

## STRATEGY OF THE OPERATIONAL PROGRAMME

### Strategic premises

As already shown in the previous analytic chapters, the European regions will have to meet a series of fundamental changes:

- A change of the European agriculture policy from 2013 onwards (expiring of market regulations, downsizing of agricultural budgets and grants) with the consequence of liberation of the sector and a huge impact on the competitiveness of the farms and their products in a liberalised market.
- Changes caused by the liberation of the labour markets (at least in 2011) with a different impact on the competitiveness of companies, but also of employees and their qualification and flexibility.
- Challenges in context with globalisation and pro-active strategies as the new European research policy:

The European Union agreed on the ambitious goal of making the EU *"the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion"*.

The **regions** will have to take an **active role** in the transition of the Union to a **knowledge-based and sustainable economy** in order to become the most competent area within 10 years.

Thus, the route from Lisbon and Barcelona to Gothenburg is going also through the regional path.

What is more, the respective cross-border cooperation area of Austria and Slovenia will be **faced with the globalisation** impact, the deregulation mechanism, the enlargement process, fundamental changes in technology and increasing competition both at the level of **companies** and of **regions**.

New regions in Europe are emerging and competing in the fields of investments and attracting value-added and employment projects – additionally to the long-term key challenge of the economic dynamics in China and India.

At the level of industrial production and technology, global competition has been taking place for a number years. The industrial key players try to adopt their strategies and investments in order to keep their businesses prospering. In a few years at the latest the regions and public institutions will also be faced with the impact of global competition on their structures.

Thus, regions - which are not part of the main dynamic economic zones with top-level infrastructure or of the great European development bananas - will do wisely for future perspective to **create strong, sustainable and effective partnerships** in order to enhance common strengths for keeping or improving their competitiveness.

One of the key challenges of the Lisbon strategy will be to "bridge the technology and innovation gap" existing at the European level, as well as at the level of the regions, industries, companies and clusters.

**Competitiveness** and **innovation** will also be the key factors for regional development.

- There are essential links between successful innovation strategies and promising development of the territory. Regional innovation systems become increasingly important in an international networking economy.
- National boundaries, states and national economies are declining in their importance – on the other hand, regions, agglomerations, industries, clusters and networks become the decisive units.

Consequently, more and more activities and institutions supporting cooperation are necessary in order to take mutual advantage of key competencies and skills of local people and companies.

To set a proper framework for this innovation process using and integrating the cross-border potential is a key task of this operative programme.

Therefore this programme should pay attention to the creation of effective partnerships in order to facilitate the sustainability of cross-border cooperation.

The development of endogenous potential and activation of regions resources in terms of nature resource, social and human capital shall also be at the focus of the programme to support **sustainable and balanced regional and local development and improvement of the quality of life.**

Economic development should go hand in hand with the sustainable use of natural resources, the maintenance of biodiversity and the preservation of ecosystems. Therefore the regions will have to consider and further support and promote the use of renewable materials and energy sources, developing environmentally sustainable production methods.

Attention should also be put on increasing the employment potential in rural areas and improving links to urban areas.

Going ahead in this process of networking and involvement of key actors in the partner regions will be above all the task of semi-public and public institutions.

In the elaboration of this programme gender mainstreaming will be dealt with as a cross-cutting issue. Gender sensible aspects will be integrated where applicable.

## **Principles of the programme focus**

Following the European challenges regarding competitiveness, innovation and sustainability, the operational programme should put the decisive efforts on **fostering the strengths** and **use the potential** given in the regions by cross-border strategies and measures. In operative terms, the programme would prefer to **deal with opportunities of relevance** (tangible contributions to competitiveness, enlargement of knowledge basis, visibility and sustainability).

The programme takes into account the great variety of the cooperation area and the different types of regions (rural, urban, industrial, tourist ones) and intends to offer proper opportunities, suitable to their potential.

On the other hand, the programme will not put too much attention on weaknesses and disparities in the regions, in particular those not in context with cross-border situations or problem solutions. This should be primarily regarded as a matter of national policies and programmes.

Spoken in operative terms, the programme intends to **complement** the strategies and measures at the **cross-border level** with matters and measures allocated to the **national homework** or **other EU-programmes.**

Given the strengths and weaknesses of the programme area, the **key potential** for successful cross-border cooperation and significant impact on increase of competitiveness was identified in the following sectors:

- opportunities for development are strong at least in the field of manufacturing industry, SME sector, business oriented services, research and innovation, in tourism sector and in the use of renewable energy sources
- infrastructure enabling or facilitating joint cross-border development such as transport, communication infrastructure
- regional development including location development

- human resources in particular with special focus on qualification upgrade
- highly diversified natural potential, resources and attractive natural assets
- a wide range of cultural heritage, enriched by the potential promotion by involved minorities
- environmental tasks to tackle jointly esp. the quality of the air, the increasing energy consumption, the increase of the greenhouse gases with significant challenges in raising the contribution of renewable energy sources
- advanced transport system on the road side, but the cross-border public transport is lagging behind and the modal split deteriorates significantly
- advanced social and health-care infrastructure, which shows potential for cross-border synergy use, thus the level of service could be maintained or even improved for the rural population, particularly in the immediate border area.

Cross-border cooperation is of significant importance for both countries. The main **challenges** for the future cross-border cooperation of Austria and Slovenia lie in:

- contributing to sustainable development and economic integration of the cooperation area, whereby taking into account differences in the level of development of the individual NUTS III regions
- increasing the profile of the programme area and its international competitiveness by taking advantages of its strategic location, endogenous development potentials and innovation capacities
- taking advantage of the development impulses emerged by Slovenia's accession to the EU on the one hand and preparing for the suspension of the transitional provisions regarding the labour market by Austria on the other.

Moreover, the **integrated regional development** as a strategic principle has to be **further developed**. Not only should the cross-sector integration be the intention, but the link to innovation and research activities should also be strengthened. The cross-border regional partnerships should be reinforced by cooperation with research institutes as their partners or external scientific experts. Doing so, they will be able to tackle challenging, innovation oriented fields of action. In case of success, the regional partners will raise their competitiveness.

The cross-border cooperation of clusters should also have an innovative approach with integration of joint RTD – projects and cooperation with research institutions of the cooperation area. The addressing of new tourism target groups of third, in particular international markets should be carried out by the development of innovative new tourism packages and innovative organisation.

## Strategic Objective

The **strategy** to address the above mentioned challenges and opportunities is to contribute to:

- providing conditions for strengthening cross-border economic links and regions competitiveness and decreasing the regional gaps
- supporting improvement of the human resource potential and innovation capacities to support economic development
- facilitating the integration of the cross-border labour market
- providing a platform to promote regional identity, cultural and social cooperation
- supporting the preservation of natural resources, environment protection and the increase in the use of renewable energy sources
- building on the past experiences and further improving the institutional base, structures and processes to support cooperation at a high level of quality, and providing space for a further support of small scale cross-border (local) initiatives
- supporting synergies to other programmes being implemented in the programming area
- ensuring an efficient programme management and implementation.

It is essential to agree on a limited set of priorities and actions for which one can assume to have positive impact on the cross-border cooperation area and its key objectives. However, the strategy and the programme itself should at the same time provide sufficient flexibility for adapting and incorporating possible new development opportunities, which may emerge in the course of the programme implementation.

**The overall aims of the programme are to contribute efficiently**

- **to extensively fostering the international competitiveness and visibility as well as the quality of the cooperation**
- **by joint development, sustainable and innovative use of**
- **the common potential and opportunities in the regions.**

More in operative terms:

- increasing competitiveness in economic key sectors including tourism and agriculture, improving the research & knowledge base, and upgrade the infrastructure, qualification and employment opportunities
- increasing the quality of life in the programme area by promoting cooperation in the field of culture, health and social affairs
- promoting sustainable cross-border projects to facilitate cooperation, particularly in the field of environment, sustainable energy and management of the area's natural resources
- strengthening and improving the quality of cross-border cooperation at local and regional levels.

**Indicators at programme level:**

Indicators reflecting the **degree of cooperation**

Code	Indicator	Quantification
42	Number of projects respecting <b>two</b> of the following criteria: <b>joint development, joint implementation</b> , joint staffing, joint financing	<b>40</b>
43	Number of projects respecting <b>three</b> of the following criteria: <b>joint development, joint implementation</b> , joint staffing, <b>joint financing</b>	<b>130</b>
44	Number of projects respecting <b>four</b> of the following criteria: <b>joint development, joint implementation, joint staffing, joint financing</b>	<b>4</b>

Joint staffing is achieved when, after the end of the project, there is one common institution with staff from both countries (long term vision).

## Indicators reflecting **cross-border cooperation**

Code	Indicator: Number of projects	Quantification
46	developing joint use of infrastructure	<b>5</b>
47	developing collaboration in the field of public services	<b>10</b>
48	reducing isolation through improved access to transport, ICT networks and services	<b>8</b>
49	encouraging and improving the joint protection and management of the environment	<b>15</b>
50	Number of people participating in joint education or training activities	<b>200</b>
	Projects involving SMEs	<b>70</b>
	Number of projects with bilingual products	<b>50</b>

## **Justification of the priorities**

The implementation of the basic programme strategy should be carried out within two strategic priorities:

Priority 1 focuses on the raise of competitiveness with cross-border cooperation and intends to tackle the various challenges in the transition to a knowledge-based economy.

Priority 2 deals with a sustainable and well-balanced development, in particular regarding the natural, social and infrastructure potential within the cooperation area.

### **PRIORITY 1:**

The analysis shows relevant potential in various fields of the economy as well as in the fields of research and innovation:

The industrial and SME sector offers many opportunities for joint development of competitiveness and use of joint growth potential. In particular, the industrial clusters including many dynamic SME can take a driving role in using mutual advantages across the border, in facilitating the access to markets, resources and partners. In selected sectors cross-border production chains may be developed and put into practice.

The cooperation area has a developed infrastructure in the field of business locations, technology parks, incubators and science parks. Cooperation regarding further development would make sense particularly in creating networks and cross-border cooperation in order to facilitate the access to information, to new partners and to new markets for their clients and tenants. However, in order to reinforce the SME-sector in the border regions, additional strategies, especially those with innovative aspects, should be put into practice jointly.

The analysis shows rich potential of scientific, research and innovation oriented infrastructure in the cooperation area. The high density represents a specific asset of the joint region. This field and its actors should play a key role in an innovation and competitiveness oriented development strategy. In particular, two major sub-strategies for the regional development should be taken into regard:

There are opportunities to create internationally high competence in the newly emerging fields of technologies such as new materials, electronics, human technologies, life sciences, nanotechnologies and others by establishing new research coalitions. The excellence of knowledge, high experienced staff and technical apparatus and facilities should be bundled jointly on selected themes and research projects.

The science and research sector should be intensively involved in the increase of competitiveness of the industrial and rural areas by dealing with regional projects, themes and actors. This coalition should facilitate the ability of the rural and industrial areas to meet the fundamental trends and challenges in economy and technology.

The cooperation area reveals specific fields of strengths in various sectors:

In industry and the SME sector these are particularly the fields of automotive industry, wood processing, environmental technologies, electronics, tool making and many others. These sectors may make use of cooperation in order to increase their competitiveness and growth potential, in particular by addressing jointly third markets.

In some parts of the cooperation area it is especially the agriculture that still represents a pillar of the structure and offers relevant development potential for the rural areas. In many fields of production high specialization, new products, processes and brands have been developed. The potential of the rural regions, in particular that of agriculture, should be developed further by means of cross-border cooperation, using especially cross-sector cooperation, such as handicraft, trade, tourism or food-processing industry, etc.

Based on the existing attractive potential, cross-border tourism activities should be oriented primarily on the creation of joint internationally visible packages and, moreover, on suitable cases in international destinations. These new packages should be addressed to third and international markets. Many of the rural areas as well as the cities of the cooperation area could contribute to such packages and make benefits regarding value-added, employment and income.

## **PRIORITY 2:**

The rationale for the proposed strategy of sustainable and balanced development evolves from the regions potentials that could be (further) activated in a sustainable and responsible way to improve the quality of life for present and future generations.

The programme area has a relatively well preserved environment, rich biodiversity and valuable nature resources. In order to preserve this richness, sustainable and responsible ways of use should be promoted. In doing so, the existing knowledge and competences of the relevant actors in the cross-border area should be integrated to further support the protection of biodiversity and preserving of ecosystems. The cooperation potential is expected in particular in nature parks management and promotion, joint water management, etc. Since the cooperation area consist also of some rather sensitive areas, joint solutions and actions in the field of risk prevention should be considered.

To meet the decrease of number of species and habitats, which are permanently under pressure, joint solutions have to be found in order to stop the loss of biodiversity.

The area has much potential to further increase the use of sustainable energy/ renewable energy sources (e.g. solar, biomass, water, wind, etc.). The existence of the relevant knowledge and expertise within the programme area, which could be joined and upgraded, is also in favour of such strategy.

On the other hand, opportunities to develop joint strategies and solutions for tackling problems of air pollution, fine dust and noise should be considered. Supporting development of new technologies and research in the field of environmental management is of great importance for the entire area, since in the long run it can also create new employment and contribute to sustainability. Such actions should go in hand with the potentials described under research and innovation under P1.

To exploit the cooperation opportunities in various fields identified, a proper promotion and support shall still be necessary to bring the relevant partners together. A lot of potential exists in the already established regional structures and networks acting in various regional fields. With the inclusion of new potential actors and new programme areas, adapting existing and developing new or upgraded structures may be necessary to support high quality project development and implementation. In this respect, improvement of links between urban and rural areas should be strengthened. Development of services and support infrastructure to facilitate employment creation and better quality of life is an important aspect of regional development.

Culture is an important potential which can support and foster cross-border relationships and contribute to the improvement of the programme areas identity and international visibility. In the long run, culture can also create an employment potential in connection to other sectors. The possibilities in this field are many.

A functioning cross-border public transport system is a key element of facilitating an intensive interaction across the border. Thus, the existing lack of attractiveness in the cross-border public transport system should be overcome. An upgrade of the public transport offer could contribute to intensify the cross-border contacts and interactions of daily commuters, of consumers, students, tourism visitors and businesses. In addition, the external transport links at the level of railway and air transport of the cooperation area can also be upgraded in order to increase the accessibility of the entire region.

The foreseeable removal of the Schengen regime from the joint border will offer a considerable amount of high value infrastructure at the immediate premises of the border crossings, which may be used alternatively for regional and economic purposes. Therefore this potential should be tackled jointly.

To contribute not only to the economic, environmental, but also to social sustainability, potential has been identified primarily in the field of health protection, pest protection, social inclusion, cooperation in medicine, control of epidemics, hazard/risk prevention, emergency management, water and waste management.

### **Addressing the horizontal themes and principles:**

The implementation of a competitiveness and innovation oriented approach and promotion of a sustainable and balanced development on the other hand also represents a challenge for human resources, in particular a permanent upgrading of the qualification structures. This request is valid for all actions within the programme, so the human resources development is regarded as a horizontal theme in order to create the suitable solution for each individual action.

Networking should improve sustainable cooperation structures and contribute to the quality of cross-border cooperation. Moreover, this is regarded as a horizontal field of action and should thus be part of every single action.

Innovation in the framework of this programme should be understood as a permanent task to work on new competitive and/or sustainable solutions. Therefore it is seen as a horizontal principle within the programme.