the provisions of the "Charter for Small Enterprises": promoting enterprises, strengthening of SME and improving efficient use of human resources; (2) development of relations between B+R sector with business; (3) internal strengthening of innovation; (4) strengthening of sustainable agriculture and forestry.
5.2 A region with high social and human capital

Quick social and economic development is to a large extent conditioned upon high human and social capital. The former focuses on individual competences and skills which allow for efficient adjustment to quickly changing world; among other things it includes finding satisfying work and pursuing professional career which ensures stability and welfare. In the course of improving personal competences, an important role is played by diverse forms of culture.

As regards building social capital, a crucial role is played by participation of citizens in public life, which includes not only political, but also social life. In this area, NGOs play a key role. As regards the area of the Carpathian Euroregion, the problem is posed by fragmentation and weakness of the third sector. Lack of governance culture, evaluation of one's own actions and low level of capitalisation results in the fact that despite a relatively large number of NGOs, they do not produce "critical mass", which would allow for taking efficient actions in the field of solving key problems on the local or regional level.

### Major issues regarding sustainable regional development

**Development of education and human resources:** Statistical data provided by EUROSTAT clearly demonstrate that as regards education, areas forming the Carpathian Euroregion do not differ from other areas in Poland, Slovakia, Romania and Hungary as well as the Ukraine. However, the quality of education as well as network of educational institutions is insufficient to catch up with the level of social and economic development of other EU regions. Hence, it is crucial to focus all the actions taken in the field of increasing the quality of education on all levels of education as well as on improving the quality of lifelong learning. This phenomenon is related to higher attractiveness and potential of higher education institutions in this area as regards innovation.

**Demographic challenges:** A serious dilemma common for all the areas in the Carpathian Region includes demographic conditions. Forecasts of Eurostat of 2011 indicate that all areas from the Carpathian Euroregion will experience drop in terms of population, whereby the major challenge will include negative migration balance, which results in a negative population balance and relation of working age population to persons over 65. Actions taken as part of the strategy are to increase attractiveness of the labour market both for young people and for those ending their professional activity as well as to increase the level of social inclusion.

The action plan in this pillar includes the following priority areas: (1) Development of education and human resources; (2) Strengthening of NGOs; (3) Prevention with regard to negative demographic trends; (4) Development of culture.

5.3 Sustainable region

New concepts of development being alternative for ideas related to the development of big cities as "driving force" for the development of the regions and the model of improving support for the weakest regions point to the creation of development circles. Major cities of the region should serve as centres of high level services and innovation. Their direct
background area includes cities of the sub-local significance, where services, educational and culture-forming activities as well as production using resources in a rational and cost-saving manner, conducted by respecting environment-friendly technologies are concentrated. These cities should create networks on local, sub-local, regional and macro-regional as well as national and EU levels so as to increase attractiveness of the European companies (in particular with regard to small production enterprises).

The Carpathians themselves, and the low-lying land around them, have provided routes for trade and communication through history. The post 1945 division was an interruption to a pattern of open contacts that has resumed in the 1990s. Massive investment has followed in the last two decades but there is still much to be done before the infrastructure endowment reaches levels elsewhere in the Union. Land routes still require development which would provide for cultural and environmental conditions. The entire regions remains too isolated from the rest of the EU. The region is also increasingly a natural gateway to Eastern Europe and Asia, notably through rail links. Energy supply and security is a particular concern – all states from the region are dependent upon supplies of raw materials from Russia. Therefore, interconnections need to be further developed and diversified to offset possible interruptions or other shocks.

Another important matter for sustainable development includes protection of environment and natural resources whose condition in the Carpathian Euroregion is good in general (despite singular damages resulting from industrial development from before 1989); hence, highly innovative tourism industry should become one of major fields of development in this region.

<table>
<thead>
<tr>
<th>Major areas of sustainable regional development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development of cities and their surroundings:</strong> Cities from the Carpathian Euroregion are not very competitive when compared to other cities in particular states. However, the area covered by the Strategy has a number of significant centres of metropolitan nature, in particular in southern part. Centres with higher potential include Lviv, Rzeszów, Košice, Prešov, Miskolc, Nyíregyháza, Jassy and Cluj-Napoca. Despite their potential, smaller cities serving as points of sub-local and local development are still characterised by low competitiveness and residential attractiveness, which results in the outflow of young people who migrate to other regions of Member States or administrative centres of the regions. Furthermore, the economy of these cities is focused on production and trade, a large part of population is employed in public sector, which results in the fact that these centres are not innovation-oriented. If is reflected both in no inflow of new ideas and concepts into big cities; it also has a negative impact on rural areas surrounding cities.</td>
</tr>
<tr>
<td><strong>Transport, energy and telecommunication:</strong> Many areas in the region still have low level of accessibility: The Carpathian Euroregion has one of the lowest accessibility indicators in the entire Europe, both with regard to internal and external connections. It stems from the size of the region and related large distances and long duration of travels, as well as difficult geographic conditions. Low density of infrastructure and services is related to high prices. Improvements in this field should be introduced in the form of sustainable means of transport. Furthermore, telecommunication networks, in particular access to broadband Internet and Wi-Fi services, are still limited. Energy markets lack proper infrastructure; moreover, they are</td>
</tr>
</tbody>
</table>
excessively oriented at a particular state instead of creation of connections on the level of the entire region. It increases risks related to energy supplies and it also results in higher prices. Furthermore, to ensure proper functioning of the energy market, states need to be connected with one another.

Action plan in this pillar includes the following priority areas: (1) Development of cities; (2) Development of transport, energy and telecommunication networks; (3) Protection of environment and natural resources; (4) Development of rural areas; (5) Tourism.

5.4. Region with strong institutional interrelations

There is almost a 20-year tradition in the field of co-operation in the Carpathian Euroregion; among other things, it has been exercised as part of Interregional Association of the Carpathian Euroregion established in 1993. Since that time, co-operation as part of the Euroregion which was created to initiate and develop it, has differed, both in terms of its scope and results. This phenomenon was accompanied by political, economic, administrative, mental and personal changes. Willingness of all the national parties forming the Carpathian Euroregion (i.e. Poland, Slovakia, the Ukraine, Hungary, Romania) to co-operate is reflected in the fact that, despite many problems, the Euroregion still works and creates new dimensions of common agreement. Similarly, other structures established to facilitate co-operation in this area work at different speeds and develop in a heterogeneous manner. One of barriers for the development of various organisations includes the lack of intellectual back-up, e.g. think tanks.

Networks formed within the region are also supported by inclusion of the Carpathian Euroregion structures in international networks and exchange of experiences with institutions from other areas and macro-regions of the EU. With a view to facilitate inclusion of the Carpathian Euroregion in international structures, the Euroregion should have its good image promoted because so far there has been a lack of actions presenting it as an European macro-region coherent in spatial, civilizational and geographic terms.

**Major issues related to strengthening of institutional interrelations**

A strong knowledge base and reliable and active structures of co-operation are cornerstone for co-ordination of policies applied by specific actors and stakeholders with regard to the Carpathian Euroregion. What is required to increase the efficiency of policies and specific actions on the local, sub-local, regional, national and community levels are indirect structures grouping institutions from various levels and working to support various sectors. Their cooperation will allow for co-ordination of diverse philosophies and approaches, adoption of common priorities and models of action. The major problem includes the lack of a strong intellectual backup for main actors in the form of agencies and think tanks which provide support to institutions from the Baltic Sea region.

The action plan in this pillar includes the following priority actions: (1) Action "people for people"; (2) Marketing and PR actions for the Carpathians; (2) Networking, institution building and promoting international co-operation; (3) Development of internal network and back-up facilities.
6. EXECUTION AND IMPLEMENTATION

6.1 Consultation process

The creators of the Strategy plan to carry out consultations regarding the document and the related Action Plan. They will include four major elements: analyses of unofficial documents received from governments and other bodies from the region, events for interested parties which will enable participants from public and private sectors as well as NGOs to make a contribution in the form of know-how; social consultations via the Carpathian Horizon 2020 website and consultations with the European Commission and the Committee of the Regions as well as the European Parliament.

These are the so far conclusions drawn in the course of developing the document:

- There is no need to establish new institutions. The Carpathian Euroregion has professional organisational structures. New structures might entice further administration costs without exerting any significant influence on efficient actions taken to implement the strategy. Hence, it is necessary to make use of established and active structures such as: Secretariat of the "Carpathian Horizon 2020" Strategy and Programming Team for the "Carpathian Horizon 2020" Strategy.

- However, strategy is not all. It needs to be supported with specific and visible actions to overcome challenges facing the region. This is why the Action Plan will be developed. It is anticipated that EU Member States from the Carpathians region and other interested parties take responsibility for specific priority matters and major projects as major partners.

- Participation of the European Commission will be crucial to ensure that the Strategy enjoys appropriate status. The ambition of the initiating parties is to ensure that the Strategy enjoys the same status as the EU Strategy for the Baltic Sea Region. Hence, this participation should go beyond monitoring the implementation of financing and directive transposition programmes. The Commission might perform the function of an independent, multi-sectoral body which would guarantee required co-ordination and monitoring of the action plan and follow-up actions as well as take care of an ongoing updating of the plan and the strategy where needed. At the same time, it is suggested that actions of the European Commission are taken together with regional actors that will enjoy a similar position.

6.2 Governance and implementation system

In the light of these conclusions, and the need for a flexible approach in view of the wide range of actions, we make the following proposals on governance and implementation.

- **Policy development:** as Member States come together to cooperate on concrete measures, general oversight will be within Community structures and representatives of regional actors with periodic reports and proposals for recommendations from the Commission to the Council. The European Council will be updated regularly on the progress of the strategy.
• The Commission along with regional actors will be responsible for co-ordination, monitoring, reporting, facilitation of the implementation and follow-up. In partnership with the stakeholders of the region, the Commission should prepare regular progress reports, and use its power of initiative to make proposals for adaptation of the strategy and action plan whenever these are required. Coordination should keep under review how the use of funds is contributing to the priorities of the strategy.

• A review of the European added-value of the strategy and the implementation of the Action Plan as well as results obtained in specific pillars is foreseen in 2016.

• **Implementation on the ground** – the responsibility of the partners already active in the region – will be further aligned with the objectives and targets of the strategy. The Commission will work in partnership with the other institutions, Member States and regions, international financing institutions, transnational programming bodies and inter-governmental organisations such as the Carpathian Euroregion to identify co-ordinating bodies at the level of priority areas and lead partners for flagship projects.

• In order to maintain the high level of involvement of all the stakeholders in the region, clearly evident during the consultation exercise, there will be an annual meeting of **Strategy Programming Committee** to bring together partners concerned with different aspects of the strategy, including from all states covered by the scope of the Strategy. The objective will be to review and discuss the progress of the strategy and to make recommendations on implementation.

• Key element in ensuring success with regard to the implementation of the Strategy includes relations with the Ukraine which should be maintained majorly (though not exclusively) as part of the European Neighbourhood Policy.

**6.3 Practical implementation**

These arrangements will encourage efficient policy co-ordination, more effective application of Community legislation and better co-ordination of funding instruments. Some of the specific actions and projects will require financial support. A major source is the Structural Funds available in the region and the European Neighbourhood and Partnership Instrument. Although most programmes already allow actions envisaged in the strategy, it seems essential to consider the creation of a new one. Programming authorities can review the allocation criteria and facilitate the selection of projects aligned with the strategy. Major role in this area will be played by the Programming Committee for the Strategy and Secretariat of the Strategy. Furthermore, the Commission will welcome appropriate modifications of the programmes suggested by regional actors where necessary.

In addition, Member States have agreed to examine funding projects and actions aligned with the Strategy priorities from their own resources. The European Investment Bank and other international and regional financial institutions, such as the European Bank for Reconstruction and Development, could also contribute.
7. Conclusion

The Carpathian Euroregion has an established history of networking, cooperation in many development policy areas and, what is very important, in implementation of territorial programmes of the European Union. This strategy offers the opportunity to move from words to action and to deliver real benefits for the region as a whole.

The analysis described above demonstrates the need for a common strategic vision to guide future territorial development for the Carpathian Euroregion.

It is clear that no one acting alone can apply the range of measures necessary to confront the challenges and exploit the opportunities of the region. We are convinced that a strategy for the Carpathian Euroregion, consisting of the approach and actions described above, is essential to overcome development-related barriers and to exploit fully the opportunities open to the region.
ADDENDUM I

Relations between specific documents related to the Carpathian Horizon 2020

Major strategic and operational documents related to the "Carpathian Horizon 2020" include:

1) The Carpathian Region Development Strategy "Carpathian Horizon 2020". It is a basic strategic document for the Carpathian region. The Strategy includes justification for strategic choices made and division into four pillars described by priority areas. The document includes a proposal regarding support area, temporal framework, financing manner and implementation and governance in relation to the strategy.

The Carpathian Region Development Strategy anticipates that strategic actions will be financed from various sources, including both external programmes and public means from all the states covered with the scope of the Strategy.

2) The Carpathian Region Development Strategy "Carpathian Horizon 2020" – Action Plan. It is an operational document which provides detailed information about actions from specific pillars; it includes an indicative list of investments, a list of flagship projects important in view of the Strategy, it names specific States which will co-ordinate actions taken as part of particular pillars.

3) Operational Programme for the Carpathian Euroregion 2014-2020 is to serve as one of the elements of funding the Carpathian Development Strategy "Carpathian Horizon 2020". Hence, the programme will be subordinate to the Strategy in terms of objectives and planned results. The programme will be divided into priority areas and actions; it will also include a description of governance, control, monitoring systems along with performance indicators as well as information about fund allocation etc.

4) Addendum to Operational Programme – it will serve as an operational document for the Programme. It will include a detailed: list of beneficiaries, list of indicative types of projects as part of specific actions, project selection system, financing system, including eligible costs, reporting system etc.

All the aforementioned documents are closely linked with one another, but they are also ordered hierarchically. Considering the "Carpathian Horizon 2020" concept, the Strategy is the most important document. It has the most extensive scope including all key matters. Action Plan serves an ancillary document for the Strategy.

Operational Programme for the Carpathian Euroregion 2014-2020 is one of financial instruments whose aim is to facilitate funding of actions taken as part of pillars and priority actions of the Strategy. Interrelations between the said documents are shown in figure 1.
Hence, development, approval and implementation of all documents is a clearly defined process well-ordered in time.

What should be developed first are strategic documents, which should be followed by compiling the Operational Programme for the Carpathians 2014-2020 along with Addendum to the Programme. A proposed work schedule is included in the table below:

<table>
<thead>
<tr>
<th>document</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Carpathian Region Development Strategy &quot;Carpathian Horizon 2020&quot;</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>The Carpathian Region Development Strategy &quot;Carpathian Horizon 2020&quot; – Action Plan</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Operational Programme for the Carpathians 2014-2020</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Addendum to Operational Programme for the Carpathians 2014-2020</td>
<td>III</td>
<td>IV</td>
</tr>
</tbody>
</table>

EU operational programmes and other measures, ETC operational programme with ENPI component "The Carpathians 2014-2020"