
SWOT ANALYSIS

Integrating all information of the descriptive analysis and all consultations with stakeholders.

CBJointStrategy

Elaborating strategic programming and project documents for Interreg Programme between Hungary and Croatia for the period 2021-2027

Approved by the Programming Committee on 22 September 2020

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1. Introduction

The following SWOT analysis is part of the situation analysis, taking into consideration the following input and output documents.

- Descriptive analysis;
- Findings of territorial workshops and interviews (summed up in Consultation Process);
- The Border Orientation Paper prepared by the European Commission.

The analysis follows the structure of the policy objectives stipulated in the draft regulation, as it is applied in the descriptive Situation Analysis as well.

2. Demography and spatial structure

Strengths	Weaknesses
Relatively high population density in the Western part of the Croatian side of the programme area – gateway to Zagreb. Colourful nationality pattern throughout. Varied landscape, abundance of fertile plains.	Large differences in population density. Lack of large urban centres in the programme area, small towns dominate the spatial structure, offering limited services. Disperse small settlement system. Significant decline in population, especially in the eastern part of the Croatian side of the programme area. Ageing population.

3. PO1: A smarter Europe

Strengths	Weaknesses
<p>Major R&D centres located in university towns, along with smaller innovation centres in smaller urban centres as well.</p> <p>Several clusters and business support institution are operating.</p> <p>Significant performance in agriculture and wider agribusiness in the whole border region.</p> <p>Above-average presence of industry, including manufacturing (timber, metal).</p> <p>Outstanding performance of the tourism sector in some areas (Balaton, spas, wine-growing areas).</p> <p>Experience in cross-border cooperation of businesses, through funding schemes.</p>	<p>The region's economic performance is characterised by stagnation or decrease.</p> <p>Innovation figures below the national averages, especially poor performance in terms of business-related innovation.</p> <p>Low density of businesses in rural areas.</p> <p>Low number of large enterprises in the region.</p> <p>In rural areas the public sector is overrepresented in generation of value-added.</p> <p>Tourism capacities are concentrated in some specific areas (Balaton).</p>
Opportunities	Threats
<p>Faster growing counties may dynamize peripheral areas of the border region.</p> <p>Business support infrastructure developed by EU funding may become a driving force of innovation and SMEs' cooperation in the border region.</p> <p>Wine-growing is a significant asset of economic growth.</p> <p>Strong presence of the IT industry providing impetus for other branches of the economy as well.</p> <p>Growing interest in rural tourism may extend capacities in rural areas as well.</p> <p>Increasing attention to "continental tourism" in Croatia.</p>	<p>Acceleration of downgrading of the economy in the central part of the programme area.</p> <p>Decrease in number of livestock and large share of land not farmed may deteriorate basics of agriculture.</p> <p>Lack of real specialisation may lead to competitiveness problems.</p> <p>Negative effects of the COVID-19 pandemic on the tourism sector and the economy in general may lead to closedown of businesses.</p>

4. PO2: A greener, low-carbon Europe

Strengths	Weaknesses
<p>Generally favourable environmental conditions throughout the border region.</p> <p>The river systems of Mura-Drava-Danube represent a strong asset.</p> <p>High afforestation rate.</p> <p>Abundance of protected areas on both sides of the border.</p> <p>High level of access to public water supply utilities.</p> <p>Existing network of organisations dealing with regional energy issues.</p>	<p>Air pollution generated by traffic and heating habits, particularly in the area of Pécs.</p> <p>Energy production on the Drava generate volatile water level and negatively affect biodiversity on the Drava.</p> <p>Lagging behind in waste management, low value added in circular economy.</p> <p>Water utility gap: sewage treatment lags behind public water supply.</p> <p>Poor energy efficiency parameters of buildings throughout the border region.</p> <p>High level of dependency of fossil energy sources.</p>
Opportunities	Threats
<p>Existing cooperation platforms for mitigating climate change, promoted by the European Strategy for the Danube Region (EUSDR).</p> <p>Existence of strategies on regional level for mitigation of climate change.</p> <p>European Green Deal may boost investments in efficient use of resources and promotion of circular economy.</p> <p>The Mura-Drava-Danube Biosphere Reserve may generate cooperation platform and synergies in nature protection.</p> <p>Good potentials in the utilisation of renewable energy sources e.g. solar and geothermal energy.</p>	<p>Already visible impacts of climate change will become more severe and irreversible.</p> <p>Declining biodiversity may lead to an increased presence of invasive species.</p> <p>More intensive water energy production or extension of plant capacities on the Drava may deteriorate wildlife and biodiversity.</p>

5. PO3: A more connected Europe

Strengths	Weaknesses
<p>Improvement in internet access of households.</p> <p>Availability of transcontinental transport routes in the border area (corridors V/b, V/c).</p> <p>International bike routes cross the border area (EuroVelo 6 and 13).</p> <p>Significant development in the cycling infrastructure on both sides of the border.</p> <p>Two operating airports in the region serving passenger flights</p> <p>Availability of ports on the Danube.</p>	<p>In spite of good connectivity, use of internet and use of digital services and technologies lag behind the EU average, particularly in Hungary.</p> <p>Bad access to railway infrastructure and service.</p> <p>Horizontal (west-east) connections through the current internal road network is insufficient and suffers from bottlenecks on both sides.</p> <p>Poor permeability of border: low density of border crossings.</p> <p>High concentration of cross-border traffic in the western part of the border area.</p> <p>Decreasing number of passengers in air traffic.</p> <p>Lack of proper navigation infrastructure on the rivers.</p>
Opportunities	Threats
<p>Untapped potentials in digitalisation and application of digital services.</p> <p>Strengthening of cross-border mobility along cross-border railway lines and through launch of cross-border bus services.</p> <p>Finishing the V/c motorway corridor may intensify cooperation in the eastern part of the border area.</p> <p>Croatia's access to Schengen may speed up investments in cross-border transport infrastructure.</p> <p>Areas along European cycling routes may become tourism hotspots.</p> <p>Due to growing demand, development of inland navigation ports may diversify tourism mobility.</p>	<p>Further downgrading of railway service may result in irreversible deterioration of the infrastructure and strengthen depopulation in peripheral areas.</p> <p>Poor performance of passenger air traffic may lead to closedown of regional airports.</p> <p>Unsafe situation resulted by the COVID-19 pandemic may downgrade tourism and transport demand.</p> <p>Due to COVID-19 pandemic cross-border travel restrictions remain in place.</p> <p>Deterioration of water bodies if port infrastructure development does not keep pace with growing water tourism demand.</p>

6. PO4: A more social Europe

Strengths	Weaknesses
<p>Reduction of unemployment rates in the past years, especially in Hungary (prior to COVID-19 pandemic).</p> <p>Low level of early leavers from education in Croatia.</p> <p>Availability of high education institutions in the border area.</p> <p>Relatively favourable figures in access to health care (number of doctors), especially in counties with medical universities.</p>	<p>Outward migration negatively affects the labour market.</p> <p>Discrepancy between demand and supply of skills in the labour market: parallel unemployment and high job vacancy rates in the border region.</p> <p>Dominance of unskilled people among job-seekers.</p> <p>Regarding high education and life-long learning the border region is below the EU average.</p> <p>Decline in the number of students in high education.</p> <p>Lack of language skills on the Hungarian side.</p> <p>Huge concentration of poverty and social exclusion on both sides.</p> <p>Healthcare services below the EU-average standards.</p>
Opportunities	Threats
<p>Increased participation in adult education.</p> <p>Unlocking labour reserves in marginalised groups, in particular Roma.</p> <p>Development of e-services in education.</p> <p>Utilisation of potentials lying in development of e-Health and cross-border health care services, particularly in rural areas.</p>	<p>Lack of will and tools for coping with social exclusion may lead to segregation and marginalisation in society.</p> <p>Further decrease in the number of students in high education may lead to tightening of capacities in the border region.</p> <p>Strengthening outward migration of health care personnel may worsen access to and quality of service.</p>

7. PO5: A Europe closer to citizens

Strengths	Weaknesses
<p>Rich cultural heritage in the border area, including ones protected by the UNESCO or being on the tentative list.</p> <p>High number of alive traditional festivities.</p> <p>Local museums throughout the border area.</p> <p>Rich gastronomy and wine-making tradition.</p> <p>Various and attractive landscape.</p> <p>Existence of thermal spas popular by domestic tourists.</p> <p>Existence of particular artistic features (folk music of minorities, naïve art).</p> <p>Long tradition of cultural and artistic cooperation.</p>	<p>Local festivals are still unknown for the wider public.</p> <p>Remaining gaps in cycling and hiking infrastructure.</p> <p>Thermal spas mainly attract domestic guests.</p>
Opportunities	Threats
<p>Unlocking the tourism potential of numerous castles and small cities in the border area.</p> <p>Good connectivity with tourism routes (biking and hiking) may reveal potential in green and health tourism.</p>	<p>Lack of valorisation of local cultural values and depopulation may make traditions disappear.</p> <p>Delay of maintenance and replacement investments in built heritage objects may lead to decay.</p>

8. ISO: Interreg-specific objective

Strengths	Weaknesses
<p>Similarities in territorial governance (counties).</p> <p>Active regional development agencies on the Croatian side.</p> <p>Experience with the application of Integrated Territorial Investment (ITI) in Croatia (Osijek).</p> <p>Experience in community-led local development, existence of LEADER local action groups on both sides.</p> <p>Active EGTCs operating in the border area.</p>	<p>Competence asymmetries on medium and local tier of governance, particularly since 2011 public administration reform in Hungary.</p> <p>Lack of tourism coordination bodies (tourism boards) on the Hungarian side.</p> <p>Lack of experience with ITI in Hungary.</p>
Opportunities	Threats
<p>Strong positions of the two partner countries in coordination of priority axes of the EUSDR.</p> <p>Possibility of greater involvement of cross-border bodies in programme-related activities in the new programming period.</p>	<p>Governance asymmetries and stronger role of the state in Hungary may make partnership-building difficult and reduce interest in cross-border cooperation.</p> <p>Due to lack of competence and responsibility, sustainability of EGTCs may be challenged and their position weakened.</p>