

Possibilities of community-led development

***in the context of EU financed Hungarian
economic development 2014–20***

Hungarian Economic Planning Institute

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What is Hungarian National Planning Institute?



- Funded in 2011, working since the beginning of this year
- Background institute of Ministry for National Economy
- Regional and territorial planning and development tasks:
 - Planning and evaluation actions with national importance
 - Planning and evaluation methodology support
 - Co-ordinating national level planning and development action
 - Quality assurance of planning processes

+Supporting the task of Ministry for National Economy in preparing for the 2014–20 programme cycle



New opportunities for economic development 2014–2020

Changes in Cohesion Policy affecting Hungarian economic development



NEMZETGAZDASÁGI
TERVEZÉSI
HIVATAL

Narrowing possibilities

- Less sources available up to 20% decrease of the Hungarian budget
- More focused potential scope of action thematic concentration, 11 thematic objectives of Cohesion Policy
- Stronger accountability, expected direct contribution to the European aims (EU2020 targets)

Possibilities are not only narrowing, in case of economic development

Changes in Cohesion Policy affecting Hungarian economic development



Broadening possibilities of economic development:

- Economic development is the beneficiary of the thematic concentration (*all 11 thematic objectives of Cohesion Policy are directly or indirectly economic development*)
- Strong intentions in Hungary on increasing the added value of the EU sources to the Hungarian economy
- Possibility of multifund OPs
- New tools for territorial integration (beyond OPs) integrating different funds

⇒ **Even higher resources** for economic development 14-20

⇒ **Colourful tools and integration** with and within economic development

New economic development possibilities in Hungary 2014–2020



- Making economic development from different approaches (not only central and regional open applications):
 - top-down highlighted projects and programmes
 - bottom-up community-led project (with fixed budget)
- Making economic development on different levels:
 - Centralised actions
 - County-based or city-based or local community based
- Using funds other than ERDF (economy-related ESF, EAFRD) more directly supporting economic development
 - ⇒ **Setting up a more complex economic development OP**
 - ⇒ **More OPs can support economic development**



Integrating rural development and development based on and Structural Funds

New possibilities for integrating SA and EAFRD

1. EAFRD and funds of Cohesion Policy shall be included in a single national strategic document (Partnership Contract/Agreement)
2. EAFRD and funds of Cohesion Policy can be programmed together in one multifund OP
3. New tools for territorial integration (CLLD and ITI) can use different sources as well
4. LEADER can receive funds from structural funds
5. More regularised methodology for monitoring and evaluation in case of both policies, and common set of indicators (see based on the EU2020 target)



Using local community-led approaches in economic development (ITI, CLLD)



What do the new tools and regulations mean?

For EAFRD planners:

- an opportunity for integrating Structural Funds into the rural development and for the LEADER communities

For planners of the Cohesion Policy sources:

- integration with existing LEADER actions is an opportunity and a task to do (but does not cover the whole issue)
- a long-awaited opportunity for integration (independently from the LEADER)
- LEADER provides a methodology for implementing a certain type of the new territorial integrative tools.



Possibilities of the new tools

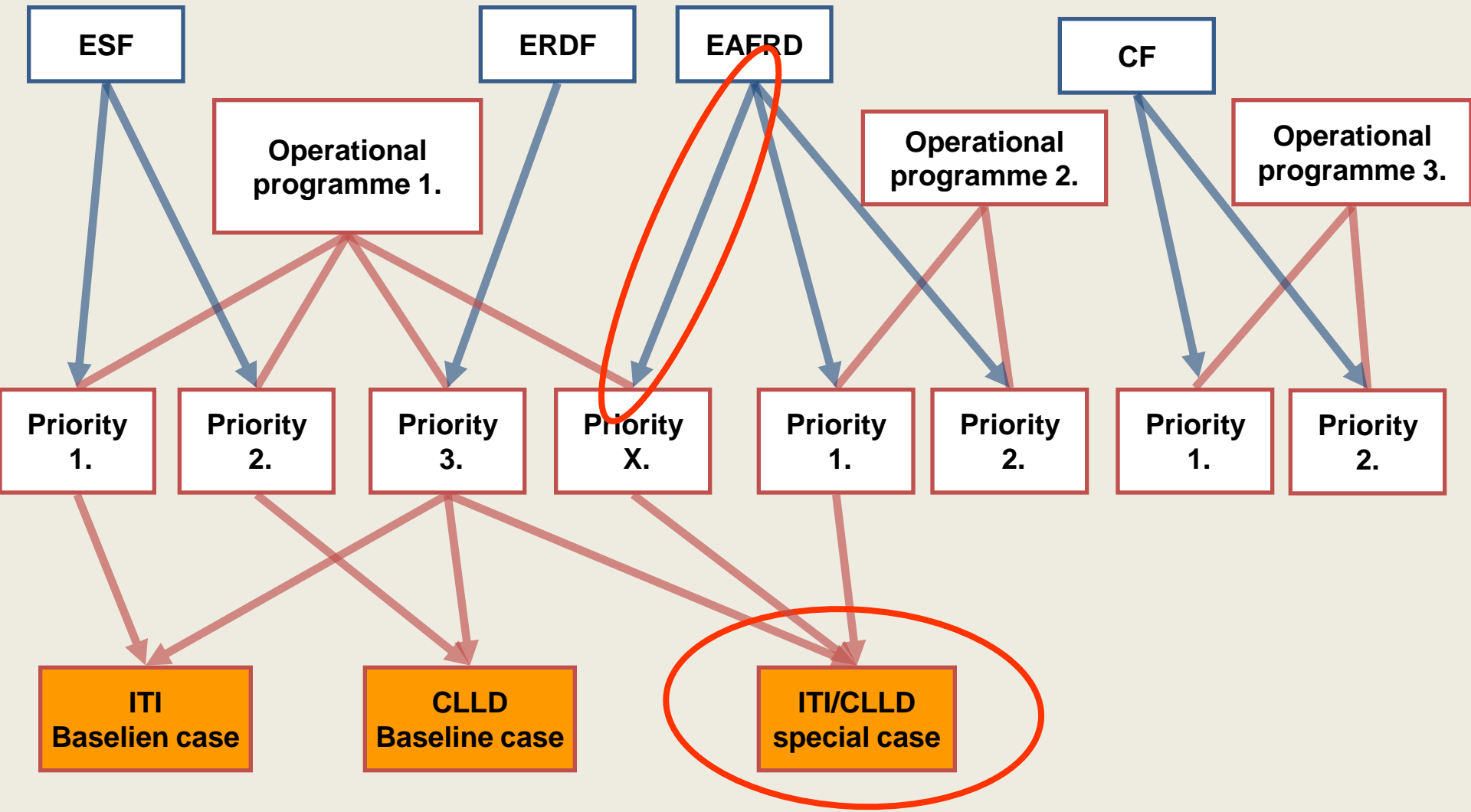
Integrated territorial investments (ITI)

- Mainly top down territorial actions embedded in sectoral OPs
- De-centralized development packages incorporated into a territorial OP:
 - county based integrated developments (economy and other)
 - major cities and their agglomerations based (economy and other)

Community-led local development (CLLD)

- Additional sources for the advanced LEADER communities
- Fixed development sources for communities in small regions (with or without existing LEADER communities)
- LEADER method in urban development (URBAN)
 - town and its agglomeration
 - city district development

Degree of integration





Territorial features of economic development 2014-20

New features of local/regional economic planning

- Development of local economy – decentralized, using a bottom up and community based approach
- Creative and innovative way of developing economy
 - Exploring the regions' own resources
 - Linking the producers and consumers in a region – local markets
 - Making local economy on different scale:
 - European
 - National (multi-sectoral clusters of local economy, alternative supply chains)
 - County and small region level
 - Urban-rural partnership: cities and their rural surroundings serve for each other (product, service, recreation, job)
 - Integrating local non-economic and economic development actions, e.g.:
 - Settlement rehabilitation and creating jobs and opportunities for economy
 - Utilising renewable energies on a community base and creating market and jobs

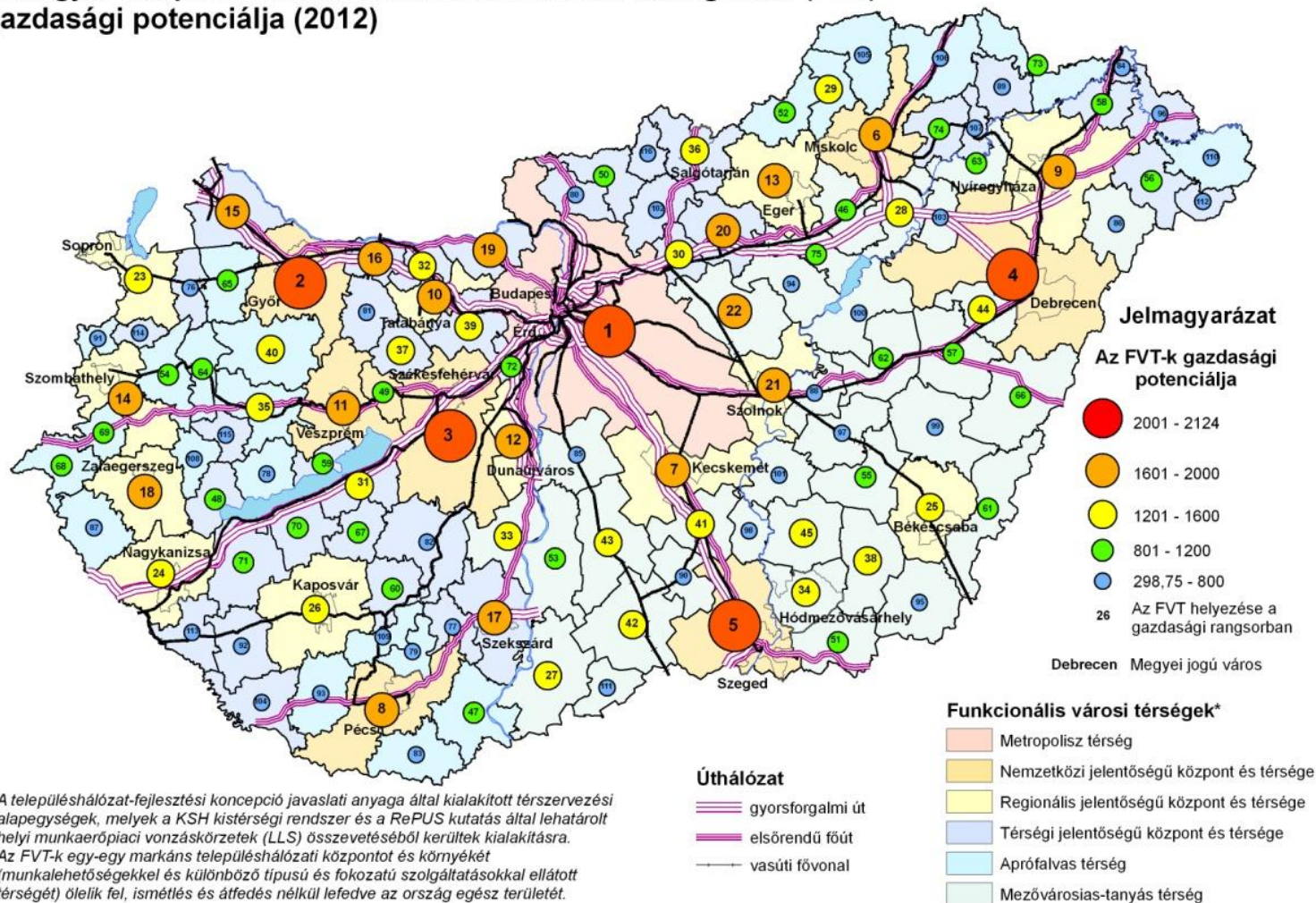


New features of local/regional economic planning

- Mainly top-down (but also bottom up built)
territorial interventions in territories with
national importance
- in „problem regions”
 - in regions with high potential for growth
(eg. cities or Balaton region)



A magyar településhálózat funkcionális városi térségeinek (FVT) gazdasági potenciálja (2012)



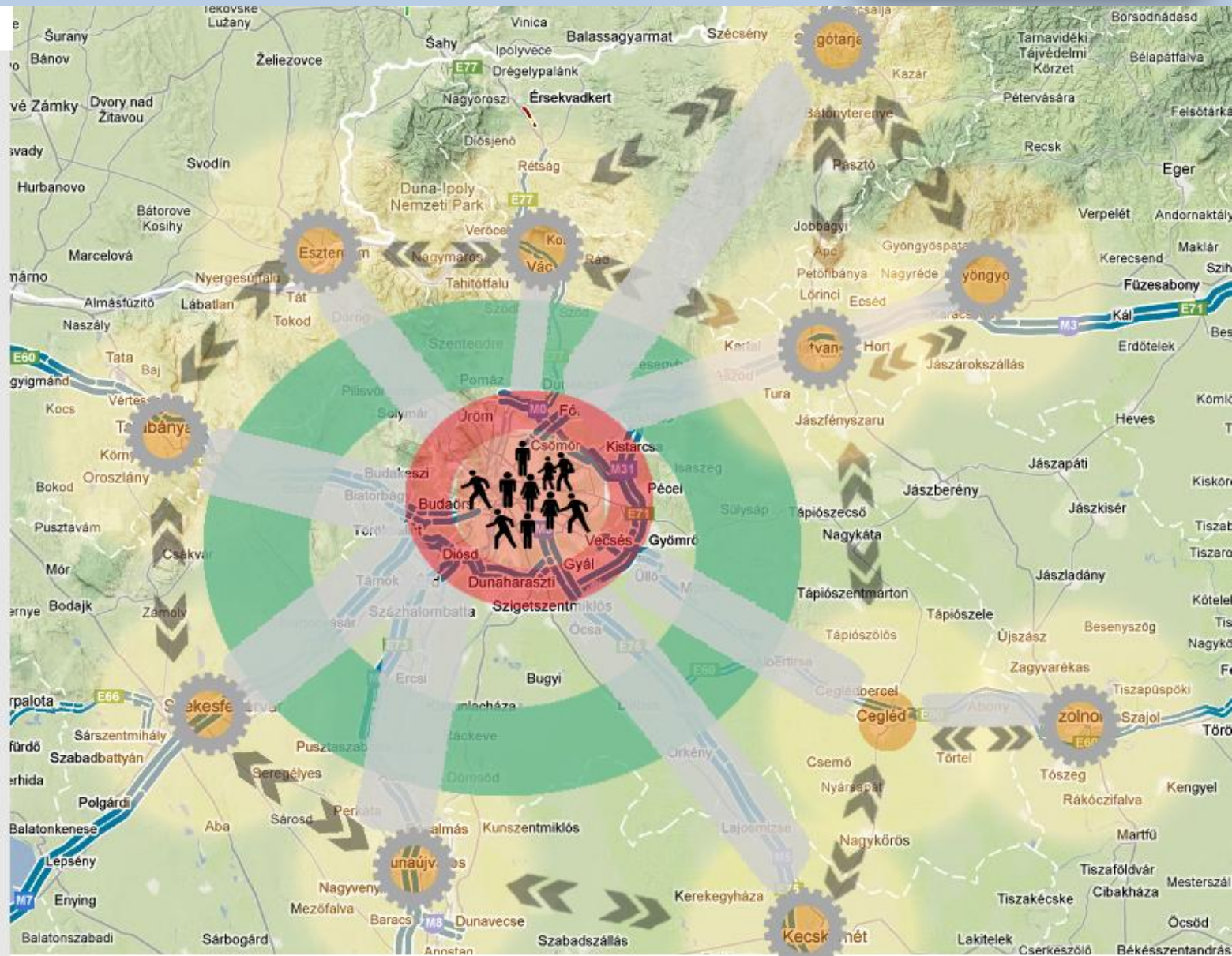
A „Budapest Business Region”

Térszerkezeti vízió kell



Jelmagyarázat

- Nagyvárosi központ
- Csapágyvárosok
-
- Átkötő kapcsolat
- Növekedési tengely
- Zöld rekreációs övezet koordinált lakófunkcióval





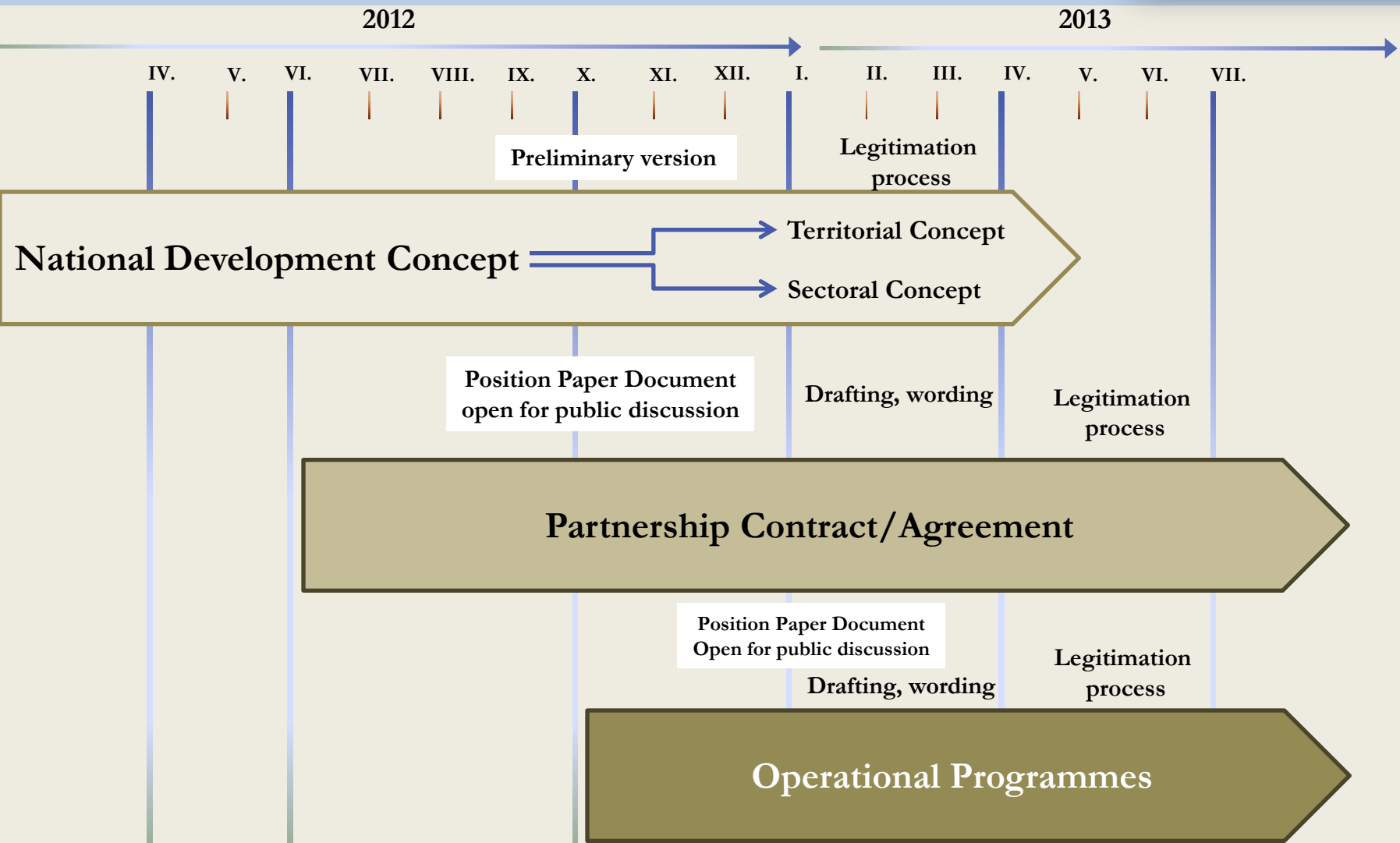
Tasks ahead

1. Setting up our goals (based on EU goals) and structure of OPs
2. Defining the economic development competencies on each level:
 - Central
 - County
 - Major city
 - Local communities, town and agglomeration, districts of cities
3. Defining the mechanisms of selecting ITIs and CLLDs
4. Defining the mechanisms of coordinating the implementation of ITIs, LEADERs and Structural Fund–based CLLDs in an integrated way
Flexible and realistic rules - no strict delineation is required



2014–20 planning processes in Hungary

Ongoing and future planning processes



National government

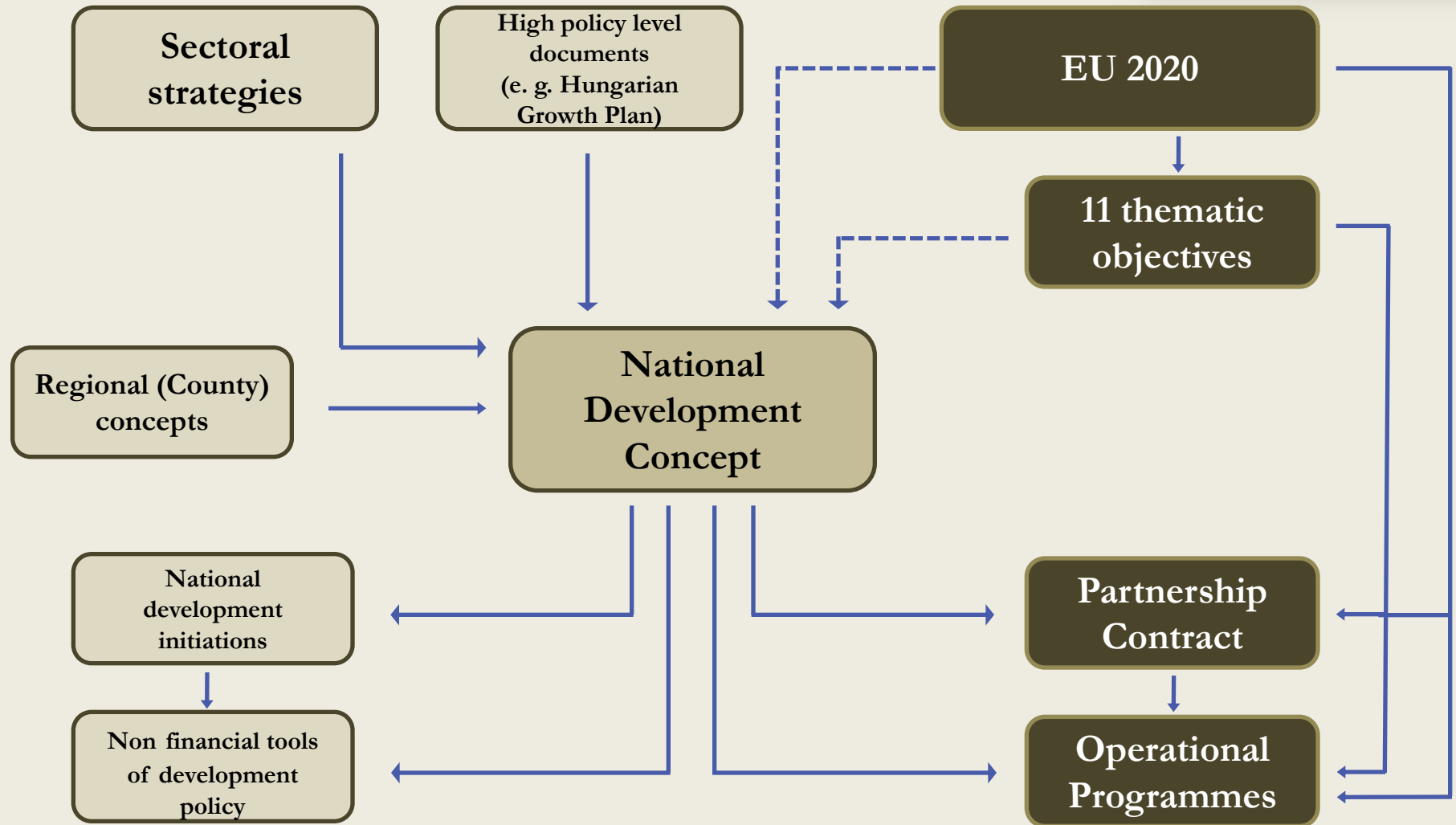
- Ministries with highlighted coordinating roles
 - Ministry for National Economy
 - Hungarian Economic Planning Institute
 - Ministry for National Development
 - Ministry of Public Administration and Justice
 - Ministry of Rural Development
- Sectoral ministries and state secretariats

Regional and local governments (counties and cities)

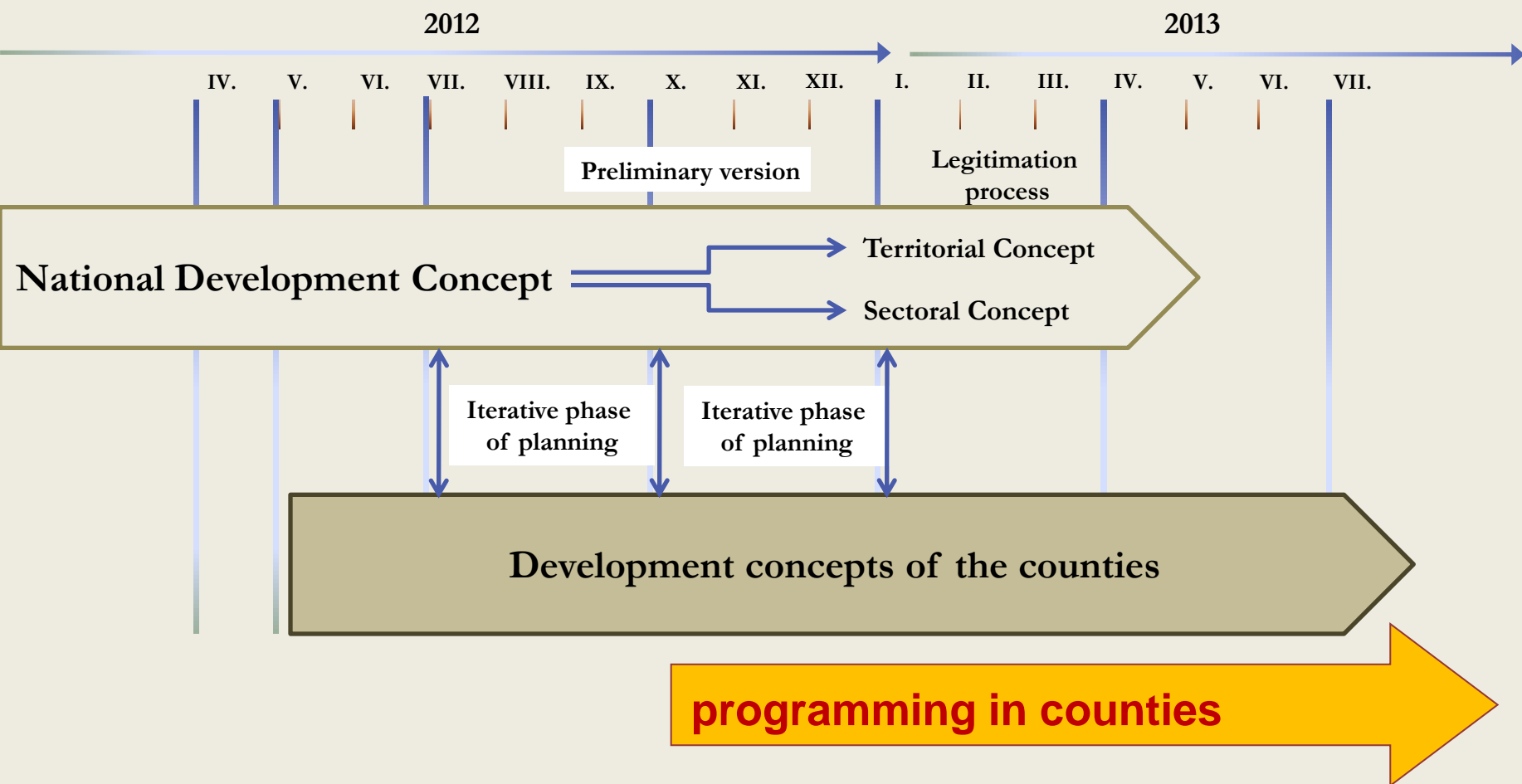
Public involvement

the roles and the mechanisms are under elaboration

Strong coherence between the Hungarian and European planning processes



Revitalized territorial planning





Thank you for your attention

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