



2017.

LEGAL ACCESSIBILITY
along the Hungarian borders
Second milestone

FINAL REPORT

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Executive Summary

History

Central European Service for Cross-border Initiatives (CESCI) with support of the Ministry of Justice implemented a project with title Legal Accessibility. Within the frames of the project, staff of the association identified 57 legal-administrative obstacles around the borders, and formulated 39 policy recommendations and legal (textual) recommendations through involvement of experts, as well as through identification of European good practices.

Result of the project was the collection of recommendations. Besides, the project included also two horizontal recommendations, one containing information which related to various life situations, another one aimed to achieve systematic removal of obstacles and development of a three-level accessibility mechanism.

The Hungarian initiative received European echoing mainly because of the *Cross-Border Review* project that was implemented by the European Commission and which ran parallel with our project. During the first project, many opportunities appeared for continuing steps and for further development, hence the second milestone of the project could be implemented in 2017.

Short summary of the results of the project

Work was done in four areas within the frames of the project in 2017.

- 1)** Along the borders of Hungary, only Serbia misses the legal framework for establishing European territorial associations (there is already a functioning EGTC with Ukraine), while there has been an intention to establish such an organisation since 2010. Within the framework of the project, the legal framework that aims to introduce such an organisation was analysed by the staff of CESCI Balkans and the legal framework was debated with the legal representatives of relevant ministries of Serbia. They made a proposal for an EGTC-legislation (in textual form) within those frames that are defined by the Madrid Convention, which was ratified by Serbia in the beginning of 2016. As well as, they proposed to establish Euroregional Co-operation Groupings (ECGs) with the participation of Serbian entities.

In the framework of the sub-project, a large conference was organised with nearly 150 participants in Novi Sad. The conference promoted new territorial cooperation tools.

- 2)** The issue of health cooperation was one of the most popular topic of the project in 2016. In 2017, the domain of cross-border rescue was chosen as an extremely wide-ranging problem. With the involvement of the representatives of ministries and authorities, we

created a working group in order to examine the conditions of cross-border service by Hungarian ambulance. During the meetings, it became clear that health barriers are far from hampering the introduction of solutions that fundamentally affect the quality of life of those people who live in border areas: for example, technical, traffic safety and language issues arise as well.

Result of the project within the prepared analysis was that we made proposals for all these areas at the EU, bilateral and national levels. For example it should be mentioned that a regulation was created that allows mutual recognition of using distinctive signs beyond the borders. Bilateral agreements could regulate the conditions for cross-border mobility of ambulances. Although, this will need to make amendments in many Hungarian legislations and we also made proposal here.

Finally, having information about the Hungarian and neighbouring rescue stations, we analysed where would be the biggest need to launch cross-border rescue activity.

- 3)** We also examined the issue of cross-border sale of local products within the framework of the project in 2016, because the border regions of Hungary are very often peripheral and rural regions, where the local agriculture has deep traditions. In the framework of the subproject, we established a working group with the representatives of the concerned ministry and the Hungarian Chamber of Agriculture, and we also commissioned three external experts in order to explore the specific legal frameworks. The members of the working group expressed their worries that opening of the borders could generate a competition for the low-income small farmers, thus we conducted a questionnaire survey among consumers and producers. 452 responses from the consumers and 341 responses from the producers showed that support for opening of the border would be firmly high (above 70%) under certain conditions (such as reciprocity and the same conditions).

A study was also result of the project that supported the legitimacy of the changes on the one side. On the other side, we examined the current legislative framework in Hungary, and we put forward proposals in order to solve the current situation. Taking into account the restrictive nature of the relevant laws, we were unable to propose a regulation which could help the process of opening the borders; nevertheless, we put forward several policy and practical recommendations.

- 4)** The fourth issue of the project was the domain of information. We identified the issue of lack of information within the project in 2016, we tried to uncover the reasons behind it, and we conducted a comprehensive study. This task included the examination of the existing domestic (national) information sources, European cross-border examples, as well as the analysis of EU-level information platforms about Hungary; exploration of the policy initiatives and their legal background for digital services and e-governance, triggered by

the EU, with the aim to create a Single Market; as well as an overall assessment of Hungarian information sources. In connection with this latter task, we reviewed the available international measurements (UN, OECD, European Union), trying to identify the level of Hungarian information sources in relation to the neighbouring countries. On the other hand, we implemented mystery shopping with the involvement of native speakers of the neighbouring countries (the partners made searches on the internet with the use of a predefined nomenclature for Hungarian information in different life situations in their own language and in English). Third, we carried out an internal evaluation on information sources (in order to perform control mechanism) with the help of experts – from the relevant ministry.

Thus, the completed study provides a comprehensive picture that what is available for foreigners about Hungary. Information for those foreigners, who want to work, study, make shopping, marry, etc. in Hungary (besides Hungarian language, there are very few things that are available – the portal Your Europe is the most useful tool in this respect); or what are the main reasons of this (mainly the lack of linguistic competences and capacities, but there is a need to mention also the low level of integration in the domain of information).

On the basis of this, we put forward proposals towards the decision-makers, specifically what steps should be taken in order to increase the level of information until the opening of the Digital Single Gateway by 2025.

Summary and Perspectives

The second milestone of *Legal Accessibility* resulted in a number of new knowledge and it provided important conclusions or it marked out other possible directions, too.

Regarding the EGTC legal harmonization, we sought the Ministry of Foreign Affairs and Trade, because the Hungarian-Serbian Joint Committee could be an appropriate forum, where concrete steps can be taken on the basis of the study findings and on the basis of the elaborated legislation draft. At the same time, staff of the CESCI Balkans continued lobbying at the level of the Serbian authorities, so the legislation could be adopted as soon as possible.

The next step within the area of cross-border rescue can be if we involve the rescue services of neighbouring countries into the process, since cross-border activity raises numerous bilateral issues and questions that should be clarified, like radio systems, regulation of the road traffic (Hungarian abbreviation: KRESZ) and the issue of the staff. An additional step forward is the examination of the organization of cross-border, territorially-based emergency care which appears as a positive example in many countries of Europe.

In the context of local products, establishment of a card system for small-scale producers in the border area was raised, it could create the possibility for bilateral registration and it would gradually allow the opening of borders to local products. At this point, the Hungarian Chamber of Agriculture could be the initiator.

Regarding the development of information systems, it is necessary to establish cooperation primarily with the Hungarian embassies, as well as the conditions of cooperation should be created with the authorities who operate the sectoral portals. The EU Single Digital Gateway will solve significant part of those problems that today emerge, but its time horizon seems far away and this does not make that information on cross-border services are unnecessary: obstacles are always ahead of their solutions.

Finally, we have to mention one of the most important lesson of the project in 2016: there is a significant need to develop mechanisms for elimination of obstacles. CESCI proposed a three-level system, where the first level could be represented by a Hungarian inter-ministerial working group (we prepared our proposal in three versions during the year at the request of the Minister of Justice); the second level is embodied by the system of joint committees with neighbouring countries (we coordinated this question with the Ministry of Foreign Affairs and Trade, and the representatives of the Ministry expressed their openness in this issue); third one is represented by the attempt to adapt the solution of the Nordic Council to the countries of the Visegrád Group (thus, we submitted a joint application with our partners to the Visegrad Fund – we would prepare the development of the system).

In parallel with the implementation of the project, we created our new webpage that introduces our activities in the field of legal accessibility in Hungarian and in English language. On this website, our activity can be followed: <http://legalaccess.cesci-net.eu/>

1. European perspectives on legal obstacles

In recent years, increasing attention is given to barriers that emanate from the legal harmonization shortages in the EU. Compulsory legislation for member states has been constantly expanded and it has been gradually integrated into the legal systems of all countries; nevertheless, experiences show that number of legal and administrative obstacles, due to differences in administrative systems and legal background, make the life of people, who live in border areas, difficult and the obstacles generate difficulties within the success of cross-border cooperation. Existing barriers influence areas like public transport, health services, mutual recognition of qualifications and diplomas, frameworks of technical planning, social benefits, and even the domain of data collection, too.

In August 2015, the European Union's Regional Policy Commissioner launched the project with title *Cross-Border Review*¹ to identify barriers, because creation of the single market and the enforcement of equal rights of EU citizenship is unthinkable without the elimination of these problems.

The project itself lasted for a year and a half, and

- on the one hand, it included an expert study (*Easing legal and administrative obstacles in EU border regions*)² which summarized and analysed the existing barriers as a result of a comprehensive review of European internal borders;
- it launched a database³, where information about good practices on obstacles and their elimination is available;
- it included a wide-range consultation process (on-line questionnaire⁴, consultancy workshops at 11 sites, meetings of expert working group), which enabled the inclusion of the experiences of local actors with the aim to prepare a common EU report.

As a result of the project, completed at the beginning of 2017, the Commission issued a Communication that was presented at an international conference on 20th of September 2017, in Brussels. The Communication with title *Boosting Growth and Cohesion in EU Border Regions*⁵

¹ http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/review/

² http://ec.europa.eu/regional_policy/en/information/publications/studies/2017/easing-legal-and-administrative-obstacles-in-eu-border-regions

³ http://ec.europa.eu/regional_policy/sources/policy/cooperation/european-territorial/cross-border/factsheets/list.cfm

⁴ http://ec.europa.eu/regional_policy/en/newsroom/consultations/overcoming-obstacles-border-regions/

⁵ http://ec.europa.eu/regional_policy/en/information/publications/communications/2017/boosting-growth-and-cohesion-in-eu-border-regions

underlines that problems of border regions are generated by the fact that these regions cover about 40% of the territory of the EU, nearly one third of the EU population lives in these regions, and they generate approximately one third of the EU's GDP. Daily, 1.3 million EU workers commute across the borders. Researchers of the Technical University of Milan detected that elimination of the existing administrative barriers would increase the GDP of the EU by 8%.⁶

The EU Communication identified 10 concrete intervention tasks with the aim to eliminate barriers, and it also reports that it will establish a Border Focal Point within DG REGIO which will function as a coordinator and as a forum for sharing of knowledge related to accessibility of the borders. This Border Focal Point will have one full-time employee, whose work will be assisted by 7 employees from the department responsible for cross-border cooperation.

The Communication identifies the following 10 interventions (actions):

- 1)** *intensification of cooperation and exchanges*: on the one hand, the Commission establishes an on-line platform of the experts for cross-border cooperation, and this platform will be the scene for sharing of knowledge at the EU level; on the other hand, call for those PILOT-initiatives will be soon announced that formulate proposals for eliminating an obstacle;
- 2)** *improvement of the legislative process*: it underlines that territorial impacts should be taken into account within the legislation process, and it promises an expert support to this at the EU level;
- 3)** *enabling the establishment of cross-border public administrations*: it encourages the development of e-public administrations within the member states;
- 4)** *reliable and understandable information and assistance*: it urges the establishment of a single information system at the EU level;
- 5)** *supporting of cross-border employment through integrated service systems*;
- 6)** *promoting multilingualism in border regions*;
- 7)** promoting cross-border access through *integration of transport networks and services*;
- 8)** *to promote greater coordination of health facilities*;
- 9)** examination of *legal and financial framework of cross-border cooperation*: use of ECBC (see I. below) and the integrated financing of cross-border developments;
- 10)** to present cross-border interactions in order *to inform the decision-makers* (here, the Communication highlights the legal accessibility project of CESCI).

⁶ Camagni et alii (2017): *Quantification of the effects of legal and administrative border obstacles in land border regions* (EC, Brussels) <https://publications.europa.eu/en/publication-detail/-/publication/151ca695-b92f-11e7-a7f8-01aa75ed71a1/language-en/format-PDF>

In order to promote the Communication and the initiative, the Commission organizes three macro-regional conferences in Mérida (Spain), Bratislava and Copenhagen between October 2017 and February 2018.

In parallel with the initiative of the Commission, the Luxembourg Presidency initiated a new legal instrument within the domain of *European Cross-Border Convention* (ECBC) in the second half of 2015. The ECBC would treat the problems which emerge from the different regulatory environment of neighbouring countries through allowing the application of the relevant legislation of the neighbouring country by temporary and territorial restrictions. During the consultation, the most commonly cited example was the new tram line between Strasbourg and Kehl, crossing the French-German border, which was opened in spring 2017. Opening of the tramline was hampered by many obstacles, from the differences between the technical standards, tax content of the fares, to the territorial scope of the driving licenses. This is an exceptional case, there is no reason to make bilateral agreement at the level of the two states, but it would be sufficient to apply an exceptional procedure specifically for this one tram line: this could be the ECBC⁷.

The working group, which was established by the Luxembourg Presidency, submitted its proposal for a new legal instrument based on volunteering to the European Commission in June 2017. It received a positive response and it was included within the mentioned Communication of the Commission.

The process of identification of obstacles and the collection of good practices, which solved the border barriers, started somewhat earlier within the frames of the Council of Europe. On behalf of the Directorate of Democratic Governance⁸, the Italian Istituto di Sociologia Internazionale di Gorizia (ISIG⁹) issued a comprehensive study in 2014 and a handbook¹⁰, as well as it created the so called EDEN portal¹¹ with the aim to collect legal problems and solution options.

Another aspect of the issue is the cross-border harmonization of territorial statistical data, on which the French Mission Opérationnelle Transfrontalière (MOT) organized its first seminar in

⁷ More information about this initiative can be found on the webpage of the coordinating professional organization, the French Mission Opérationnelle Transfrontalière (MOT): <http://www.espaces-transfrontaliers.org/en/european-activities/working-group-on-innovative-solutions-to-cross-border-obstacles/>

⁸ <https://www.coe.int/en/web/democracy/directorate-of-democratic-governance>

⁹ <http://isig.it/en/>

¹⁰ <http://isig.it/en/manual-on-removing-obstacles-to-cbc-2014/>

¹¹ <http://www.cbc.isig.it/>

Nancy, in 2012¹². The French and the statistical offices of the neighbouring states were invited at the event, and they established a permanent working group that supports the data harmonisation which is necessary to monitor cross-border regional processes.

In 2014, CESCI organised the second seminar on the topic in Budapest¹³. It invited the High Representative of Regional Policy, as well as those experts from all over Europe who are engaged in the topic. Subsequently, the European Commission launched a PILOT project in 2016. Within the frames of the project, statistical offices from 11 countries, with Dutch leadership, develop a methodology for measuring cross-border labour mobility. The Commission plans to continue the data harmonization process on the basis of the results and the learned lessons from the PILOT project (as it is already outlined in the aforementioned Commission Communication).

¹² http://www.espaces-transfrontaliers.org/fileadmin/user_upload/documents/Documents_MOT/Cahiers/Cahiers_de_la_MOT_9_FR.pdf

¹³ http://www.cesci-net.eu/201410_ksh_konferencia

2. The "Legal Accessibility" initiative in Hungary

Besides the processes at the EU level, large-scale and national initiatives were also launched in order to facilitate legal accessibility.

In 2014, member states of the Nordic Council established The Freedom of Movement Council¹⁴, with the help of the Copenhagen Secretariat and experts and it identifies 5 obstacles every year. These obstacles cause that freedom of movement between the member states is more difficult, and the governments of the member states attempt to remove these obstacles, respecting a 3 year tolerance period. The Secretariat constantly monitors and evaluates the implemented steps and the results of the harmonization process.

In France, the MOT started to process on the existing obstacles, first assisting the work of a parliamentary ad-hoc committee in 2011¹⁵. Thereafter in 2017, a constantly expanding information base¹⁶ was established within the topic, and they initiated an inter-ministerial working group and a multi-stakeholder platform with national level that assures to share obstacles and solutions. (Besides of this, the MOT also played a decisive role in the development of the Luxembourg proposal, too.)

In Hungary, the CESCI implemented the first legal accessibility project with the support of the Ministry of Justice in 2016¹⁷. Within the frames of the project, 10 stakeholder-workshops were organized, where those obstacles were gathered by the participants that appear in everyday life and work. Legal background of the identified obstacles was explored through 24 personal and 30 telephone interviews with the experts of the given area, and the concerned authorities responded in written form in further 14 cases.

Solution process was helped by a research which identified more than 50 European good practices that related to obstacles. The project was successfully finalised, CESCI staff revealed 39 legal-administrative obstacles and they provided suggestions in the necessary cases, mainly on the basis of European good examples. The nearly 600-page documentation specially treated four areas (cross-border mobility, healthcare, labour mobility and *short supply chains - local products*), and it addressed two horizontal themes that can help the process of systematic (non-

¹⁴ <https://www.norden.org/en/nordic-council-of-ministers/ministers-for-co-operation-mr-sam/freedom-of-movement/the-freedom-of-movement-council>

¹⁵ Summary: http://www.espaces-transfrontaliers.org/fileadmin/user_upload/documents/Rapports/2011_Rapp_mission_parlem_synth.pdf

¹⁶ <http://www.espaces-transfrontaliers.org/activites-ue/groupe-intergouv-obstacles/>

¹⁷ <http://legalaccess.cesci-net.eu/>

occasional) handling of obstacles: the first outlined the potential institutional framework of legal accessibility, and the second aimed to eliminate shortages of information.

In 2017, the association continued to work in two directions. On the one hand, it started to work on the establishment of system of institution, proposed at the first found, which makes the accessibility systematic and permanent, on the other hand, it tried to achieve concrete results in four areas within the framework of the completed project with this final report.

Relating to the institutionalization, at the request of the Minister Dr. László Trócsányi, a proposal was made during the spring with the aim to create a Hungarian inter-ministerial working group and several rounds were arranged during the year. Besides of it, experts of CESCI initiated negotiations with the representatives of the Ministry of Foreign Affairs and Trade that the issue of legal accessibility should be on the agenda of joint cross-border committees. The first sign of this was the last meeting of the Hungarian-Serbian Joint Committee, where the legal background of European groupings of territorial cooperation appeared as a topic.

The third level of institutionalization of accessibility is represented by the Visegrád countries. In order to develop the V4 platform, CESCI submitted a call for proposals at the Visegrad Fund and the result has not been known yet.

Activities of our association generated an echo at European level. CESCI staff actively participated in the implementation of the *Cross-Border Review* project. On the one hand, an expert was delegated to the working group that was set up by the Commission, an advisory workshop was organized (in the city of Komárom) together with the secretariat of the Slovak-Hungarian INTERREG V-A program, as well as two commentaries were made during the consultation process. The topic of the first commentary was the database harmonization that facilitates cross-border cooperation¹⁸, while the second commentary concluded the results of the *Legal Accessibility* project in 2016¹⁹.

The project was introduced at the conference in September in Brussels, and it was also referred within the mentioned announcement. The Commission keeps track of the stages of the Hungarian initiative. In this respect, the most recent developments, namely the results of the 2017 *Legal Accessibility 2.0* are summarized in this final report.

¹⁸ Contribution paper of CESCI to the public consultation on cross-border obstacles. 1. Harmonisation of databases. http://cesci-net.eu/tiny_mce/uploaded/Obstacles_data_CESCI.pdf

¹⁹ Contribution paper of CESCI to the public consultation on cross-border obstacles. 2 Report on Legal Accessibility project. https://cescilegalaccessibility.files.wordpress.com/2017/08/ja_07_reportonlegalaccessibilityproject.pdf

3. Summary of project results

We summarize the results of the *Legal Accessibility* project that was implemented in 2017. Three results of the previous year project were continued. On the one hand, we worked with the issue of local products already in 2016, noting that there would be a need for a derogation in several regions along the Hungarian borders that could enable cross-border trade of such products.

The issue of health integration is not only central topic of the CESCI project, but it plays a central topic within the domain of removing legal obstacles across Europe. In 2017, we concentrated on the issue of border rescue, which is the most urgent factor of this area.

Among the horizontal recommendation during the previous year, the question of information availability also appeared among the topics. According to our observations, the obstacles no longer exist in many cases, but the inhabitants of the border regions are not aware of that. On the other hand, the main obstacles to cross-border entrepreneurship, learning and settlement is the inappropriate knowledge and information about the other country, but this could be significantly reduced through development of appropriate information interfaces. This year we dealt with this issue in detail, too.

A new topic was also included among the analysed questions. Most European groupings of territorial cooperation (EGTC) have been established with participation of Hungary, specifically 24 groupings. It has not been possible to establish such grouping with two neighbouring countries, namely Austria and Serbia. In the case of our western neighbour, there is no political intention to cooperate; however, in the case of Serbia, there are potential members who would participate in EGTC cooperation, hence 8 Serbian municipalities already have an observer status within the Banat Triplex Confinium EGTC. Subsequently, we examined the possibility of creating a Serbian EGTC law with the involvement of the CESCI Balkans - and we also made a proposal.

The possibility and the direction of progression were outlined within the above mentioned activities.

3.1 EGTC legislative harmonisation

Objective of the subproject

The subproject contains the following objectives:

- exploratory study about the Serbian legislation ratifying the Madrid Convention;
- organization of an international conference on the EGTC in Serbia;
- elaboration of a legislative proposal for applicability of the EGTC Regulation in Serbia;
- consultation with the competent Serbian authorities on the implementing legislation.

Presentation of the activities that were implemented within the frame of the subproject

1. Study on exploring and analysing the Serbian legislation and its environment ratifying the Madrid Convention

The Balkan office of the Central European Service for Cross-Border Initiatives elaborated a study about *Legal Accessibility*. The title of the study, *Legal Accessibility. Serbia's Participation in European Grouping of Territorial Cooperation (EGTC) and Euroregional Cooperation Grouping (ECG)*. During the preparation of the study, experts of the CESCI Balkans made coordination with the Serbian government institutions, with the Ministry of Public Administration and Local Self-Government, and with the Ministry of European Integration.

The study analysed those possibilities that are offered by the Madrid Convention for Serbia, the territorial policy of the European Union, cross-border structures located in the Balkans, or the authors gave recommendations, solutions for applying EGTC and ECG.

Goal of the Madrid Convention is to encourage and facilitate cross-border agreements between local and regional authorities within their spheres of competences. The three protocols, supplementing the Convention, help to develop new cooperation, including also the transnational level, and to define the legal status, creation and operation of Euroregional Cooperation Groups (ECGs).

The study mentions the European Union's regional policy, with particular reference to European territorial cooperation and cross-border cooperation programs. In a separate chapter, the study deals with cross-border structures and cooperation in the Balkans, and at the same times it maps their most important activities and projects. Unfortunately, only 7 of the 26 Euroregions in the Balkans can be considered as active on the basis of the methodology of the study (based on the activities of the last 12 months).

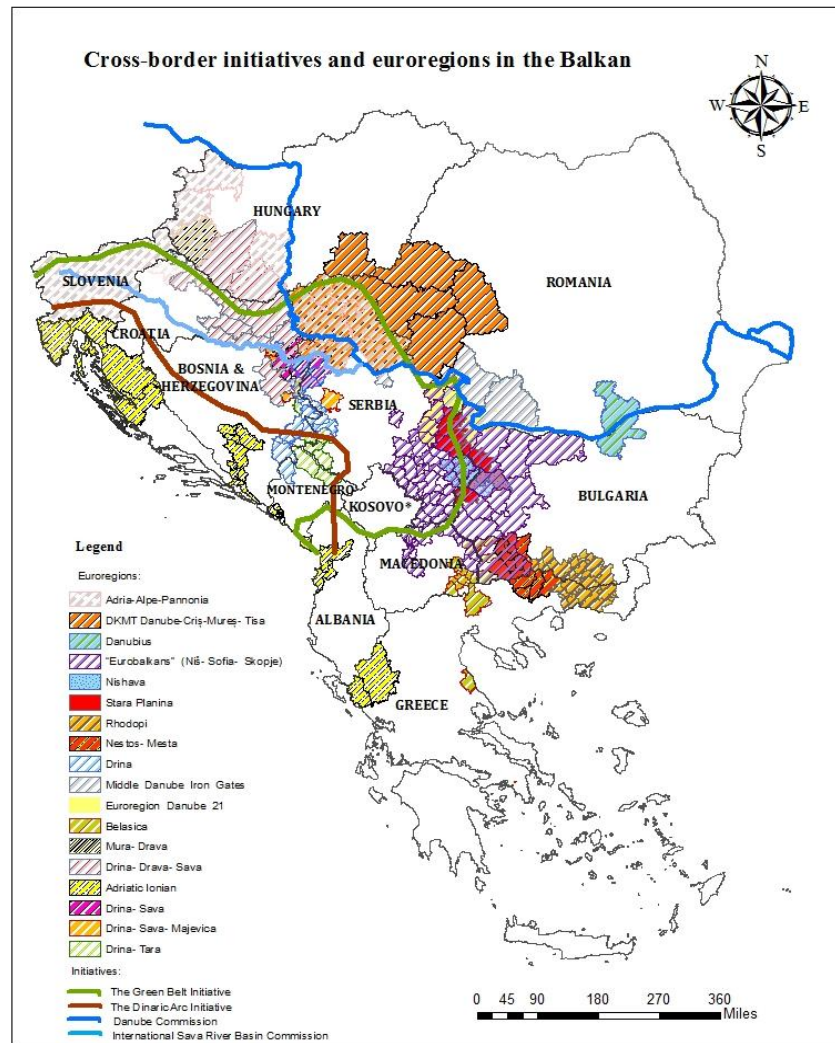


Figure 1.: Cross-border cooperation in the Balkans

Currently, the entities of the Republic of Serbia cannot participate in EGTC and ECG as full members. Serbia ratified the Madrid Convention in the beginning of 2016; subsequently, there is no formal obstacle, on the basis of the EU regulation, that the entities of the EU Member States establish EGTC with the Serbian entities. Two possible solutions are described in the relevant chapter of this study:

- a) the Serbian Government creates and accepts an implementing legislation that regulates the licensing process of membership and the conditions of governmental institutions and local / regional authorities for participating in such associations;
- b) or Serbia and the concerned Government of the Member State sign a bilateral agreement about the issues described above.

Finally, the study proposes the establishment of ECGs with Serbian participation, and it specifies the details of the founding process.

2. Legislative proposal for the applicability of the EGTC Regulation in Serbia

Within the frames of the project, a proposal was developed for the EGTC legal harmonization process in Serbia. The proposal includes all the elements that may be relevant for the licensing process of the membership, or the rules regulating the conditions of participation of actors; provisions on establishment and organs, financial and economic activities, supervision and control of EGTC, or rules relating to the conditions of termination.

The legislative proposal defines the Serbian name of the European Grouping of Territorial Cooperation, its possible membership and the competent state authority, the Ministry which is responsible for registration.

The proposal was intended to get before to the Serbian Government after coordination with the competent ministries (Ministry of Public Administration and Local Self-Government, as well as Ministry of European Integration).

3. Organization of an international conference on the EGTC Regulation

An international conference was organised with title, *New opportunities of cross-border cooperation in the Balkans*, on 20th of November, 2017. The conference was organised by the Balkans office of the Central European Service for Cross-Border Initiatives in Novi Sad, in the Parliament of the Autonomous Province of Vojvodina.

The aim of the international conference was to promote cross-border cooperation in Serbia that has been preparing for the EU accession, to call the attention of the Serbian decision-makers to the potentials of institutional cooperation and to encourage these decision-makers to adopt the necessary legislation.

The first panel was about those legal instruments that were established by the Council of Europe and by the institutions of the European Union. The Madrid Convention and its offered possibilities were mentioned. Then, good examples were presented by the concerned representatives and experts within the second panel. The final panel included the possibilities of Serbia relating to the development of border regions, which can be implemented through proven legal instruments.

It was expressed at the conference that it is important to pay attention to the fact that regions, municipalities and settlements can participate in cross-border regional cooperation.

Almost 150 people participated at the conference, especially the leaders and the representatives of municipalities, the representatives of the institutions in the neighbouring countries and different organizations were present. The conference was opened by István Pásztor, President of the Assembly of the Autonomous Province of Vojvodina. The speakers of the conference were

the following ones: Hajnalka Juhász, Head of the Ministerial Cabinet, Ministry of Justice, Hungary; Slobodan Vukčević, Ambassador of the Ministry of Foreign Affairs of the Republic of Serbia; Tim Cartwright, Head of the Council of Europe Office in Belgrade; Martín Guillermo Ramírez, General Secretary of the Association of European Border Regions; Slaven Klobučar, EGTC Platform Coordinator of the Committee of the Regions; Patrícia Abaffy, Deputy Head of the Ministry of Foreign Affairs and Trade of Hungary; Yolanda Puiggrós Jiménez de Anta, Legal expert of Roca Junyent; Zoltán Bara, Director of the Slovakian Pons Danubii EGTC; Ana Nikolov, Directress of the AEBR Balkans and Director of Planning, CESCI Balkans; Sanda Šimić, Ministry of European Integration of the Republic of Serbia; Gyula Ocskay, Secretary General of the Central European Service for Cross-Border Initiatives (CESCI) and Ervin Erős, Director of the CESCI Balkans.

Summary of the subproject results

The objectives of the subproject were successfully achieved. The analytical study, exploring the Serbian legislation that ratified the Madrid Convention, was prepared, international conference was organized with 144 participants and the most relevant speakers, lecturers were present. A legislative proposal was elaborated for the adaptation of the EGTC Regulation in Serbia. The process of EGTC legal harmonization with the relevant Serbian authorities was launched.

Fulfilment of the identified indicators of the subproject

NAME OF THE INDICATOR	REQUIRED	FULFILMENT
Analysis of the Serbian EGTC legal environment	1 analysis	1 analysis
International conference on EGTC (Serbia)	1 conference	1 conference
Number of participants at the EGTC conference	60 persons	144 persons
Legislative proposal	1 proposal	1 proposal

Possibilities for continuing the subproject

The first cross-border association with a member entity from third country was established in the EU, namely Tisza EGTC, and the seat of this association is in Hungary. Out of the seven neighbouring countries, only Serbia is the only one, where the necessary legal background is not available in order to establish such associations. Although, Serbia ratified the Madrid Convention (as one of the last Member State of the Council of Europe) in early 2016, but drafting of the implementation rules are delayed.

Primarily, the subproject was intended to launch the development of the necessary legislative background in Serbia. Given that the legislative proposal was completed, the CESCI Balkans

office will continue the coordination with the relevant ministries, namely with the Ministry of Public Administration and Local Self-Government, with the Ministry of European Integration and with the Ministry of Foreign Affairs in order to get the legislative proposal to the Serbian Government after final consultations. This process has been supported since the beginning by the Council of Europe and by the Department of Economic Development of Border Areas of the Hungarian Ministry of Foreign Affairs and Trade which is responsible for EGTCs. During 2018, the CESCI Balkans intends to put special emphasis on further steps of legislative harmonization in Serbia, as well as to promote the benefits of the EGTC. Subsequently, it launches a new initiative together with the Council of Europe in 2018, namely Leadership Academy for CBC.

3.2 Promoting institutionalized cross-border health integration

Objective of the subproject

During the *Legal Accessibility* project, implemented in 2016, cross-border integration of health care services was identified as a priority topic, because numerous different questions emerged in the domain of this topic at the stakeholder workshops, and whose legal background is very complex and far-reaching. The identified legal and administrative obstacles principally gathered around two topics, namely cross-border movement of patients and cross-border emergency activity. During the planning of the project in 2017, cross-border rescue activity received bigger attention. This happened because the professional agencies, which were addressed during the first project, were committed to the initiative. On the other side, the chosen topic seemed to be more manageable as the issue of cross-border movement of patients.

Aim of the subproject was to make a detailed analysis of the legal and administrative background of cross-border emergency activity with help of a professional working group, and we articulated proposals in order to terminate the existing obstacles. Hence, we wanted to achieve

- to improve the access of the citizens to emergency medical services in the border areas;
- thus, improving the quality of life of the citizens living in the border areas;
- and in the long run to contribute to more economical and more efficient operation of rescue, as well as emergency health care network through cross-border integration.

We think that the subproject was successful, since it effectively triggered a debate between the domestic competent authorities and professional bodies, as well as legislative proposals and policy recommendations were drafted in order to eliminate the existing domestic obstacles.

Presentation of the activities that were implemented within the frame of the subproject

Manager of the subproject was Enikő Hüse-Nyerges, a project manager. Working plan was prepared on **3rd of May**.

Within the frame of the subproject, a **study** was prepared about the possibilities for organizing cross-border emergency rescue. The study included comprehensive, concrete legislative and policy proposals. The study was prepared between June and November, in 2017.

A **working group with experts** was set up in order to support the professional preparation of the study. The working group had 4 meetings during the duration of the project. Besides, taking into account the complex financing background of the issue, two experts were entrusted with the task to elaborate the related chapters. The relevant request was sent to the National Health

Insurance Fund of Hungary on 13th of June, and we made a contract with two experts, recommended by Deputy Chief of Health, Zsolt Kiss. The two involved experts were Brigitta Paragh and Dr. László Kőrösi.

The following experts were involved within the work of the working group, except the CESCI members (Enikő Hüse-Nyerges, Dr. Norbert Jankai):

- Dr. Nierit Annamária Barbélyné, Head of Department, Department of Health Administration, Deputy Secretary of State for National Medical Tasks, Ministry of Human Capacities
- János Bathó, Head of Organization, National Ambulance Service
- Anett Blága, Administrative Adviser, Department of Health Administration, Deputy State Secretary for National Health Officers, Ministry of Human Capacities
- Dr. Pál Golopencza, Chief Medical Officer, National Ambulance Service
- Dr. Miklós Gresz, Professional Advisor, Health Care Planning Department, National Healthcare Services Center
- Dr. Anett Jova, Legal Advisor, Administrative and Legal Department, National Ambulance Service
- Dr. László Kőrösi, Deputy Head of Department, General Finance Department, National Health Insurance Fund of Hungary
- Dr. Mária Lórántfy, Regional Director, National Ambulance Service
- Brigitta Paragh, Deputy Head of Department, Department of International Relations and Legal Records, National Health Insurance Fund of Hungary.

We invited other experts to participate within the activities of the working group from the Ministry of Human Capacities, Department of EU and International Health and Social Affairs, and the experts from the Ministry of Foreign Affairs and Trade, but they did not want to participate in the joint work.

The working group had 4 meetings altogether: on **6th of July**, on **13th of September**, on **11th of October** and on **23rd of November**.

At the first meeting of the working group, critical questions of legal harmonization were identified by a narrow circle of participants (National Ambulance Service, National Health Insurance Fund of Hungary) with the help of CESCI staff. These critical issues go far beyond the health and professional fields, thus, they affect also other domains, like the issue of transport, information communications and the language competence of participants in rescue. Besides, the participants, with the representative of the National Health Insurance Fund of Hungary, thoroughly analysed the domestic and EU aspects of the funding background of health rescue activities. The participants began to identify the EU and national legislation which play relevant

role in each topic, as well as they surveyed the possibilities to overcome obstacles. At the end of the meeting, they agreed on further tasks and about the scheduling.

At the second meeting, the number of participants of the working group was extended by the representative of the National Healthcare Services Center, who raised several important questions and issues in the field of cross-border rescue activity. Majority of the questions were either fully or partially answered at the meeting, but in several cases there was a need for further information gathering, legal analysis or involvement of an expert from the sector. During the second part of the meeting, the participants began to clarify the methodological questions relating to the theoretical designation of border area health care and to identify the data and information that were required by the given task.

At the beginning of the third meeting, CESCI reported on the progress of the project in the domain of clarifying professional issues and data collection. They expressed that since the previous meeting, they managed to contact with the experts of Pro-M Zrt., who assure radio services for the National Ambulance Service, as well as they contacted the company that assures ambulances and personnel staff and who answered the previously emerged questions. Subsequently, the participants with the help two experts from the Ministry of Human Capacities, National Health Office of Health Care Administration, reviewed the possibilities of extending the permits in order to carry out foreign rescue activity and they formulated their final proposal. During the second half of the meeting, the questions that were previously unanswered were clarified and the methodology for the theoretical designation of border area health care was finalised, too.

Before the fourth meeting of the working group, the comprehensive study, involving the main results of the subproject, and the draft of the bilateral agreement on cross-border emergency rescue operations were completed. Both materials were shared with the experts of the working group before the meeting. The experts sent their questions and suggestions to the prepared documents before the meeting. At the meeting, the suggestions were reviewed separately and they clarified the content of the disputed parts. On the basis of this, CESCI staff finalised the above mentioned documents.

Debated at the meetings of the working groups, legal and administrative obstacles, which hinder ambulance vehicles to cross the borders in emergency case, affect numerous areas besides health care. In order to clarify these issues, we contacted the following actors with the aim to **gather information**.

- We proposed to establish bilateral agreements about free crossing of non-Schengen borders. In order to clarify whether this bilateral regulation violates higher international, European regulations or not, we consulted it with the staff of the *General Border Police Department of the National Police Directorate*.

- We consulted about the possibilities of establishing a radio link between the ambulance and the control centre after crossing of the borders with the office of the *Directorate-General for Law Enforcement of Hungarian National Police Headquarters*, as well as with the employees of the *Pro-M Zrt.*, functioning within the frames of the *National Infocommunications Service Company*.
- We asked the *ERIX Biztosítási Alkusz és Tanácsadó Kft.* about the CASCO and liability insurance of ambulance, as well as about the territorial scope and extent of liability insurance of the personnel.
- In order to formulate proposals for eliminating the identified obstacles, we contacted the Secretariat of the *Nordic Council* in Copenhagen, who provided assistance in order to understand the details of rescue cooperation that is implemented on the Swedish-Norwegian border, and they sent us the related basic documents for internal use.

For the spatial modelling of border areas, which was implemented within the framework of the study, an extensive **data collection** was needed. In order to obtain the data, we contacted the following organizations and institutions with the help of the working group members:

- Landessicherheitszentrale Burgenland GmbH (Burgenland Security Center) - Austria
- Rotes Kreuz Burgenland (Burgenland Red Cross) - Austria
- Internationale und Europäische Angelegenheiten der Sozialversicherung (Association of Austrian Social Insurance Institutions) – Austria
- Úrad pre dohľad nad zdravotnou starostlivosťou (Health Surveillance Authority) – Slovakia
- Zavod za zdravstveno zavarovanje Slovenije (Institute for Health Insurance of Slovenia) – Slovenia
- Ministrstvo za zdravje (Ministry of Health) – Slovenia
- Hrvatski zavod za hitnu medicinu (Croatian Emergency Agency) – Croatia
- Tisza ETT – in relation to Ukraine
- Transcarpathian Health Department – Ukraine
- CESCI Balkans – Serbia.

Summary of the subproject results

The starting point of the subproject

The starting point was the analysis that was implemented by CESCI in 2016, whose main findings were the followings.

- 1)** The current regulation of emergency rescue emphasizes strict territoriality. The *EüM Decree no. 5/2006. (II.7.)* clearly covers the territory of Hungary. On the other hand, the mentioned decree (obviously for quality assurance reasons) provides a very limited scope for the units outside the National Ambulance Service, including the ambulance services beyond the border. The *EüM Decree no. 2/2004. (XI. 17.)* on the register of authorization of healthcare providers, and the health professional list includes the material and personal conditions necessary for rescue operation. In order to take part in patient transport outside of the frames of the National Ambulance Service, there is need to obtain the relevant operating license from the relevant authority, but this is fully unrealistic in case of disaster situation, and it restricts the health care rights of the EU citizen who has suffered an accident.
- 2)** This is the reason that the neighbouring countries use a practice of *signing bilateral agreements* that relate to disaster situations. Hungary has valid agreements with all its neighbours, these agreements make details about the conditions for interventions across the border (based on commonly agreed definitions), about the scope of the competent bodies that can be involved into the assistance, about the responsibility for coordination, about the rules for the rescue teams and setting of the costs associated with the assistance.
- 3)** During the project in 2016, it became clear that regulations in the domain of traffic do not allow to use the distinctive sign by the ambulances beyond borders of a country, thus it significantly influences the manoeuvring options of these vehicles.
- 4)** Beyond the above mentioned legal obstacles, other viewpoints also have to be taken into account, like technological (radio communication), linguistic and other administrative and financial aspects, which currently appear as administrative obstacles.
- 5)** According to the surveyed experts, development of the system with cross-border rescue services is only imaginable through gradual, step by step establishment. First, it should be achieved that ambulances can freely cross the border and that the injured person can be delivered to the nearest hospital according to their citizenship. Subsequently, cross-border sharing of hospital emergency services could take place.

Contribution of the expert working group

Contribution of the working group to the final documents seemed to be very fruitful and useful, because the participating members had knowledge about the regulatory background of their own field of expertise and it significantly contributed to the exploration of the full range of existing problems and obstacles, and to the formulation of solution proposals, as well as to develop of the required methodology, to obtain the data that was needed for spatial modelling of border areas.

Besides, the preliminary concept of the CESCI was partly modified on the advice of the participating experts. According to the original idea, we wanted to take steps to enable sharing of cross-border hospital emergency services. This would mean in practice that in case of emergency rescue, the patient would not be necessarily transported to the nearest domestic hospital, but the patient would be transported to the nearest hospital, where he/she can receive appropriate health care service, even in the case when the hospital is located beyond the border. In the case of emergency care, there are no legal and funding barriers in this respect; however, equal opportunities of the injured would be violated. In order to avoid this, the experts advised that regardless of whether domestic or a health care rescue unit beyond the border provides a health care for the injured person, it should always be considered whether the patient would receive higher standard and/or faster patient care in the state of action or in a neighbouring state. However, opening of borders in this specific issue would generate capacity and financial risks because of the expected increase in emergency cases. The volume of the expected increase is not known, yet. Therefore, the problem goes far beyond the scope of this project and study; consequently, we only dealt tangentially with this specific topic.

The main findings and suggestions of the study

The expert study can be divided into three major parts:

- **In the first part** of the document, we provide a brief overview about the justification of the cross-border movement of ambulances, as well as we introduce the related European Union processes. Then, we give a theoretical introduction into the basic elements of the emergency care services, and we describe the domestic emergency system and the emergency system of the neighbouring states, taking particular attention to factors that affect cross-border cooperation.
- **In the second, most prominent** part of the document we analysed the conditions of implementing cross-border emergency rescue through thematic approach, then we formulated legal and policy recommendations. The following topics were processed in this chapter:

- the conditions for crossing the border: Schengen, non-Schengen internal borders and external borders
- operating licenses: material and personal criteria
- use of distinctive signs and their criteria
- administrative-technical issues: liability and vehicle insurance, fuelling, travel notes, etc.
- professional cross-border cooperation from rescue alert to patient hospitalization
- communication: radio contacts, linguistic obstacles
- financial questions: financial aspects of rescue activity and emergency hospital care.

The formulated legal proposals and policy recommendations in the document were separately summarized on European, bilateral and national level, we reviewed the priorities of the recommendations, time horizon for implementation and we formulated a series of actions that aimed practical implementation.

- a) We made a proposal at the European level to define the concept of cross-border rescue, mutual acceptance of operational and distinguishing signs beyond the border (similar to the Directive No. 2011/24). The applicability of the Directive would be based on the condition that the involved member states voluntarily settle the terms and conditions of cross-border cooperation.
- b) We recommend to regulate the following aspects of cross-border rescue through bilateral agreement:
 - i. cross-border zones that might be included within cross-border rescue activity;
 - ii. free movement of rescue vehicles using distinctive sign within non-Schengen borders;
 - iii. the type, minimum conditions and competences of the rescue team that can be sent across the borders;
 - iv. the sequence of alarm and command of the rescue unit beyond the borders;
 - v. details of the cooperation between domestic competent units (ambulances, dispatch centre, etc.) and rescue units beyond the borders;
 - vi. the sequence of transferring the patient to the domestic rescue unit or transporting the patient into the hospital.
 - vii. protection and support for the rescue units beyond the border;
 - viii. setting up a translation service that helps the rescue.

- c) Depending on the new provisions at European and bilateral level, in some cases it is necessary to implement amendments within the related domestic legislation. The new proposed legislations will affect the content of the following domestic provisions:
- i. content extension of the *Decree No. 96/2003. (VII. 15.) on the general conditions for providing health care services and on provider licensing* relating to the mutual acceptance of operating licenses;
 - ii. modification of the *Decree No.5/2006. (II.7.) EüM on Emergency Rescue Services* relating to personal and material conditions, alarm and command of rescue units beyond the borders, as well as transferring and transporting the patient to hospital;
 - iii. content extension of the *Decree No 12/2007. (III.13.) IMR* relating to distinguishing signs;
 - iv. modification of the *Decree No. 41/2004. (IV. 7.) GKM* relating to distinguishing signs.
- d) Policy recommendations, priority of the recommendations, or the necessary action steps, their time horizon and costs for implementation

It became clear during the project that modification of the legal instruments alone is not enough in order to establish the conditions for cross-border emergency rescue activity, hence formulation of policy recommendations at European and/or bilateral level is necessary for each concerned topic.

Table 1.: Recommendations for the European Union

Recommendation	Priority	Time frame for implementation	Necessary actions for implementation	Requirement of resources
Supplementing of the European Union standard 1789:2007 relating to the medical devices, equipment and drugs.	3	middle	<ul style="list-style-type: none"> • "Market Analysis": assessment of the devices and types of medicines which are in use • consultation between experts and member states 	medium
Creating unified, multilingual blank that help the process of patient delivery	2	short	<ul style="list-style-type: none"> • comparison of the blanks which are in use • consultation between experts and member states 	low
Promotion of radio standards according to the European standards and financial support for application by member state	1	middle	<ul style="list-style-type: none"> • launching of a promotional campaign • to create an independent fund or to complement the thematic focus of the existing ones 	high
Elaboration of appropriate standard which is safe for storing and sharing of personal and basic health data of the European citizens and stimulation of member states for its use	3	middle/long	<ul style="list-style-type: none"> • the form of consultation between experts and member states (card, identification) • definition of infrastructure background specifications • setting of privacy issues • technological development • creating of an independent financial fund or complementing the thematic focus of the existing ones 	high

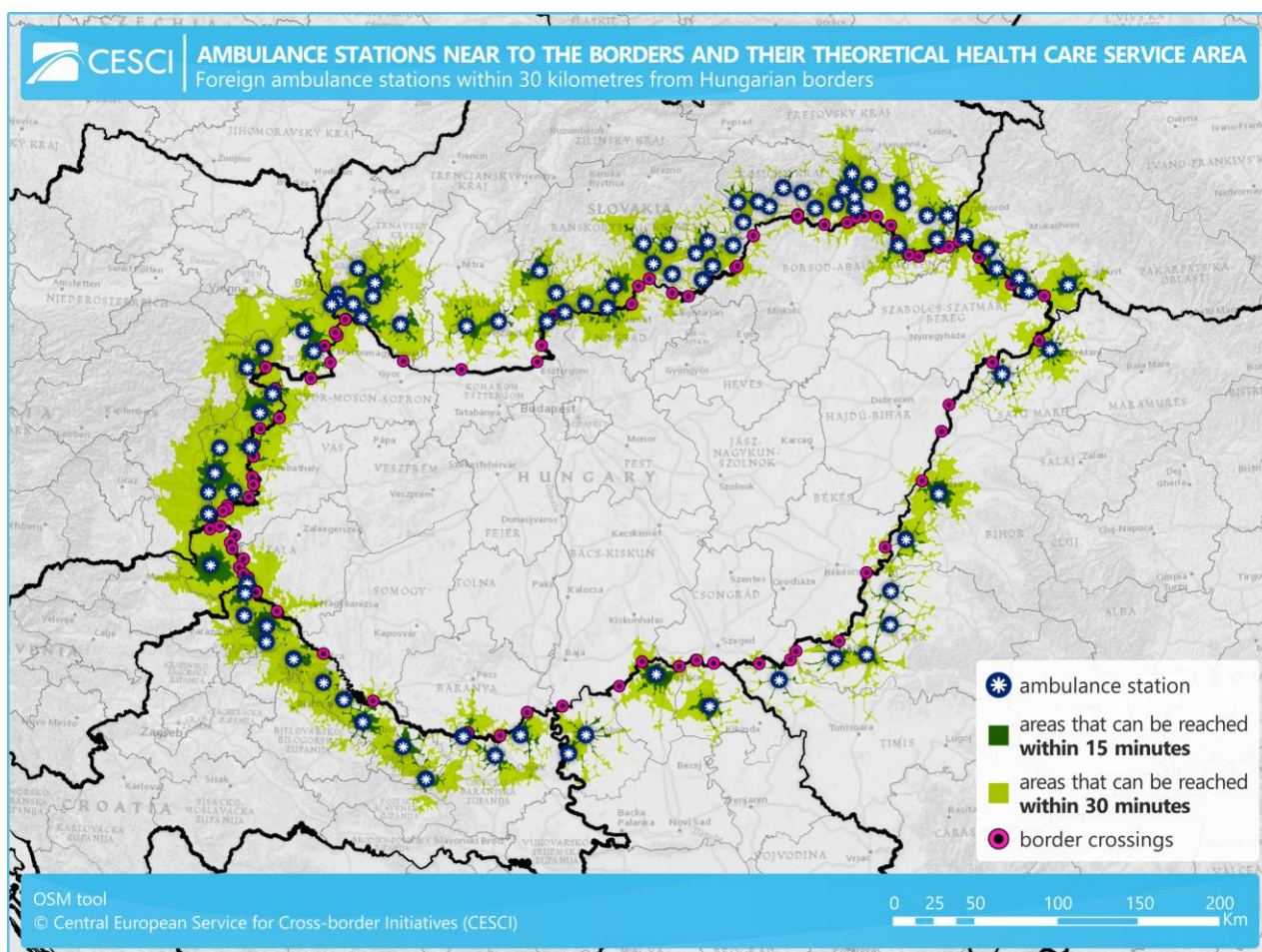
Table 2.: National and/or bilateral policy recommendations

Recommendation	Priority	Time frame for implementation	Necessary actions for implementation	Requirement of resources
Joint exercises, (language) training, organization of knowledge and experience sharing opportunities for the relevant units	2	short	<ul style="list-style-type: none"> On the basis of an agreement on the joint management of crises, rescue services currently organize joint training and exercises, subsequently, there is a need to increase the number of meetings and to increase thematic focus 	medium
Supplementing of internal protocols of professional bodies relating to work beyond the borders (travel document, refuelling, rescue unit supply, etc.)	1	short	<ul style="list-style-type: none"> overview of internal protocols and internal professional consultation 	low
Extension of the territorial scope of personal liability insurance	1	short	<ul style="list-style-type: none"> consultation with the relevant insurance company ordering of a new service 	low
Expanding the GPS database of motor vehicles with maps of the neighbouring countries in border areas, where vehicles fulfil their tasks	1	short	<ul style="list-style-type: none"> obtaining of new maps 	low
A common database in the border sections with contact details of the regional emergency call centres, as well as emergency border care hospitals and level of their progressivity	1	medium	<ul style="list-style-type: none"> consultation between experts and member states joint development of methodology collection of data, sorting of data organizing the data into a common database 	low
Mapping and comparing of the applied radio standards, determining of further steps	1	short	<ul style="list-style-type: none"> coordination between experts and member states 	low

Recommendation	Priority	Time frame for implementation	Necessary actions for implementation	Requirement of resources
Creating a common rescue vocabulary for border sections	4	medium	<ul style="list-style-type: none"> • coordination between experts and member states • identification of the professional content of the vocabulary • creating and sharing of linguistic versions 	middle
Recognition of language skills among the aspects of service organization	2	short	<ul style="list-style-type: none"> • extension/modification of the international protocol of the competent bodies of the member states 	low
Operation of translation service	1	long	<ul style="list-style-type: none"> • designing and setting up the technological and infrastructural background • recruitment of workforce • organization of preparatory training 	high

In the **third part** of the study, we modelled and analysed the territorial aspects and potentials of cross-border rescue and emergency hospital care at the theoretical level.

- a) 50 km from the border crossing point, based on the methodology that is used in the Hungarian Emergency Rescue system, we have determined the area of 50 minutes availability, where it is worth to explore the possibility of allowing cross-border rescue activity. According to the participating experts within the project, this is the area, where the injured person can get access to appropriate on-site or hospital care by the rescue units of the neighbouring state.
- b) During the analysis of the territorial pattern of rescue services at the border, we took into account the location of the rescue stations and border crossing points, as well as time factor which is related to the arrival of the rescue unit to the given location (15 and 30 minute zones).
- c) Within the frame of the project, we had only limited scope to deal with legal and administrative aspects of cross-border emergency care and its possibilities, we wanted to point out the potentials of cross-border cooperation. This chart illustrates emergency hospitals within border area that are identified within the project; as well as it attempts to visualize the spectrum of benefits offered by the given institutions.



This and elimination of all the other obstacles clearly require not only the effective and high-level cross-border cooperation among wide range of professional organizations, but there is a need for co-operation and problem-solving intention at high political level between neighbouring member states; however, we currently experience shortcomings in this domain.

Fulfilment of the identified indicators of the subproject

TITLE OF THE INDICATOR	REQUIRED	FULFILLMENT
Ad-hoc health care working group	1 working group	1 working group
Number of meetings of the health care working group	4 meetings	4 meetings
Number of invited experts into the ad-hoc working group	10 persons	12 persons
A regulatory and policy document on cross-border transport of patient	1 regulatory and policy document	1 regulatory and policy document

Possibilities for continuing the subproject

Based on the formulated proposals and the identified difficulties, the following continuation option is conceivable.

- 1) In order to organize a cross-border emergency rescue, we recommend to address and involve the competent authorities of the neighbouring countries, hence exploring the opinions of the authorities on existing policy orientations and developments in the neighbouring countries. This could allow the formulation and finalization of bilateral proposals for legislative harmonization.
- 2) The other segment of cross-border emergency cooperation is embodied by the emergency hospital care. Nevertheless, cross-border sharing of hospital health care services carries unknown degree of risk, which is unacceptable for the member states. In order to handle the situation, it would be necessary to make a detailed analysis of the issue and to quantify the volume and consequences of potential cross-border patient movement.

3.3 Local products, short supply chains

Objective of the subproject

During the 2016 project, Legal Accessibility, the issue of cross-border trade of local products was identified as a priority topic, since this question, which has a complex legal background, appeared at numerous stakeholder-workshops. Subsequently, during the 2017 project design, the topic of local products and cross-border supply chains received special emphasis.

The aim of the subproject was to reveal the legal background of the specific issue in details and to formulate suggestions in order to remove the existing obstacles. Revealing of the legal background and formulation of suggestions took place with the help of external experts and with the help of a working group on the other hand. We wanted to achieve

- to alleviate the disadvantageous situation of people in border areas, caused by the territorial scope of the Hungarian legislation on local markets, through extension of the 40 km zone, which appears in the Hungarian market regulation, into the areas beyond the border;
- to contribute that people who live along the border are supplied by healthy food and to improve their quality of life;
- to start and to increase the interaction of the previously organically linked cultural landscapes, which are fragmented by borders, and to weaken the separating effect of the borders through creation of a unifying economic space;
- to widen the market opportunities for the small-scale producers through mutual opening of sale opportunities of the neighbouring states towards each other.

Although, the subproject did not bring the expected results, thus we had to leave the idea to harmonize legislation, and we formulated alternative suggestions in order to meet the original objectives.

Presentation of the activities that were implemented within the frame of the subproject

Leader of the subproject was the Secretary General, Gyula Ocskay, the working plan was completed on **10th of May**.

In the framework of this subproject, a comprehensive study was written about the legal and policy context of local products in cross-border trade. The study was developed between July and December 2017.

In order to involve the appropriate experts, CESCI requested a tender from three legal experts on 20th of June 2017. The tender offers were received on 23rd of June. On 26th of June, the committee, set up by the Association, accepted the offer that was given by Dr. Ágnes Major. The chosen service provider involved two other experts into the study, namely Andrea Szabadkai, the Director of the Kislépték Egyesület (Kisléptékű Termékelőállítók és Szolgáltatók Országos Érdekképviseletének Egyesülete; in English: National Association of Interest Representations for Small-scale producers and service providers²⁰), as well as János Horváth, a tax expert, who is the board member of the Association. The three member team prepared the first version of the study by the end of September, then the study was finalised by the end of November on the basis of the expert group's comments. Subsequently, CESCI did further amendments in the document, thus achieving the final form of the study by the end of the year.

An expert team was set up to support the preparation of the study. The first meeting of the team took place in the office of CESCI on 20th of June, 2017. At this meeting, Dr. Márta Torda, who is the Head of the General Department of International and the Carpathian Basin Relations at the Ministry of Agriculture, offered that she will announce the initiative within the Ministry and among the partner organizations, and she expressed that they provide space for further meetings of the working group. Since then, the meetings took place in the building of the Ministry of Agriculture, located on the Kossuth Square.

The following experts were involved within the work of the working group, except the appointed experts and the CESCI members (Dr. Norbert Jankai, Gyula Ocskay):

- Ágota Balázs, Referent: Ministry of Agriculture, General Department of Food Chain Management
- Ferenc Deák, Ministry of Agriculture, Deputy Head of General Department of Food Chain Management
- Dr. Szabolcs Hancsók, Referent: Ministry of Agriculture, General Department of International and the Carpathian Basin Relations
- Annamária Jakab, Referent: Ministry of Agriculture, General Department of International and the Carpathian Basin Relations
- Katalin Kujáni, Research Manager: Discovery Research and Development Center
- Gergely Lantos, Head of General Department: Ministry of Agriculture, General Department of Agricultural Development and Rural Strategy
- Dr. Matus László, Referent: Ministry of Agriculture, General Department of Agricultural Development and Rural Strategy

²⁰ <https://www.kisleptek.hu/>

- Mihály Szalay, Rural Development and Advisory Directorate of the Hungarian Chamber of Agriculture
- Erika Székely, Director: Rural Development and Advisory Directorate of the Hungarian Chamber of Agriculture
- Edina Szomi, Referent: Rural Development and Advisory Directorate of the Hungarian Chamber of Agriculture
- Dr. Márta Torda, Head of General Department: Ministry of Agriculture, General Department of International and the Carpathian Basin Relations
- Orsolya Tószegi, REL-Referent: Prime Ministers' Office, Strategic Department of European Agricultural Fund for Rural Development

The working group had four meetings altogether: on **20th of June, 4th of July, 2nd of October and 28th of November.**

At the first meeting of the group, experts were identified who should be involved in the work. Beforehand, CESCI prepared a summary about the results of the project in the previous year in order to summarize the issue.

At the second meeting (the chosen expert prepared another preparatory material), various aspects of the necessary legislative and policy environment were investigated, and the theoretical framework of the study was accepted. Moreover, a decision was made at the meeting to launch a questionnaire, because the present members of the working group articulated their fears that changes in the contemporary regulatory regime might be disadvantageous for the producers in the border area. Thus, the experts thought that it is important to ask the opinion of the local producers about the draft, too. The questionnaire was compiled by the experts. Publication of the questionnaire, as well as processing of the results (including the digitalization of the hand-filled questionnaires) were undertaken by CESCI. The link of the questionnaire was disseminated by the working group experts through their own professional networks.

On 2nd of October, the first draft of the study was discussed. Members of the working group formulated minimal proposals for modification. Beside of the study, the results of the questionnaire were also discussed. The low number of filled questionnaires resulted in a decision that the questionnaires were extended with the help of the Hungarian Chamber of Agriculture and we started to accept answers in paper version, too.

On 28th of November, the finalised form of the study, the questionnaire results were presented and the outcomes were acknowledged by the members.

The questionnaire activity was implemented **between 3rd of August and 20th of November.** Two questionnaires were prepared: one questionnaire identified the consumers, while the

second questionnaire identified the producers as the main objects of the questionnaire. The first deadline was the end of September. Until the end of September, 94 consumer questionnaires and 34 producer questionnaires were received. However, the number of filled questionnaires was significantly increased by the help of the Hungarian Chamber of Agriculture, and 452 consumer questionnaires and 341 producer questionnaires were processed until 20th of November. The analysis of the results were included in the final version of the study which was completed in December.

Summary of the subproject results

The starting point of the subproject

The starting point was represented by the study of CESCI from 2016. The main arguments were the followings:

(1) The constitutional rights of those people who live in border regions are violated because of the current Hungarian legislation. The Fundamental Law of Hungary declares that

"Article XX, paragraph (1) Everyone shall have the right to physical and mental health.

*(2) Hungary shall promote the effective application of the right referred to in Paragraph (1) by an agriculture free of genetically modified organisms, by ensuring access to **healthy food** and drinking water, by organising safety at work and healthcare provision, by supporting sports and regular physical exercise, as well as by ensuring the protection of the environment." (highlighted by us - the editor)*

At the same time, the *Government Decree 55/2009. (III. 13.) on fairs, markets and shopping centres* identifies the local producer market in a way that only those Hungarian small producers can sell their own products who are from the given county, or in case that the local market is located in the peripheral part of the county, then the local producers may arrive from 40 km area. (Budapest is an exception, any Hungarian small-scale producer can sell his/her products here because of its easy accession). The territorial discrimination is embodied by the fact that in case of a market in the city of Szentes, small producers may arrive from Csongrád County and from a further 40 km radius area, thus small producers may arrive from Jász-Nagykun-Szolnok, Békés and Bács-Kiskun counties. Nevertheless, in case of Esztergom there is only a half circle area from where the producers may arrive, or the case of Sopron is even narrower.

Argumentation of CESCI was built on the notion that if the citizens of the latter cities cannot access to healthy food from a similar area, their constitutional rights are violated.

(2) The above mentioned discrimination might be overcome if the 40 km territorial scope does not end at the border, but the local producers may arrive to the Hungarian markets from the areas beyond the borders. The European Union's legal order which guarantees the free movement of persons, services and goods could be the basis for this. At the same time, the actual legal background assures that the domain of local products and the regulation of local producers' sales, including food safety and tax issues, are situated within the level of national power. Subsequently, if the local producers want to sell their products in Hungary the contemporary legal constellation creates a particularly disadvantageous situation for the small producers in the neighbouring EU countries. Because of administrative and logistical burden, they can offer and sell their products with a much higher price in comparison with the Hungarian producers and this generates that their appearance is irrational from economic point of view on the Hungarian side.

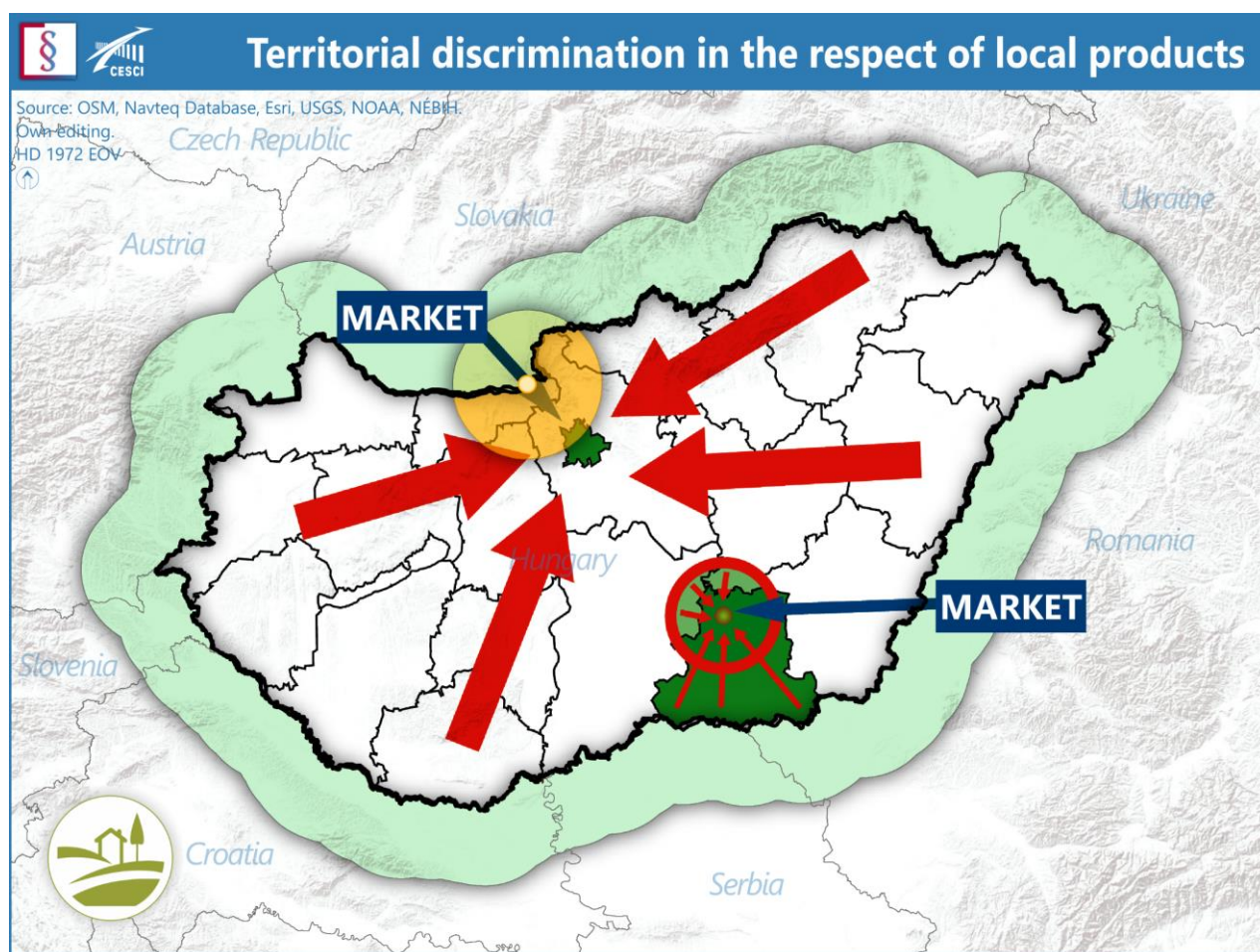


Figure 2.: Illustrating of territorial discrimination on a map

Subsequently, CESCI proposed legislative changes within the text of the existing regulations, as well as it made a proposal for a bilateral agreement that might enable the Hungarian Government and the governments of the neighbouring countries to agree on mutual recognition of cross-border sales of local producers.

Consumers' and producers' views - the results of the questionnaire

On the basis of the initiative of the expert group, we asked the opinions of the Hungarian consumers and the small producers of the counties, located near to the borders, about their opinion that local producers beyond the border could sell their products on the domestic markets which are located near to the borders.

The consumers' questionnaire was filled in by 464 people, while we could not include 12 filled questionnaires since those questionnaires were filled either by a private person beyond the border or by a person who does not live in a county that is located near to the border (e.g. Tolna). Most respondents arrived from the counties of Békés and Komárom-Esztergom. The respondents of these two counties accounted for three quarter of all the respondents.

The distribution of the answers to each question is visible in the following table below.

The results of the questionnaire show that the consumers do not want to experience that the producers beyond the border could generate a market concurrency for the Hungarian producers. At the same time, they could accept their appearance with certain conditions – for example on the basis of mutuality.

The producers' questionnaire was filled in by 355 people, but we could not include 14 filled questionnaires because of the above mentioned reasons. Most of the respondents arrived from the counties of Békés and Komárom-Esztergom, too.

The fear of competition is stronger among the producers than among the consumers, but it is fully understandable. This is the reason that most of the questions proved to be significantly divisive: the supporters and the opponents of the relief appeared in half and half proportions. However, the producers might accept the proposal easier if these changes do not generate any competitive advantage for the sellers beyond the borders. It is especially true if the liberalisation are based on mutuality with the neighbouring countries.

The results of the questionnaire show that the consumers and the producers are more likely to support liberalization than to reject it – mainly, if the liberalisation is based on reciprocity.

Table 3.: Results of the consumers' questionnaire research

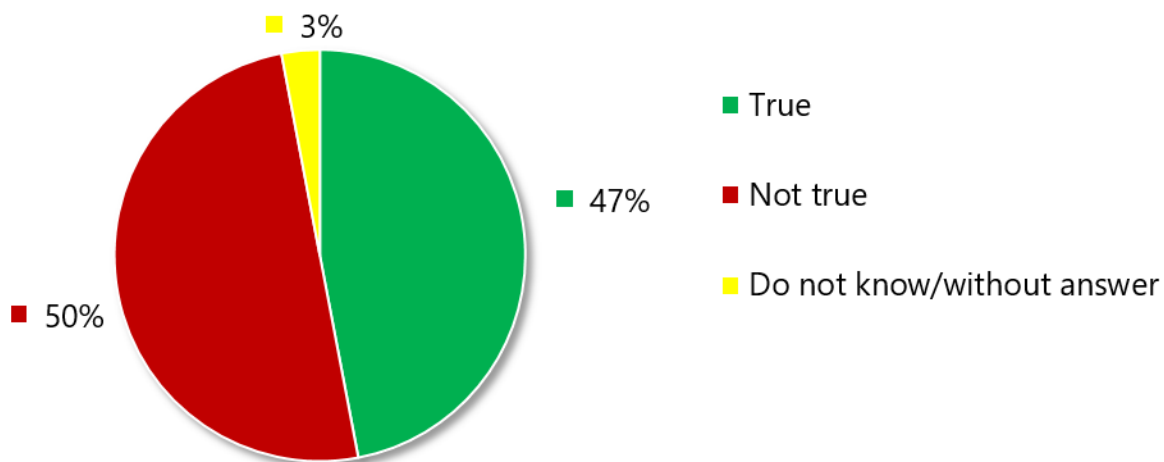
Question		Supporter ²¹	against	Refrained, without answer
How would you be affected if the foreign local producers, from a range of 40 km, could arrive to Hungary with the aim to sell their own produced products on the market near to the borders, events?	I would be happy because more products enrich the assortment of products and it attracts more consumers.	68%	32%	0%
	If the seller is a registered producer, I would be happy.	74%	26%	0%
	I would be happy if there could be a label, description about the product in Hungarian language (or the seller speaks Hungarian language).	80%	19%	1%
	I trust the market organizer that he allows to sell only those producers, who do not pose any risk to the consumers.	76%	23%	1%
	I am not happy, I am afraid of food safety risks.	59%	40%	1%
	I am not happy, it generates a concurrency for the domestic producers.	45%	54%	1%
	I could accept it in the case if the Hungarian producers could sell in neighbouring countries, too.	73%	26%	1%

²¹ Supporters are those respondents who expressed their opinion to the given question that they could accept the appearance of producers beyond the borders at domestic markets.

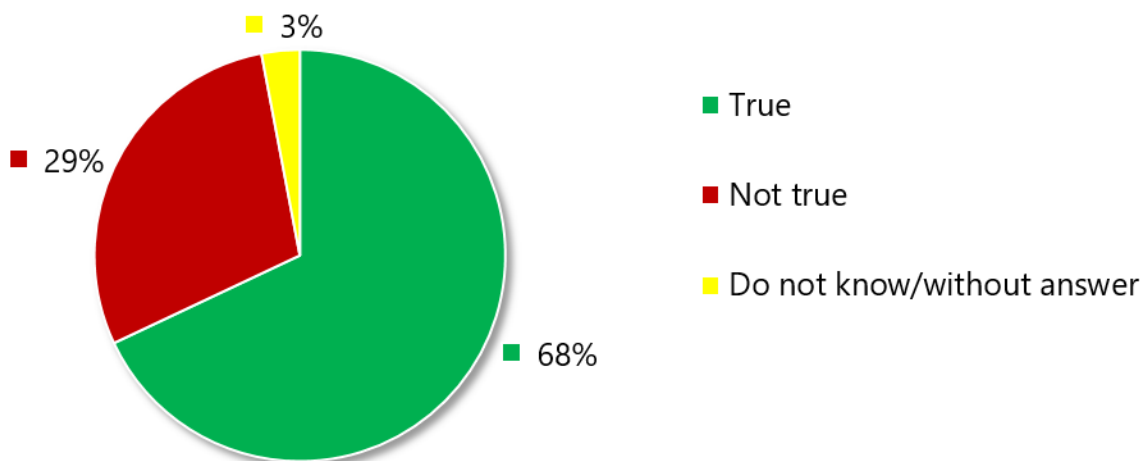
Table 4.: Results of the producers' questionnaire research

QUESTION		SUPPORTER	AGAINST	REFRAINED, WITHOUT ANSWER
How would you be affected if the foreign local producers, from a range of 40 km, could arrive to Hungary with the aim to sell their own produced products on the market near to the borders, events?	I would be happy because more products enrich the range of products and it attracts more consumers.	47%	50%	3%
	It does not disturb me, I do not feel it as a concurrency.	47%	50%	3%
	I trust the market organizer that he allows to sell only those producers whose products do not mean concurrency.	54%	44%	2%
	I accept it, if the seller complies the quantity for the small producers.	66%	31%	3%
	I accept it, if the products are taxed with the same measures as my products.	66%	30%	4%
	I accept it, if I can enter (on the basis of reciprocity) to their market/event.	68%	29%	3%
	It is a concurrency, producers beyond the border should not come to the markets, events located near to the border.	44%	53%	3%

I would be happy because more products enrich the assortment, it attracts more consumers.



I accept it if I can enter (on the basis of reciprocity) to their markets/events.



Contribution of the expert working group

The contribution of the expert working group to the final document proved to be extremely useful, namely the experts significantly influenced the formulation of the preparatory concept through the expertise of their professional specialization's regulatory background.

- 1) Topic of healthy food.** The most powerful part of CESCI's argumentation was the reference to the constitutional right to have an access to healthy food. Experts of the working group emphasised that recently there was an attempt by the Minister of Agriculture to define the concept of 'healthy food' by a working group – the attempt was unsuccessful. Nevertheless, if the concept of 'healthy food' was defined it would not result any concrete measures. Further problem is that the locally produced food is not guaranteed to be healthier as the food in stores.

Subsequently, the final document put the emphasis of the argumentation on the termination of territorial discrimination, on competitiveness of the rural areas, as well as on the environmental importance of short supply chains

- 2) Food safety.** The greatest risk of the initiative is that control mechanism is unable to control whether the seller beyond the border sells its own product and whether the food hygiene conditions were fulfilled during the production. To assure the traceability of food could be implemented by a common database with the neighbouring countries, or to share the already existing database between each other - in a language that is understandable to each other.

Accordingly, the articulated proposals in the study, separately deal with the issues of food safety and with the aims to avoid risks.

- 3) The question of concurrency.** The key aspect to define local products is that they reflect specialties of a particular region (local tradition, traditional raw materials and special producing processes). This regional uniqueness assures that the producers have demand for their products. However, if sellers with similar products arrive from areas beyond the border then this endangers the living of local traditions (see the disputes around the title "Tokaji", or the problems around the origin protection of the chimney cake).

Therefore, the study addresses the question of mutuality with special emphasis, which appeared as one of the most important conclusion of the questionnaire research.

- 4) Administration of freight transport of goods.** In the past few years, the rules on freight transport of goods became stricter in Hungary, especially with the aim to improve tax discipline and to fight against illegal trade in goods. Although, the administration of records has a rationality in case of large volumes. These records do not involve the small-scale sales of local producers, but the weight limit is low, hence it is easy to get under the scope (500 kg). Moreover, goods that arrive from the area beyond the border are obliged

to report at the first place of their entry (the local producer market in this case). If this does not happen, then the market organizer bears the consequences. Furthermore, the foreign producer has an obligation to register a tax number and he does not have a possibility to receive tax exemption because he is outside of the Hungarian territory. Nevertheless, if the goods are taxed then the foreign small producer is in competitive disadvantage in comparison with the Hungarian producers and sellers, who have a legal possibility to have tax exemption until 8 million of goods turnover.

Although, the above mentioned problems are beyond the reach of the study. The legislative rules limit each other, hence if we relieve one legislative limitation, we find another one. The attempts of the Government to "whiten" the Hungarian economy have been successful and they have generated higher public tax revenue, thus it cannot be expected that such a successful legislative package will be amended because of small producers. However, the experts of the working group articulated some other alternative possibilities that were accepted by the authors of the study.

- 5) Pragmatic considerations.** The working group proposed that there is a need to narrow down the focus of the study. With regard to the extremely complex harmonization structure with third countries, our research was limited to the neighbouring countries since the frames of the Union are already given in this case. The proposals should focus on the range of 40 km territorial area, thus the regulation on local production and producers does not have to be modified. Harmonisation of legislation should not be the aim of the study, since the five EU neighbours of Hungary have different legal frameworks for local producer markets, but the aim is the amendment of the Hungarian legislation which can serve the basis for negotiation processes with the neighbours.

It can be comprehensively stated that the expert working group criticized the original concept at numerous points, but this criticism supported the development of a more pragmatic proposal.

The main findings and suggestions of the study

The expert study can be divided into three major parts.

The authors sum up the theoretical frameworks of cross-border local product sales in the **first part**. They address the latest developments in the field of legal harmonization, the DG Regio Cross-Border Review project, as well as the statement of the Commission on the basis of the project and its expected consequences. The launched program on the EU level aims to remove the existing legal-administrative obstacles, the study also draws attention to other initiatives at the level of bigger region and at national level. Besides, it emphasizes the country-specific recommendation on the reduction of economic bureaucracy in the Hungarian Partnership Agreement.

The authors present the latest developments on local products in the EU policy and they draw attention to cross-border aspects. They mention several attempts, when the EU members took initiatives to make cross-border integration of local markets or to facilitate the possibilities of the small producers to sell their products beyond the borders. Although, these experiments have not achieved any spectacular success and most of them failed.

Finally, they underline the specificity of the Central European region, emphasizing that opening of the borders, structured in the 20th century and which were formerly impermeable, generate that old and organically related territorial ties reoccur and they create opportunity for development of economic cooperation.

The **second part** introduces the *activities that were implemented within the frame of the subproject*: results of CESCI project from 2016, the questionnaire process and the work of the working group (their description see above).

Finally, the **third part** includes the comprehensive legal analysis that deduces the need for a harmonization from the Union's pillar of free movement of goods and services. From this point of view, the authors see the Directive 2006/123/EC on services in the internal market as the starting point. The Directive assesses that the provider who arrives from the area that is beyond the border (with exception of so called "regulated professions", identified within the Directive) does not need any specific permission, or he does not have any separate obligation for registration: the provider can be obliged to obtain those permissions, as well as registration, which are obliged for the domestic provider, too. On the basis of the prohibition of discrimination, no specific restrictions could be imposed on a producer who arrives beyond the border.

"Member States may obstruct, limit the right to provide services on their own territory only on the basis of the principles of necessity and proportionality, namely they may describe only such – proportional - eligibility criteria that may be necessary due to public policy, public security, public health, the protection of the environment and the protection of the consumer" (ed. English translation by the authors)²²

The problem is that selling of food beyond the borders always raise food hygiene question, thus the issue of *public health risk* – this is true even in a case of short supply chain, in our case it is a small volume sale to the end user.

²² Szabadkai Andrea – dr. Major Ágnes – Horváth János – CESCI (2017): *Határon átnyúló helyi termék-értékesítés. Tanulmány és jogalkotói javaslatok*, 36.

The Member States of the European Union have to follow the Community law in the domain of food safety and food hygiene, where the issue of traceability is the most important aspect. As a rule of thumb, it is acceptable that those products whose production is in agreement with the relevant EU regulations are considered as safe and they can be placed on the market without restriction – theoretically, they can be introduced at the market also beyond the border. This measure requires that the producer registers himself in his own country, thus ensuring a control mechanism for the authorities. The *EU Regulation (EC) No 853/2004*²³ reflects the possibility of potential cross-border sales.

EU food law was incorporated into the *Hungarian legislation by the Act XLVI of 2008 on the food chain and the official supervision*. According to the law, safety of food is a responsibility of the Hungarian distributor.

For the traceability of the liability system, the Hungarian small scale producer has to register himself that he is engaged in commercial activity. It is important to underline that this has to be done in Hungarian language and the registration number has to be indicated. However, the small producer beyond the border may not necessarily speak Hungarian language and his registration number is not compatible with the Hungarian system. These problems can be handled with small modifications (e.g. official blanks are accessible in the language of the neighbouring countries, as well as establishing of interoperability with the foreign registration databases).

At the same time, according to the Hungarian Commercial Law, only those local small-scale producers can sell on a local market who comply with the Hungarian law. In the case of producers from the EU Member States, the legislation allows the sale of goods if the producers comply with the Hungarian tax and accounting rules and if they fulfilled the required obligations for registration. That means that they have to apply for a Hungarian tax number, but this automatically includes the producer, because of his foreign establishment (“intra-community acquisition of goods”), within the tax system. The Hungarian producers can apply for a VAT exemption under 8 million HUF annual turnover, but this exemption is not available for the foreign producers. The Hungarian VAT rate is the highest in the EU (27%), then the foreign producers, even under the same conditions, can sell their products with 27% higher prices in Hungary than their economic competitors. Moreover, the inclusion in the VAT circle obligation entails much greater administrative burden. In the case of a foreign seller, the issuance of internal invoice is also mandatory – all this has to be done in Hungarian language.

²³ Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for on the hygiene of foodstuffs

Even bigger problem is generated by the regulations that aim to "whiten" the Hungarian economy:

- Decree No. 3/2010 (VII. 5.) of the Ministry of Rural Development on data reporting and traceability relating to food production and sale,
- Decree No. 82/2004 (V. 11.) of the Minister of Agriculture and Regional Development on inspection of fruit and vegetables,
- Decree No. 5/2015 (II. 27.) of the Minister of National Economy on the function of the Electronic Public Road Trade Control system,
- Decree No. 51/2014 (XII. 31.) of the Ministry for National Economy Defining Hazardous Goods in Relation to the operation of the Electronic Public Road Trade Control System.

According to the Decree No. 3/2010 (VII. 5.), notification obligation appears to the market organizer even in case of selling 2 bottles of foreign jams (in many cases the notification obligation has to happen 2-3 days in advance, namely to notify who will sold what kind of products in the market). In the case of goods that exceed 500 kg or they have a value above 1 million HUF, it is necessary to register the risky products (including food) in the Electronic Public Road Trade Control System. The consignee is obliged to register (it is the market organizer in our case).

It can be seen from the above described conditions that sale of foreign local products in Hungary includes such administrative burden which directly questions whether it is worth to legally bring small amounts of locally produced food or not. The contemporary legislation is more favourable for the illegal moves, because the volume of the sold food is negligible in comparison to the administrative burden. This argument was repeated several times at the debates of the working group.

Because of the above described difficulties, the authors of the study do not recommend amendment of the legislation. Instead, the following suggestions were formulated:

- 1)** "It is easier to sell goods deriving from other Member State if the concerned parties establish joint ventures in Hungary, or a Hungarian enterprise, organisation is involved within the sale. In this case, tax liability risk is minimal, clear and not complicated economic and financial conditions are present. Furthermore, the small producer beyond the border may choose the subject of tax exemption, the 8 million HUF annual revenues. In this case, the Hungarian site will be the recipient, but some disadvantages still remain, namely the company has to fulfil the storage and notification obligation on the basis of the Government Decree No. 3/2010 and if the transported goods reach the weight or value

threshold, it is necessary to request a number in the Electronic Public Road Trade Control System."²⁴

- 2) Issuing of a cross-border producer card could include the small producers from the area beyond the border within the Hungarian register and legislative rules, which are applied in the case of Hungarian small producers, hence the same possibilities could be given to them. Nevertheless, this step does not guarantee that the seller, who arrives from the area that is beyond the border, will sell his own products. Subsequently, the further task is to establish the interoperability of the registers between the neighbouring countries. Moreover, the authors consider that the concepts of local sales should be defined in the context of bilateral agreements – on the basis of common nomenclature. The Hungarian side would prefer the range of 40 km zone.
- 3) There is a need to make amendments in the Act CLXIV of 2005 on Trade (2.§ 5a):
"A market, where a small-scale producer, or a producer who is registered in a bordering EU country, within a county on the basis of location of the market, or in a 40 km area from the market, or in the case of a market based in Budapest, producers, operating anywhere in the country, of agricultural and food products may sell their products." (ed. English translation by the authors)
- 4) The current restrictions can be circumvented in a way that the local producer markets are held at the same time on both sides of the border, hence the local consumers can access to the products at the same time and in one place. This procedure is especially recommended in those border regions, where the border is legally free to cross and the two markets can be easily formed in a way that crossing the border is not a physical difficulty.
- 5) In order to achieve easier administration, it would be useful to make the blank forms available in the official languages of the neighbouring countries. The same structure would allow that the Hungarian administrator can understand the content of the data sheets that are filled on the other side of the border.

As it is visible, the study rather contains policy and practical advices and suggestions instead of legal ones. However, a half-year work cannot be regarded as unsuccessful, since every aspect of the given question was analysed with sufficient depth.

²⁴ Szabadkai et alii: i.m. 55.

Fulfilment of the identified indicators of the subproject

NAME OF THE INDICATOR	REQUIRED	FULFILED
Local Products Working Group	1 working group	1 working group
Number of invited experts into the Local Products Working Group	10 persons	15 persons
Number of meetings of the Local Products Working Group	4 meetings	4 meetings
A comprehensive policy and legal recommendation that helps the cross-border integration of small producers	1 comprehensive policy and legal recommendation	1 comprehensive policy and legal recommendation

Possibilities for continuing the subproject

On the basis of the formulated proposals and the identified difficulties, the following continuation option is feasible.

- 1)** It would be appropriate to examine the question of issuing small producer card within the framework of the Hungarian Chamber of Agriculture and to examine the conditions of its introduction.
- 2)** To initiate a harmonization of the registers of the neighbouring countries, as well as establishment of a common nomenclature.
- 3)** To make that official blanks, which are needed for registration and for the Hungarian selling activity, are accessible in the official language of the neighbouring countries.
- 4)** It would be useful to make a compilation of the relevant legislation of the Hungarian and the neighbouring countries and to compare them, as well as to formulate a certain guide for the case if someone wants to sell the products on the other side of the border.
- 5)** There is a need to draw the attention of to the EU legislators about the obstacles arising from national regulations. Although cross-border sales of local products do not represent a significant weight within the national economies of the countries, but on the overall European level it is added and it reaches a symbolic significance. It is not expected that the issue will have an EU level solution, but the European institutions may articulate recommendations for the member states and this might catalyse the Hungarian legislative process, too.

3.4 Supporting the creation of a legal information background in order to help the everyday life of border regions

Objective of the subproject

One of the main conclusions of the 2016 *Legal Accessibility* project was that in most cases insufficiency of information generates the biggest obstacle of cooperation for people living in border areas. Therefore, the first horizontal proposal of the project aims to improve information mechanisms.

Within the project in 2017, the objective of the subproject, "supporting the creation of a legal information background in order to help the everyday life of border areas", was to review, to analyse the electronic information systems that are related to everyday cross-border life situations, and to evaluate the contemporary solutions; to articulate proposal on the basis of identified information in order to terminate the shortage within the domain of information.

The authors wanted to achieve the followings:

- to identify the main formal options of receiving information for the participants in cross-border mobility,
- to see the condition of the information systems on systematic level,
- to identify those life situation, where information gaps are relevant,
- begin to prepare the development of information opportunities for the participants in cross-border mobility.

On the one hand, the subproject fulfilled its objectives, namely it reviewed the main official information opportunities and it articulated development opportunities. At the same time, it became clear that huge number of various official online platforms were established across Europe which mainly, or with multiple purposes, aimed to inform the citizens on various levels. To find and identify these online platforms are mainly depend on fortune (do the citizens find the appropriate platform). Subsequently, this pattern embodies a risk that the prepared study could not fully review the information systems. On the other hand, it significantly complicates the orientation practice for cross-border mobility participants. At the same time, integration of information sources has been already started at the EU level which is expected to establish an integrated digital client service around 2025.

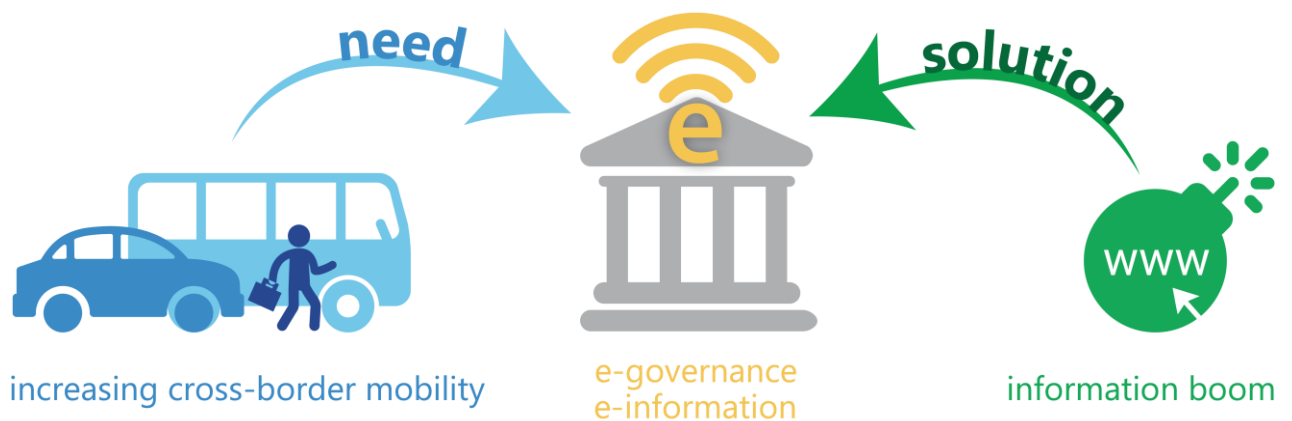
Presentation of the activities that were implemented within the frame of the subproject

The main activity within the frame of the subproject was the compilation of a study. In this study, CESCI staff analysed the Internet appearance of information which related to everyday life situations in the domain of cross-border mobility, and they made suggestions on the basis of the analysis. During the preparation of the study, various research, questionnaire, analysis, evaluation and negotiation activities were implemented.

The main findings and suggestions of the study

The study, which was prepared within the frame of the subproject, can be divided into three major parts.

In the first part, CESCI staff analysed the conditions of internet information. Actuality and relevance of the subproject is justified by the growing tendency of cross-border mobility which has generated new demands for information by the citizens. In many cases, non-locally-based information requirements can be provided by e-information within the context of e-governance. Creation and diffusion of e-governance were substantially supported by the information boom that happened in the past decades and by dramatic change of the sources of information. The study briefly reviews all three topics.



Analysis of the situation continued with an overview of the regulatory environment which included Hungarian strategic documents and legislations, besides the most important European Union strategic documents. It can be claimed on the basis of the analysis of the regulatory environment that the decision-makers clearly aim to create a user-friendly e-governance. The members of the European Union have their own strategies for developing their e-governance practices; although, the *EU eGovernment Action Plan 2016-2020* contains common elements. One of these principles is the following, "enabling cross-border mobility with interoperable digital

public services". The study, prepared within the frame of the subproject, reached almost the same result as the findings of the action plan:

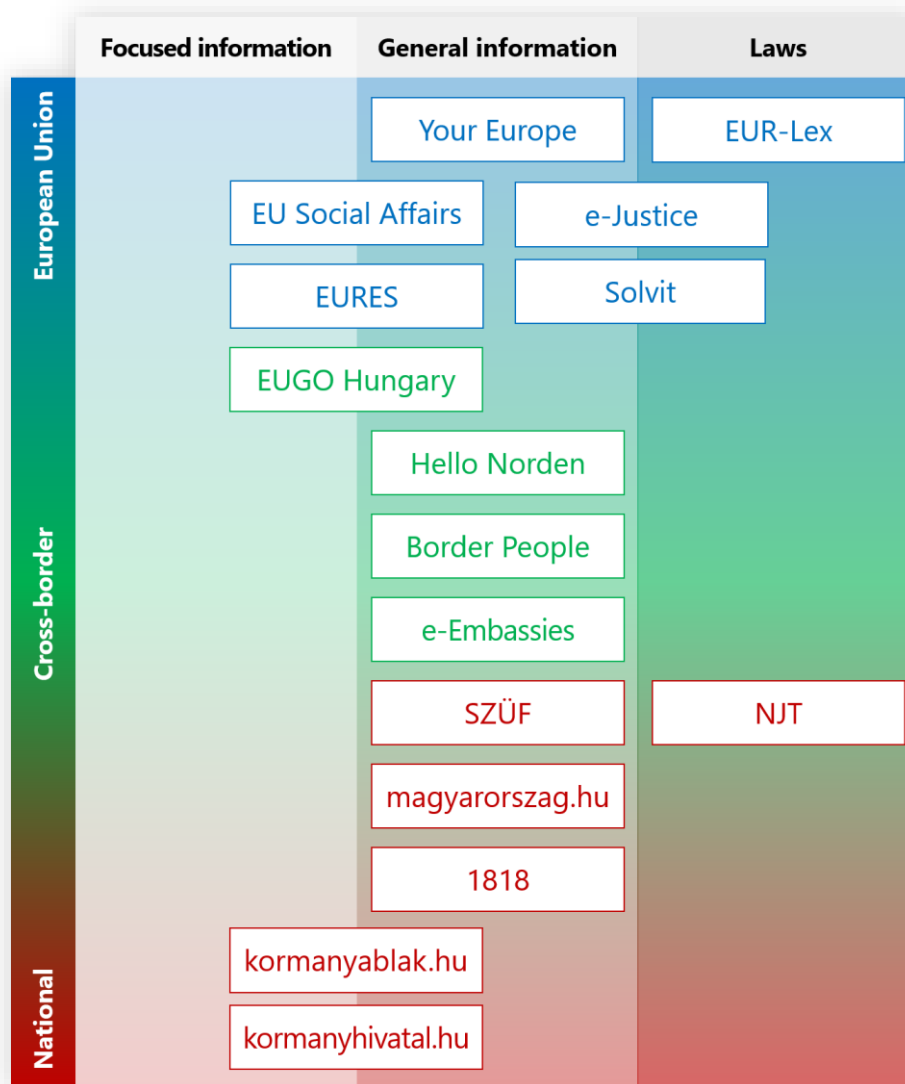
Currently Single Market-related information, advice, problem-solving mechanisms, contact points and procedures do not operate as a whole but are dispersed, incomplete, not sufficiently inter-connected and not consistently user-friendly – both at EU and national level. It is therefore difficult for users to find the right information and assistance required.

EU eGovernment Action Plan 2016-2020

The study continued with the review of existing evaluation systems. The review starts from the conclusion that the rise of the e-governance systems went hand in hand with the self-evident need to quantify, as well as to prioritize the results. After a brief methodological introduction, four international benchmark methodologies were reviewed, with special reference to the results of Hungary. The following conclusions can be deduced for Hungary from the summary of the benchmark results:

- Hungary performs poorly in the domain of e-democracy;
- in contrast, the government outstandingly performs well in handling and resolving cross-border issues;
- cross-border information supply in Hungary is somewhat below the EU average, nevertheless, in comparison with the neighbouring countries - excepting Austria - our lagging is not serious in spite of our linguistic isolation; however, there could be and should be improvement in many ways in this area;
- in the process of creating Single Digital Gateway, lag of Hungary is not significant in comparison with the EU average; although, the situation in the sphere of information services that directly help cross-border cooperation (the aspect for which the present study was also prepared) is far worse than in the case of the neighbouring Union countries and occasionally in non-EU countries.

After investigating the regulatory environment, the existing information systems were analysed. Altogether, we analysed 16 information platforms within the study. The narrowly-focused sectoral portals were not subjects of our study. At the same time, the study deals with the official online law directory of the European Union and Hungary. Besides the European Union and domestic platforms, we also reviewed those pages that specifically aim to inform the participants who are involved within cross-border mobility, and they can be only partly identified as EU or national initiatives.



In the second part, based on the experience that was gained during the tasks of the first part, the authors evaluated the existing electronic information systems by two methods. It was common in the two evaluations that both of the methods approached the quality of information from the life situations that are relevant to cross-border mobility. The first (external) evaluation applied the so called mystery shopping. The second (internal) evaluation involved staff of the Ministry of Interior and it surveyed the official Hungarian platforms of general information. Implementation of the internal evaluation, next to the external one, was considered as important by the authors. On the basis of the learned lessons, the authors thought if the information seeker cannot find any information, it does not automatically mean that information is not formally included within the information system. Joint use of both evaluation methods allowed us to explore the language availability of specific life situation and information.

The external method of mystery shopping provides an overview about a citizen of a neighbouring country, whether he wants to engage in certain life situations in Hungary (e.g. participate in the education process, renting a flat), and the level and depth of electronic information that is available about a particular life situation in his own language. The external evaluation was implemented in the following steps:

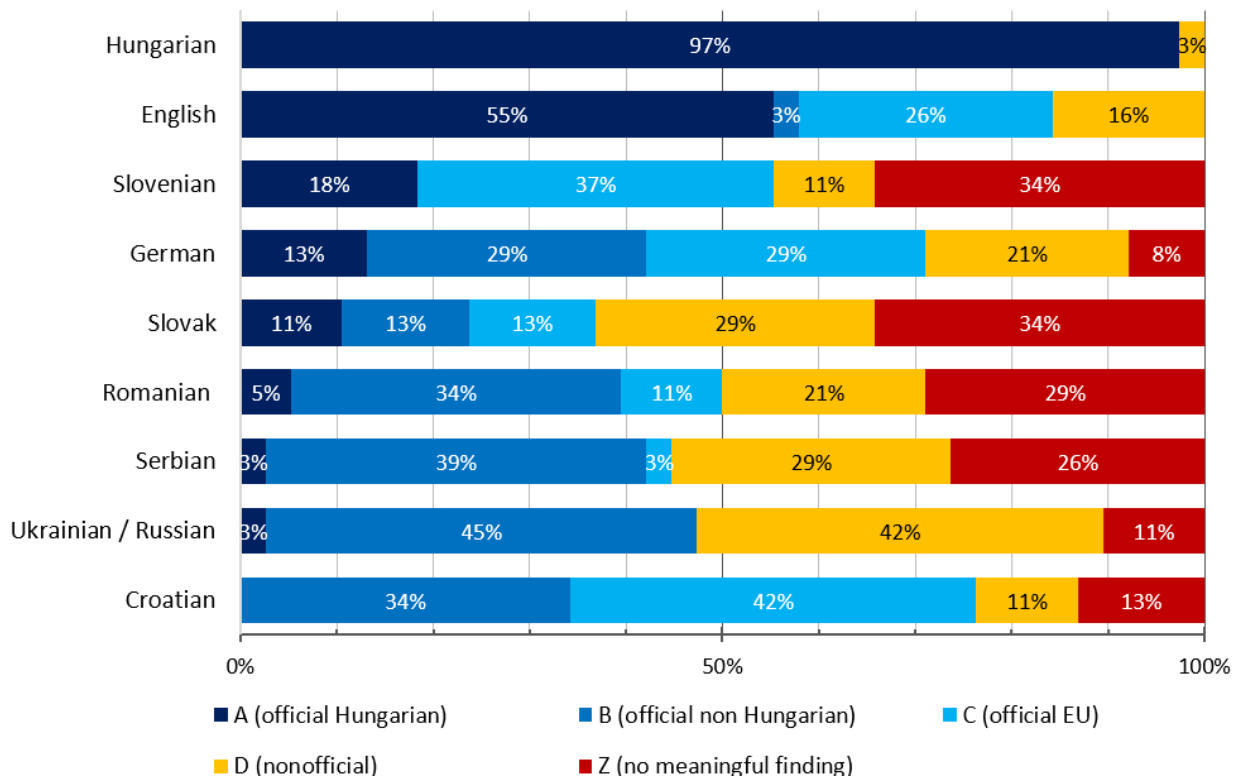
- 1) Task of external evaluation started by the **development** of the mystery shopping **method**. Within this frame, life situations were identified on the basis of the relating literature, on the other hand life situations were identified on the basis of the experiences of the first legal accessibility project. Steps of the mystery shopping were laid down in this phase.
- 2) Identification of **circles of mystery shopping**, contacting the mystery buyers. Basis of the methodology was to search the Hungarian content from abroad. That means searches were implemented in the official language of the neighbouring countries (e.g. in Romanian or in Slovak language), as well as in the foreign language that is the most spoken and used in the region, namely in English language. Thus, implementation of the mystery shopping needed users, who use the given languages as native speakers.
- 3) Implementation of the **mystery shopping** composed of the following nine linguistic domains:
 - raw translation of specific life situations into the language of the search,
 - entering the raw search phrase(s) into Google²⁵, running the search,
 - clarification of search phrase(s) in case of need,
 - the qualitative assessment of the "strongest" result relating to the particular life situation, whereby the following values can be given according to the page, where the relevant information on the life situation can be found in the search language:
 - A = official Hungarian site
 - B = official site of another country
 - C = official EU site
 - D = nonofficial site
 - Z = the search did not resulted in any meaningful finding
- 4) **Summarization and evaluation of the results of the mystery shopping.**

²⁵ In 2017, market share of Google Search exceeded 90% in Europe. Source: <http://gs.statcounter.com/search-engine-market-share/all/europe/2016>

The main findings of the external mystery shopping were the following ones:

- based on the lessons learned from the mystery shopping, it can be expressed that most of the official information on individual life situations is available in Hungarian language;
- through internet search, official Hungarian information in English language can be found for half of the analysed life situations;
- information on official Hungarian sites in the languages of the neighbouring countries is very limited;
- on the basis of experience, the role of official information platforms is also significant in the neighbouring countries, information published by the embassies in some cases;
- in case of the EU Member States, the various EU official information platforms have important complementary role;
- there is no relevant information for third of the identified life situations in Slovenian, in Slovakian and in Romanian language, and for a quarter of life situations in Serbian language.

Summarizing the results for specific searches in **given language**



The internal evaluation, implemented by the operators²⁶, gives information about official Hungarian information platform, namely what kind of information, relating to specific life situations, can be found and language availability of information. The internal evaluation was carried out in the following steps:

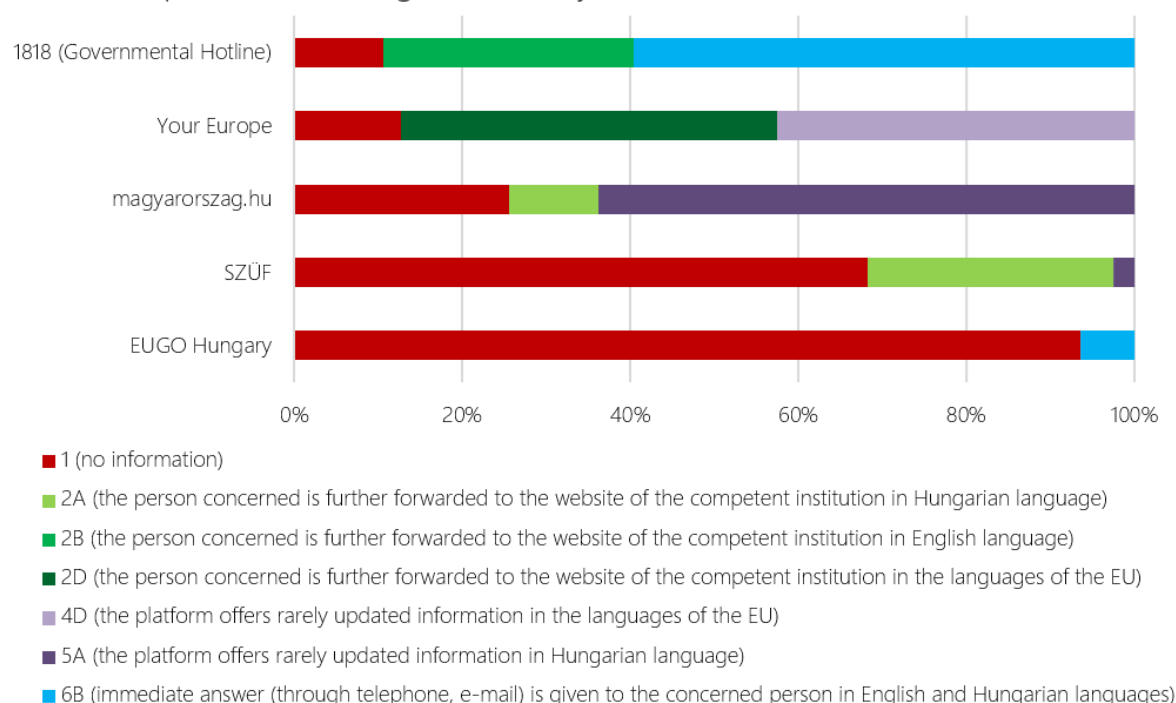
- 1)** The internal evaluation started with the **development of the methodology**. Within the frame of this development, those life situations were identified that should be examined. On the one hand, life situations were identified on the basis of the relating literature, on the other hand they were identified on the basis of the experiences which were gained during the first legal accessibility project. Criteria of the evaluation were also laid down in this phase.
- 2) Establishing of contacts with professional evaluators.** During the consultation with professional evaluators, we decided to carry out the evaluation. CESCI submitted to the experts the preliminary list of platform for which it requested to implement internal evaluation. The list of platform, which became the object of analysis, was slightly modified by the experts.
- 3) Internal evaluation** of five platforms (1818 Governmental Hotline, Your Europe, magyarorszag.hu, SZÜF, EUGO Hungary) was implemented through the following steps:
 - o To identify the feature of available information on the given life situation within a given platform:
 - 1: no information
 - 2: the person concerned is further forwarded to the website of the competent institution
 - 3: the person concerned is further forwarded to the administrator of the competent institution
 - 4: the platform offers rarely updated information
 - 5: the platform offers a regularly updated information
 - 6: immediate answer (telephone, e-mail) is given to the interested
 - 7: they give feedback to the interested party within the foreseeable time (calling back, email the person concerned).
 - o To identify the language features of available information on the given life situation within a given platform
 - A: in Hungarian language
 - B: in English language
 - C: in other language
 - D: in all the official languages of the European Union
- 4) Summary, valuation of the internal evaluation results.**

²⁶ The possibility of internal evaluation was identified by a consultation with the competent employees of the Deputy Secretary of State for Informatics of the Ministry of Interior, as well as with the employees of the National Infocommunications Service Company.

The most important conclusions of the internal evaluation:

- a substantial lack of information can be identified in case of every five life situations; there is little available information in the case of individual life situations within the analysed platforms²⁷: rental contract, tuition for public education, nursery and kindergarten fees, purchase of real estate, tolling system, foreign car license, recognition of foreign qualifications received abroad;
- in case of numerous life situation, there is no information in any language on any level: purchase of real estate, tolling system, foreign license of car, recognition of professional qualifications received abroad, voluntary activity required for graduation in Hungary, rental contract, tuition for public education, kindergarten and nursery fees;
- English information about life situation is only a few;
- multilingualism is represented with low volume, content is mainly available only in Hungarian language; a substantive exception is represented by the 1818 Governmental Hotline and Your Europe;
- information levels that are provided by each platform are heterogeneous, uncoordinated;
- information content and information roles are split between various portals.

Information level characteristic for the specific investigated platforms relating to the analysed cross-border life situations



²⁷ According to the external evaluation, official information regarding toll system is also available in more languages on other platforms.

In the third part, the authors made proposals within the following themes with the aim to overcome the lack of information (detailed description of the proposals see in the "Summary of subproject results"):

- definition of the ideal cross-border information platform,
- better communication of the existing information services,
- support of the appropriate content,
- filling the information gaps that were identified on the basis of evaluations,
- cooperation with the embassies of the neighbouring countries,
- developing of a Personalized Administrative Structure.

Summary of the subproject results

The most important result of the subproject was that it empirically revealed that what kind of online information gaps make difficulties in the domain of informing those participants who are involved within cross-border mobility around Hungary. The most serious obstacles, challenges were identified on the basis of evaluation and potential answers and proposals were identified, too. The relationship between the revealed challenges and proposals is summarized in the following figure by the authors:

CHALLENGES ↓	↓ PROPOSALS					
	1 Identification of ideal cross-border information platform	2 Better communication of the existing information services	3 Support of the appropriate content delivery	4 Complementing of missing information gaps on the basis of the evaluations	5 Cooperation with the embassies of the neighbouring states of Hungary	6 Further development of the Personalized Administrative Structure (SZÜF)
Intense lack of information on many life situations	×		×	×	×	×
Information exclusiveness focusing on domestic , own citizens	×			×	×	×
Besides information in Hungarian language, there is little content available in foreign languages	×		×		×	
Online published information, by the embassies of the neighbouring states, has significant role, but depth and range of information significantly differs from country to country					×	
Difficulty to find information about cross-border life situations		×		×	×	×
Heterogeneity, uncoordinated way of information providing by each platform , unfulfilled synergies, lack of integrator platform	×				×	×
Large proportion of outdated, seldom or not updated websites , documents	×		×			
Validity, actuality of information on some platforms is difficult to reach	×		×		×	×

The first group of challenges (marked with claret colour) requires the improvement, strengthening and development of content in different ways. Challenges grouped within the second groups (marked with blue colour) require methodological and practical development. It can be seen from the figure that each proposal can handle multiple challenges at one time, and solution of an obstacle can be brought by different proposals.

For example, proposals may contribute to the solution of the challenge related to **major information shortage** in the following ways:

- 1) Identification of an ideal cross-border information platform:** within the frame of the proposals, those life situations were identified which have relevant role from the viewpoint of cross-border mobility and which need development of information content.
- 2) Better communication of the existing information services:** this proposal has only an indirect effect in resolving this obstacle. The main question of the challenge is whether the user can find available information or not.
- 3) Support of the appropriate content delivery:** compilation of the necessary information material for life situations, identified under the first proposal, would require support for content provision. One of the main problems of the existing systems is the lack of resources. It is increasingly difficult to imagine the flow of necessary information, regular data and information change within the system without the needed dedicated staff.
- 4) Complementing of missing information gaps on the basis of the evaluations:** information materials are already available for some life situations that were identified within the frame of the first proposal. However, there is still large number of life situations without official information (or they are not available). Starting the improvement of the information material is recommended by these life situations.
- 5) Cooperation with the embassies of the neighbouring states of Hungary: within the frame of the third proposal,** there is a need to support the compilation of information materials and regular actualization of information relating to life situations, which were identified within the frame of the first proposal, by different resources. Within the framework of this fifth point, linguistic versions of the information materials could be prepared in cooperation with the embassies of the neighbouring countries. In addition, content could be easily accessible to the citizens of the neighbouring countries.
- 6) Development of the Personalized Administrative Structure:** the general structure of the planned content of the e-administration structure, which is expected to be launched in 2018, would be worth to complement that given information concern what kind of citizens and that information for the non-Hungarian citizens is available on which platforms. Contents of the 1st, 3rd and 5th point would be useful to integrate into the page, too.

As it is visible, individual proposals are useful on their own; however, their best influence can be achieved and expressed through their synergy. Similar logical chains can be formulated in the domains of other challenges, too.

Fulfilment of the identified indicators of the subproject

NAME OF THE INDICATOR	REQUIRED	FULFILLED
Analysis and proposal relating to internet appearance of legal information in the domain of different life situations	1 analysis and proposal	1 analysis and proposal

Possibilities for continuing the subproject

On the basis of the articulated proposals and the identified difficulties, the following continuation option is conceivable.

- 1) To conduct a similar internal assessment which was carried out in the domain of general information platforms in the framework of the project, for the sectoral information / administration websites.
- 2) To launch a marketing campaign in order to familiarize the existing information systems.
- 3) To establish a working group for supporting appropriate information content.
- 4) To initiate cooperation in order to create joint information solutions with the embassies of the neighbouring states.
- 5) Putting together concrete proposals for the planned content with minimum completion of the new e-administration structure, which is expected to be launched in 2018.

4. Summarisation, possibilities of continuing the process of accessibility

The second milestone made the implementation of the third milestone necessary at many points. We have contacted the Ministry of Foreign Affairs and Trade in order to continue the **Serbian legislative harmonization**, because the Ministry is responsible for operating the joint bilateral committees, as well as for preparing joint government meetings. Staff of the CESCI Balkans continuously consulted with the relevant Serbian ministries during the preparation of the study and the legislative draft, but the reception of the initiative was not positive. According to the general opinion of the Serbian experts, they can perfectly manage cross-border cooperation, there is no need for further developments beyond the existing tools, hence introduction of those tools will be sufficient after accession to the EU.

Meanwhile, 8 Serbian municipalities want to join to a Hungarian-registered EGTC since 2010, and there is also one Bulgarian-Serbian (-Romanian) EGTC under formulation: there is a need for earlier introduction. At the conference in Novi Sad, the Croatian coordinator of EGTC Platform, Slaven Klobucar, precisely underlined that they have met with the problem, specifically the country would have been benefited from the earlier, prior accession, ratification of the EGTC regulation.

Regarding the above mentioned, we would like to promote the study at the level of various Serbian authorities and we support the work of the bilateral joint committees, thus this topic is regularly involved within the agenda of the meetings.

Health care integration is a vital question for the citizens of the Union, and it is rational for the insurance funds of Central Europe. On the basis of the principle of territorial economy, health care service in Central Europe should be organized in a cross-border manner, similarly to the French-Belgian, French-Spanish or German-Dutch border areas. The first step of this cooperation may be embodied by cooperation between the ambulance services.

In order to implement the proposals, articulated within the study, CESCI will initiate joint consultations with ambulance services in the neighbouring countries. During these consultations, those questions could be clarified (e.g. communication frequency, regulation on road traffic, extension of the intervention zones, etc.) that were identified by the prepared study within the frame of the current project. Besides, it would be useful to examine the economically meaningful systems of cross-border healthcare services (it is expected that this could be the case with those neighbouring countries, where there is no big difference in the prices of health care services). The first step of this cooperation could be done through organizing of emergency care on the basis of assigning the emergency zones.

The legal background of cross-border trade in **local products** has not been established, because this domain meets with obstacles (mutually presupposing) at various points. Gradual progress can be a solution in this domain. Developments, triggered by the Hungarian Chamber of Agriculture, can embody the path to follow. We see opportunities to issue cross-border small scale producer certificates within the system of small-scale producer cards, which are introduced by them. This could be used by both states, thus the provisions of the concerned state could be gradually extended to the producers in the border area. This can be helped by the European Cross-Border Convention (ECBC).

Integration of information services will be gradually implemented by the European Union. Majority of the existing problems will disappear by introduction of the Single Digital Gateway. Naturally, the need for regular update of content will remain, so the demand for human capacities will not disappear. Besides, it is also important to note that newer and newer obstacles will appear within the process of cooperation strengthening. These obstacles will demand ad-hoc, local intervention and the related information will not necessarily be available through the EU portal. Subsequently, information tasks on the level of member states will not be terminated.

Moreover, there are still many obstacles ahead of the planned major EU development. This includes for example the issue of data protection and cyber-defence, hence it is expected that the unified system will not be launched in the near future because of these issues. However, there are tasks to do and the first step could be to launch an information platform development together with the embassies of the neighbouring countries. It is also advisable to start negotiations with the owners of information sources in order to implement integration of information.

Further development need is represented by the development of translation capacities, which is primarily a financing governance issue.

Finally, it is important to mention one of the main lesson of the project in 2016: there is a huge need to establish **mechanisms that help to remove obstacles**. CESCI proposed to evolve of a three-level system, where the first level could be represented by a Hungarian inter-ministerial working group (we prepared our proposal in three versions during the year at the request of the Minister of Justice); the second level could be represented by the system of joint committees with the neighbouring states (we coordinated this issue with the Ministry of Foreign Affairs and Trade and the representatives of the Ministry showed their openness in this question); the third level could be represented by application and adaption of the solution mechanism of the Nordic Council to the Visegrad Four (we submitted a joint application to the Visegrad Fund with our partners – we would prepare the development of the system).

In parallel with the implementation of the project, we created our new legislative webpage that introduces our legal accessibility activities in Hungarian and English language. Our activity can be followed at the following site: <http://legalaccess.cesci-net.eu/>

Important element of the initiative is the continuous contact with the EU institutions. The Commission Communication closing the *Cross-Border Review* project, launching a new process, identified those policy steps along which the European Commission wants to make progress on the accessibility issue. It can be expected that this topic will not be removed from the agenda in the coming years: improvement of living conditions of population living in the border areas, which is approximately one third of population of the Union, is not imaginable without these steps.

The Hungarian and Central European task has to be adjusted to these processes. Lessons and results of the *Legal Accessibility* project can be perfectly used that Hungary becomes an active participant within the European discourse on obstacles.

5. Attachments

5.1 Documents and photographs relating to the organised international conference with EGTC topic in Serbia



**New opportunities
in cross-border cooperation in the Balkans**

International conference
 Assembly Hall of the Autonomous Province of Vojvodina, Novi Sad, 20th of November 2017



Legal Accessibility
 Serbia's participation in European Grouping of Territorial Cooperation (EGTC) and Euroregional Cooperation Grouping (ECG)

Agenda 20th November 2017

10:00 – 10:30
Opening ceremony, greetings

Mr István Pásztor, President of the Assembly of the Autonomous province of Vojvodina
Ms Hajnalka Juhász, Head of the Ministerial cabinet, Ministry of Justice, Hungary
Mr Slobodan Vukčević, Ambassador, Head of Department for Neighboring Countries, Ministry of Foreign Affairs, Republic of Serbia

10:30 – 11:30
European frames of cross-border cooperation

Mr Tim Cartwright, Head of the Council of Europe Office in Belgrade
Mr Martín Guillermo Ramírez, General Secretary, Association of European Border Regions
Mr Slaven Klobučar, Coordinator of the EGTC Platform, Committee of the Regions

11:30 – 11:45 Coffee break

11:45 – 13:00
Examples of institutionalised cross-border cooperation

Mr Péter Kiss-Parciu, Deputy Minister of State, Ministry of Foreign Affairs and Trade, Hungary
Ms Yolanda Puiggròs Jiménez de Anta, Legal Expert of Roca Junyent, Barcelona, Spain
Mr Zoltán Bara, Director, Pons Danubii EGTC, Slovakia

13:00 – 14:00
Legal Accessibility – Serbia's participation in EGTC and ECG

Ms Ana Nikolov, Director of Planning, Central European Service for Cross-Border Initiatives Balkans / Director, AEBR Balkans
Ms Sanda Šimić, Ministry of European Integration, Government of the Republic of Serbia
Mr Gyula Ocskay, General Secretary, Central European Service for Cross-Border Initiatives

14:10
Concluding remarks

Mr Ervin Erős, Director, Central European Service for Cross-Border Initiatives Balkans

14:30
Lunch



5.2 Documents and photographs relating to the meetings of the Health Working Group

5.2.1 First meeting of the Health Working Group (6th of July 2017)

1. Introduction

2. Introduction of CESCI and the “Legal Accessibility” project

3. Identification of the expected results of joint work along with the following sub-topics, taking into account the different characteristics of patient delivery and rescue activity:

- I. *Rules of cross-border movement*
 - a. *conditions of border crossing*
 - b. *conditions for using distinguishing sign*
 - c. *recognition of operating licenses / licences on the level of the EU*
- II. *Developing of coordination mechanisms*
 - a. *technical conditions for cooperation of dispatcher services*
 - b. *language issue, multilingual human resources*
- III. *Creating conditions for rescue and patient care: question of language, multilingual human resources*
- IV. *Financing: establishing finance mechanisms between countries and providers*

Questions to be answered:

- questions appearing within some sub-topics should be handled: a) bilaterally, b) at the EU level, uniformly.
- expected outcomes in specific sub-topics: a) legal recommendation, b) policy recommendation, c) other d) none.

4. Compilation of work plan and schedule



5.2.2 Second meeting of the Health Working Group (13rd of September 2017)

Agenda of the meeting

1. To discuss the issues that emerged in relation to emergency rescue along the following topics:

- I. *Rules of cross-border movement*
 - a. *conditions of border crossing*
 - b. *conditions for using distinguishing sign*
 - c. *recognition of operating licenses / licences on the level of the EU*
- II. *Establishment of coordination mechanisms*
 - a. *professional cooperation: commanding, coordination of care, cooperation protocol, quality assurance*
 - b. *info-communication cooperation: alarming, guidance protocol, language issues*
- III. *Creating conditions for rescue and patient care:*
 - a. *language issue, multilingual human resources*
 - b. *technical conditions: GPS, logbook, refuelling, technical equipment of car*
 - c. *protocol of care: patient care, hospital delivery*
- IV. *Financing: establishing finance mechanisms between countries and providers*

Questions to be answered:

- questions appearing within some sub-topics should be handled: a) bilaterally, b) at the EU level, uniformly.
- expected outcomes in specific sub-topics: a) legal recommendation, b) policy recommendation, c) other d) none.

2. Definition of supply zones:

- process of data collection
- definition of methodology (inclusion of progressivity level)



5.2.3 Third meeting of the Health Working Group (11th of October 2017)

Agenda of the meeting

1. Report on the progress of the project
 - a. professional issues: emergency systems of the neighbouring countries, establishment of radio connection beyond the borders, vehicle and liability insurance beyond the borders
 - b. legislation collection
 - c. data collection
2. Extension of licences for ambulances - Dr. Niertit Annamária Barbélyné Head of Department, Deputy Secretary of State for National Medical Tasks, Department of Health Administration
3. Clarification of the remaining issues:
 - a. Mutual use of medicines and devices
 - b. Can be an external rescue team called (asked for help) as emergency vehicle?
 - c. Secondary transport
4. Border districts: definition of methodology
5. Coordination of the schedule for the remaining period



5.2.4 Fourth meeting of the Health Working Group (23rd of November 2017)

Agenda of the meeting

1. Report on the progress of the project
 - a. the first draft of the bilateral agreement
 - b. the first draft of the study
 - c. management of data gaps, introduction of the prepared figures
2. Overview of the issues and proposals related to the draft of the bilateral agreement
3. Overview of the issues and proposals related to the study
4. Overview of the figures and finalisation of the methodology of territorial modelling



5.3 Documents and photographs relating to the meetings of the Local Products Working Group

5.3.1 First meeting of the Local Products Working Group (20th of June 2017)

The following participants were present:

- Dr. Szabolcs Hancsók, Ministry of Agriculture
- Dr. Norbert Jankai, CESCI
- Gyula Ocskay, CESCI
- Dr. Márta Torda, Ministry of Agriculture

Gyula Ocskay welcomed the participants on behalf of CESCI and he thanked for accepting the invitation. He briefly introduced the Association, then he gave an overview of the project with title Legal Accessibility, implemented last year, and about its results on cross-border trade of local products.

On the basis of the background material, which was posted in advance, Márta Torda, Head of General Department, indicated that they would like to cooperate in discussion of the issue with CESCI. On the one side, she offered that the meetings could be held in the building of the Ministry of Agriculture, on the other side she promised a help that the relevant general departments of the Ministry will also represent themselves at the meetings. She also proposed a list of additional invitees, like the experts of NÉBIH (in English: The National Food Chain Safety Office), Prime Ministers' Office, and the Hungarian Chamber of Agriculture. She promised contacts, too.

Gyula Ocskay thanked for the offered help and he briefly introduced the project schedules and indicators of the Legal Accessibility project in 2017. He mentioned that three experts were invited to offer a tender for legal advice.

The participants agreed that the next meeting of the extended working group will be held on 4th of July in the building of the Ministry.

5.3.2 Second meeting of the Local Products Working Group (4th July 2017)

The following participants were present:

- Dr. Ágota Balázs, Ministry of Agriculture
- Ferenc Deák, Ministry of Agriculture
- Dr. Szabolcs Hancsók, Ministry of Agriculture
- Dr. Norbert Jankai, CESCI
- Szilvia Kovács, Első Magyar Kert Szövetkezet and Kislépték
- Gergely Lantos, Ministry of Agriculture
- Dr. Ágnes Major, lawyer
- Dr. László Matus, Ministry of Agriculture
- Gyula Ocskay, CESCI
- Andrea Szabadkai, Kislépték
- Erika Székely, Hungarian Chamber of Agriculture
- Edina Szomi, Hungarian Chamber of Agriculture

Szabolcs Hancsók welcomed the participants at the beginning of the meeting, then Gyula Ocskay introduced the Legal Accessibility project, whose aim is to propose legal and policy recommendations in order to reduce the dividing effects of the borders, thus improving the living conditions of people who live in border areas. As it was mentioned at the meeting, several attempts have been made in order to address the problem of cross-border trade of local products, but the attempts were unsuccessful, so far.

Subsequently, the following topics were discussed by the participants:

I. Discussed topics at the meeting

Regulating environment: the problem is that most of the countries have different legislative regulation of (small-scale) producers. The definition itself is also different in most of the countries, hence it is appropriate to avoid using the term 'small-scale producer', rather the focus should be taken on 'selling to a direct end user'. For example, it is known that the Slovak legislation is much stricter than the Hungarian one. The regulative environment differs from country to country and this makes the harmonization harder, i.e. there is a need to find the way of harmonization with at least 5 EU neighbouring member states. The easiest way would be to make a legislation on the EU level. At the same time, a training system, Better Food, exists in the EU, and the Flexibility training showed that there are different ideas for small-scale producers in each country.

Regulatory flexibility: the basis for applying the principle is the local tradition, traditional raw materials and the existence of special producing processes and their respect (small scale sales!). Transport of local food across borders questions this principle. Selling of local products is also based on customer trust. Although, this is not denied by the cross-border sale.

Food safety: the risk is embodied by the track of the food which comes from the area beyond the border is unable to control. It is not possible to exactly know whether the product was produced by the selling person or not. The Slovak produces are registered and controlled by the domestic authorities. There is no possibility to register the foreign producer in the Hungarian register. There would be a need to have an access to each other's database. There is a need to ascertain whether the given producer is entitled to sell his products and whether the given product is not harmful to health (traceability).

Healthy food: following the request of the Minister, a working group has been recently established for this topic. However, the group has failed to define what can be considered to healthy food. Consequently, it is not appropriate to refer on this; although, the Constitution contains the right to have access to healthy foods. The reference is weakened by the fact that the article XX mentions the basic rights, but concrete measures cannot be deduced from it. The use of the term also requires caution in the sense that healthy food cannot be produced only by a small-scale producer.

Territoriality / extra territoriality: administrative barrier of the border creates discrimination – as every national legislation do. Nevertheless, the Constitution of Hungary and other laws (e.g. law on citizenship) apply extraterritorial provisions. The possible solution cannot include any national discrimination, but the Hungarian citizenship cannot be a criterion either. The regulation of the local producer market should be amended, and the Ministry of National Economy will address it, too.

Concurrency: appearance of sellers from the area beyond the border represent a concurrency for the domestic producers. It is a fact that many small-scale local markets have developed in recent years. Many of them have few vendors and expansion of the potential vendors may improve the situation. At the same time, the unilateral amendment of the Hungarian legislation, without accepting mutuality, could generate disadvantage for the Hungarian producers. Important aspect is the question of regularity and quantity of selling - especially, for the protection of the Hungarian producers. An example of foreign selling exists, e.g. somebody from the Board Member of the Kislépték (in English: *National Association of Interest Representations for Small-scale producers and service providers*) sells products in Austria. *If selling activity takes place, it has to be done with the same conditions as the Hungarian producers do it.*

II. Suggestions for further continuation

- 1) Do not include the non-EU neighbour countries.
- 2) In parallel with the legal analysis, a questionnaire survey should be implemented among the domestic producers and consumers on the question, how would they relate to the proposed derogation. (Kislépték and CESCI make a joint proposal for the questionnaire, but everyone can comment it).

- 3) We should not focus on legal harmonization, but we should try to modify the Hungarian regulation, hence approaching toward the least resistance. In order to ensure mutuality, the Hungarian proposal may be the starting point for negotiations with the neighbouring countries.
- 4) The proposal should be applied only to cross-border sales in Hungary, thus the approval is linked to km distance that may reduce competition. There is no need to modify the small-scale producer regulation.



5.3.3 Third meeting of the Local Products Working Group (2nd of October 2017)

The following participants were present:

- Ferenc Deák, Ministry of Agriculture
- Dr. Szabolcs Hancsók, Ministry of Agriculture
- János Horváth, Kislépték
- Annamária Jakab, Ministry of Agriculture
- Dr. Norbert Jankai, CESCI
- Katalin Kujáni, Discovery Research Agency
- Gergely Lantos, Ministry of Agriculture
- Dr. Ágnes Major, lawyer
- Gyula Ocskay, CESCI
- Andrea Szabadkai, Kislépték
- Mihály Szalai, Hungarian Chamber of Agriculture
- Erika Székely, Hungarian Chamber of Agriculture
- Edina Szomi, Hungarian Chamber of Agriculture
- Orsolya Tószegi, Prime Minister's Office

Dr. Szabolcs Hancsók welcomed the participants at the beginning of the meeting on behalf of the Ministry of Agriculture, which assured space for the meeting, and he apologised that he had to leave the meeting. Then, Gyula Ocskay presented the prepared study, as well as the results of the questionnaire.

Comments on the results of the study

GENERAL NOTIONS

Each Member State has the power to determine the content of the "local and marginal" production. Food hygiene rules are equally binding for everyone, there is no difference here, but the conditions of local producer are fully based on local traditions. This will result that the process of harmonisation will be very hard with the neighbouring countries, because separate agreements will be needed with each government.

The same conditions need to be provided for the Hungarian small-scale producers in the areas beyond the border. However, production costs are not the same on both sides of the border. How can it be ensured that the Hungarian small-scale producers are not in disadvantaged position?

It is important that the analysis should not generate any impressions that we do not comply the EU rules.

Modification of the regulation on small-scale producers is not among the plans. Authors of the study propose the amendments of the local market regulation.

CONCRETE NOTIONS

Significance of the modifications: there are no problems with small-scale producers in the case of the registered enterprises. Does the cross-border trade of local products have such economic importance which is worth to undertake a complicate amendment in legislation?

Difficulties of controlling: it is impossible to compare the small quantity across the border with the quantity that is sold in Hungary, because the databases are not linked, and controls should be done on both sides. Thus, there is a risk of dumping.

FELIR-identification: selling activity can be done only by FELIR-identification. Food controlling are carried out on this basis of this, but fighting against the black economy is also an important aspect of it. Subsequently, modification of the relevant rules would not be beneficial for this reason.

Obligation of notification: food that is imported to Hungary has to be reported on the basis of its first storage place. In this case the first storage place is the market. The market organizer is responsible for reporting, the NÉBIH will penalize him, too.

Supplier's identity: the small-scale producer cannot operate a web-shop (mail order trade), it is prohibited by law. Transport is a task that has to be made by the buyer. The small-scale producer may advertise himself in order to attract the consumers. This seems to be simpler, since there is no need to make amendments in the law: the buyer transports the good across the border - at his own risk – instead of the producer.

Question of direct supply: only the cooperation itself may be the seller and it cannot sell the goods further, because the Regulation no. 852 applies only to direct sales.

Definition difficulties: in the case of compound foods, there are also differences in the definition of ingredients between each country.

SOLUTION PROPOSALS

- Regulation no. 2/2010 could be amended with facilitation: the option to sell only low quantity; the seller from the areas beyond the border has to register himself on-line; or he may have Hungarian card of small-scale producers. The chip card system which is under development by the Hungarian Chamber of Agriculture could be an appropriate solution and it could be controlled even by a telephone.

- The Hungarian Chamber of Agriculture connects markets and farmers in a digital system. They register the producers, productions (possibly the volume, too). This system could be extended to the producers beyond the border.
- Regulation on local producer market could be amended in a way that the "small-scale" producer, under the rules that are applied there, could sell on the Hungarian side.
- The Union regulates the electronic trade which will overwrite everything and it is likely to solve also the problems that were raised by the study.

At the request of the participants, CESCI undertook that the study will be available for everybody in 'word' format. Deadline for submitting of the comments was **10th of November**.

Comments relating to the questionnaire

Contradictory results have emerged: responses of the producers of two questions that concerned the exclusion of competition did not produce the same result. Did they understand the questions?

The number of responses is very low (probably due to the summer announcement), so there is no possibility to draw a real picture about the opinions of the consumers and producers. The Hungarian Chamber of Agriculture offered that they will restart the questionnaire through their county offices. They asked us to allow the option that the questionnaires can be filled in paper-form, because this is the simplest solution for many small-scale producers. The participants agreed that time frame for the questionnaire survey is extended until **10th of November**. For this, CESCI reopens its on-line interface and the link is shared within its network. CESCI undertook the task to process the questionnaires that were filled by hand.

Participants of the group will be informed about the results at the meeting in November.



5.3.4 Fourth meeting of the Local Products Working Group (28th of November 2017)

The following participants were present:

- Ferenc Deák, Ministry of Agriculture
- Dr. Szabolcs Hancsók, Ministry of Agriculture
- Gergely Lantos, Ministry of Agriculture
- Dr. Ágnes Major, lawyer
- Gyula Ocskay, CESCI
- Mihály Szalai, Hungarian Chamber of Agriculture

Szabolcs Hancsók welcomed the participants at the beginning of the meeting on behalf of the Ministry of Agriculture that assured space for the meeting, then Gyula Ocskay presented the results of the extended questionnaire survey. He expressed in his introduction that they accepted the filled questionnaires until 20th of November; subsequently, they finished the digitalization, and a presentation was prepared from the results of the questionnaire survey.

In comparison with the previous measurement, the extension resulted in processing of 452 consumers' questionnaires and 341 producers' questionnaires which is an appropriate number in order to make realistic deductions. He underlined that the final results do not significantly differ from the results of the previous limited questionnaire survey: the vast majority of the respondents is ready to accept that small-scale producers, from the areas beyond the border, might sell their products in Hungarian markets with certain conditions (especially on the basis of mutuality).

Neither question nor comments were received in relation to the questionnaire survey.

Subsequently, the topic was the study itself and only two comments were articulated. CESCI inbuilt the comments into the document – with certain analytical section. The study was published in the end of the year 2017 and it was published on the webpage of CESCI. From the notions of the conclusion of the analysis, it was emphasized that legislative changes were not initiated, because solution of the identified problems would be disproportionately hard task in comparison with the volume of the trade. Instead, the study will propose some alternative solutions.

At the end of the meeting, Gyula Ocskay thanked the joint work of participants of the working group.



5.4 The involved experts in compiling the evaluation of existing information systems

The experts, listed below, were included within the first, scoring phase of the evaluation process of the subproject "supporting the creation of a legal information background to help the everyday life of border areas". They were not involved within the textual evaluation, made on the basis of the received data, and they did not take part in the identification of conclusions, hence responsibility of the written text is outside of them. We thank you for their help!

- Viktória Bajnóczi (National Infocommunications Service Company)
- Júlia Bálint Čeh
- Ditta Edit Barócsi (Ministry of Interior)
- Lilla Michaela Bos
- Anna Böszörményi (National Infocommunications Service Company)
- Mihály Dán (Ministry of Interior)
- Karolina Dancs (Tisza EGTC)
- Dr. Róbert Dávid (Ministry of Interior)
- Csaba Fazekas (National Infocommunications Service Company)
- Csaba Fülöp (National Infocommunications Service Company)
- Teodor Gyelník (CESCI)
- Roland Hesz (CESCI)
- Tamás Illés (CESCI)
- Gábor Joó (National Infocommunications Service Company)
- Norbert János Krizsán (Ministry of Interior)
- Emil Molnár (National Infocommunications Service Company)
- Sara Andjelkovic (CESCI Balkans)
- Gábor Valdinger (National Infocommunications Service Company)