

# Action Plan

## Local Government of Nagykanizsa

### Part I

#### General information

Project: RuralGrowth – increasing competitiveness of SMEs in the rural visitor economy sector

Partner organisation: Local Government of Nagykanizsa

Other partner organisations involved (if relevant): None

Country: Hungary

NUTS2 region: West Hungary

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### Part II

#### Policy context

The Action Plan aims to impact:

- Economic Development and Innovation Operative Program 2014-2020 (GINOP 2014-2020)
  - job creation, innovation, SME development
- Other relevant operative programmes and cross-border development programs through local development strategies (such as Mura National Plan)
- LEADER Rural Development Program

## Part III

### Status quo situation

South-Zala – or Muraland, as we authentically call this area – is the land of cross-border potentials and unexploited development resources. Improvements can be made in terms of increasing the level of the visitor economy, strengthening local entrepreneurship and improving our artisan culture with values and services that give us a unique stance for improvement. Muraland is a Hungarian borderland area which neighbours Slovenia and Croatia - this significantly influences our development vision and tourism-related policy aspirations. Due to former and ongoing Interreg cross-border projects, strong and active links with partnering stakeholders from Croatia and Slovenia remain. This existing intention is deeply rooted in the mindset of our municipality, thus strong cross-border cooperation will remain an important factor in local touristic strategy.

Moreover, in 2016, the Hungarian government released their comprehensive development strategy, called Mura Program, that directly aims to support local rural development goals in Muraland. This policy concept has two main pillars. The first is focusing on rural agriculture production and the support of farmer and local products/values, while the second is fostering touristic developments in terms of destinations, accommodations, attractions and services. Mura Program was necessary because without a complex development strategy and dedicated joint financial support from the government, local stakeholders (farmers, municipalities, touristic service providers, etc.) wouldn't be able to launch and maintain such an integrated and elaborated development workplan. As the Mura Program is leaving the initial preparatory phase and becoming operational, the scope of stakeholder involvement is growing. Primarily agricultural stakeholders (landowners) are targeted and receive funding to raise quality, scales, volume of production, or efficiency that makes them more competent in agricultural markets. However, touristic stakeholders are also considered fundamental to the project. The establishment of new local touristic network and development framework is requiring more time than the agricultural pillar due to a more segmented stakeholder structure, and therefore the tourism-related developments are still in the preparatory phase in the most cases.

The necessity of Mura Program can be underlined by facts analyzed during stakeholder cooperation within the project. As it was elaborated during the 1<sup>st</sup> LSG meeting and in the consecutive Status Quo Analysis, Muraland suffers from considerable social and economic challenges that can be enumerated with the following points:

- relatively high unemployment rates (11%);
- An extensive middle-income trap;
- Weak productivity and production values per capita of SMEs;
- Critical reductions in population (5,1% between 2001-2011) and an ageing population;

- Constant migratory outflux;
- Low intensity of cross-border economic ties.

Although these obstacles hinder our development, Muraland still has enough power and potential to break out from the negative spiral of the middle-income trap and to reconstitute economic and social conditions on a more competitive way. This will be achieved by focusing on the visitor economy and related services and production background. With this in mind, we intend to capitalize on the following strengths:

- An exceptional number of accommodation places and volume of tourism (mainly the number of booked nights and places) at the local level;
- wine-making traditions, authentic gastronomy;
- Presence of good practice examples as role models for business e.g restaurant elevating local gastronomy into fine-dining; revival of local fruit growing tradition;
- Thermal baths and related unique spa services;
- High levels of Natural Capital (rivers, lakes, hills, forests) which support touristic activities such as walking, cycling etc etc;
- aA supportive environment for businesses through the initiation of a comprehensive areal rural development plan (Mura Program);
- cCoordinated cross-border development policy in terms of touristic infrastructure.

## Vision

To manage these development aspirations our vision is to create strong tourism economy using unique local assets, confident innovative SME (mainly local producers and service providers), successful partnerships with neighbours, outstanding local services and meaningful visitor attractions. In this respect, our intentions is to create a comprehensive development concept which overarches domestic and EU development strategies and has comprehensive and interrelating elements. Due to our clear policy objectives (which were achieved through interaction with local stakeholders) our development system is preparing to provide a long-term rural development plan. The most meaningful cornerstone of this plan is the Mura Program that holistically considers the agricultural sector, local values and products, tourism, SMEs and relevant regional brand-building using EU and domestic funds. Meanwhile, in line with this, cross-border potentials can be also implemented in cross-border INTERREG projects with Slovenian, Croatian and Austrian partners. Building on this work, we intend to develop our interregional touristic and biking infrastructure and services, while fostering cross-border stakeholder networks. "Values treasuries" (involving all relevant local values such as products, services, programs, traditions, etc.) can also play an important role in borderland development projects.

## Policy objectives

A Local Stake Holder Group (LSG) was formed and they suggested we should aggregate our policy targets into three groups. All of these are essential for realising our vision. They are:

- **Supporting SMEs**: by fostering the cluster-building and cooperation of local entrepreneurs, improving their business knowledge, providing them with convenient training opportunities and enhancing their entrepreneurial skills for self-sustainability, local SME relations could be effectively revitalized on domestic and on cross-border levels too.
- **Conserving and promoting local values**: There has been a recent renaissance in local traditional values in Muraland. These values can differentiate our region from other tourist destinations as it would have its special character and charm to attract visitors, thus strengthening local visitor economy and services.
- **Efficient communication and brand-building**: Previous development projects have only achieved partial success due to a lack of meaningful communication, marketing or brand-building efforts. If Muraland is to evolve as an outstanding and well-known touristic destination, it is necessary to pursue strong and effective marketing activities, including advertising the Muraland brand.

## How to reach the policy objectives

**The project has been inspired by witnessing international best practice during exchange meetings and through the LSG process.**

By pursuing “mind mapping” activity in LSG sessions, and absorbing excellent international experiences, we have the chance to provide higher value-added development background to help us to reach our goals more efficiently and conveniently. In this regard, SMART objectives set by our LSG are important indications in local rural development issues.

## Part IV

### Details of the actions envisaged

As mentioned above, during LSG and related working group meetings, we constructed a framework based around three pillars, for comprehensive elaboration. Sustainable rural development can only be achieved if all these three objectives reach their goals.

## POLICY OBJECTIVE 1 – Supporting SMEs

### 1. The background

During the LSG meeting and the related working group meetings, we tried to elaborate the current socio-economic conditions of the SMEs in the region. After deliberating the challenges and disadvantages with the inclusion of joint entrepreneurs, the LSG community has decided not to focus exclusively on the visitor economy. This is because the group thought we should develop our region and SME culture holistically, with comprehensive approaches. The visitor economy is only one segment of the wider rural economy, therefore local stakeholders and policy decision-making should find solutions which improve the entire SME background and not just selected players. To support this aim, it is also possible to capitalize on cross-border potentials as several neighbourhood projects and calls target this sphere. In these projects, we can establish administrative, educational and business cooperation with Croatian and Slovenian partners, thus a common SME sectorial approach could emerge in the wider area.

During the elaboration of our smart objectives, the following best-practices learnt from interregional meetings gave us inspiration:

- **Honey Pots (Newcastle):** this is a good example of how to create tourism with local producers. By making fruitful connections between agriculture and the visitor economy, Honey Pots can be considered as inspiring best-practices also in Muraland.
- **Wooler Growth Hub (Newcastle):** this form of incubation gives an outstanding example of how to ensure small offices for young entrepreneurs with cheap rental cost and shared administrative and technical infrastructure.

## 2. Actions

### 1. Improvement of foreign language training (mainly English language courses)

- a. **problem:** local SMEs are faced with the lack of a foreign language-speaking workforce which aggravates the growth potential and competitiveness of SMEs.
- b. **proposal:** it is necessary to create at least one-month-scholarships with foreign training centres or partner companies in order that young students or professionals can acquire better language skills.

### 2. Boosting international economic relations in the field of visitor economy

- a. **problem:** the international partnership network of Nagykanizsa is established mainly on cultural ties such as shared traditions, religion, language, and cultural twin city programs, therefore it cannot adequately support the advancement of economic cooperation
- b. **proposal:** for this purpose, it is necessary to reshape our international partnership by promoting mutually beneficial economic and investment possibilities and creating new, business-oriented international partnerships

### 3. Better promotion of cultural programs

- a. **problem:** despite its rural location, Nagykanizsa has a vibrant cultural life. However, due to the inadequate program marketing, cultural events are poorly attended and Nagykanizsa is perceived to be a “boring” city
- b. **proposal:** by improving our web presence, social media marketing and embracing new interactive communication platforms (or local smartphone applications), it is possible to boost cultural awareness (mainly among young people) which is also useful to promote more favourable conditions for entrepreneurs looking for cultural life

## 3. Players

So that we can successfully implement these smart objectives, we can primarily rely on the assistance of the following stakeholders with the below specified roles:

- **SME Support Foundation of Zala County:** with its wide entrepreneurial network and strong local impact factor, our chamber of commerce and trade is able to coordinate and support SMEs towards the indicated directions. As it provides adequate cluster background, the chamber should be a flagship in best-practice promotion and economic evolution.
- **Incubation and Innovation Centre of Nagykanizsa:** this centre is the critical public institution in supporting local SMEs and improving their innovative abilities, therefore this institution can also actively aid the dissemination of best-practice n and entrepreneurial consultancy issues.
- **Green Hearth of Zala Rural Development Association:** by focusing their attention on less developed areas of Muraland, this association holds a key position in issues relating to local economic convergence and the support of disadvantaged SMEs.
- **Innovative South Zala Rural Development Association:** by overlapping the surrounding area of Nagykanizsa, Innovative South Zala could take an important role in strengthening local clusters and to disseminate outstanding best-practices.

#### 4. Timeframe

According to our estimates, different aspects of the initiatives (for example language courses, better promotion of cultural programs, central job advertisement platform) can be achieved relatively easily, during 8-12 months approximately, without considerable direct investments. However, boosting international economic relations is causing much greater obstacles that cannot be fully handled at the local level. In this case, the involvement of state administration is partly needed, with a timeframe of approximately 2-4 years.

## POLICY OBJECTIVE 2 – Conserving and promoting local values

### 1. The background

During the elaboration of our smart objectives, the following best-practices were learnt:

- **Jarvisdan Hotel and Spa (Savonlinna):** as we found from one of the presentations during the Finnish meeting, Jarvisdan Hotel and Spa constitutes a very good example in terms of conserving original values while providing high quality services for visitors, thus propagating local traditions of South-Savo.
- **Drentse Koe (Drenthe):** this best-practice is a good example for those success stories that are based on the innovative improvement of local values with a blossoming business model. For this reason, Drentse Koe provides adequate patterns how to develop our SMEs in this complex way.
- **Atlantide (Po Delta)+:** the success story of Atlantide shows us manners how to protect local values in strong cluster coordination. Due to this approach, the propagation and the nomination local values could be the most effective.

Our LSG partnership suggested the nomination of local values is overcomplicated. On municipal level, there is the *Commission of Local Values* responsible for the nomination and registration of officially acknowledged local values. Although this institutional background is given, the selection system is not concretized efficiently, thus the nomination of local values is a bit controversial. In this case, there is no clear vision in terms of local values and more precisely what constitutes as a local value. In order to resolve this obstacle, local stakeholders embraced the below mentioned challenges and actions.

#### 1. Clearly structured nomination and selection of local values

- a. **problem:** in practice, the nomination of local values is somewhat *ad hoc*, resulting in an incoherent structure which prevents the presentation of a strong and unified image of Nagykanizsa and South-Zala



- b. **proposal:** with the leader function of the Commission of Local Values it is necessary to create a coherent structure and practice of the nomination process so that South Zala could gain a unique and outstanding touristic image

## 2. Competitive, transparent and interactive online presence

- a. **problem:** Local websites (city website, touristic websites, etc.) are not competitive which causes a serious communication and marketing gap in the exploitation of local values and touristic attractions – in our view, this is the main reason behind the low attendance-rate of certain cultural events and touristic destinations
- b. **proposal:** by creating an innovative and coherent online presence and marketing platforms (from Facebook and applications to state media advertisements) we will be able to provide wider space for mass-promotion, therefore cultural and touristic life can be boosted

## 3. Fostering local producers to establish clusters

- a. **problem:** local producers in South-Zala currently work in isolation or in a segmented structure, thus there are no organic connections between production and wholesale/retail – in this case, the great majority of them remain uncompetitive even in local markets
- b. **proposal:** by strengthening supply chains and regional markets of local producers, and by setting general provisions for production quality, we can create better conditions for network-building and prosperity of local producers in forms of local entrepreneurial clusters

## 4. Protection and renovation of strategic touristic infrastructure

- a. **problem:** some parts of our strategic touristic infrastructure are in a poor state of repair and difficult to valorize as a tourist asset.
- b. **proposal:** renovation of critical sites and buildings is essential, within a framework of strategic destinations and associated infrastructure

### 3. Players

So that we can successfully implement these smart objectives, we can primarily rely on the assistance of the following stakeholders with the below specified roles:

- **Commission of Local Values:** this administrative public body is responsible for the nomination of local values, thus we try to cooperate with its leadership so that our ideas could influence the relevant decision-making processes.
- **Bonne Chance Restaurant:** by maintaining fine dining cuisine services with local traditional ingredients, Bonne Chance Restaurant has become one of the most important “ambassador” of Muraland. Consequently, it takes a unique role in protecting local values and traditions.
- **Green Hearth of Zala Rural Development Association** and the **Innovative South Zala Rural Development Association:** as these associations are also pursuing cultural protection activities, they should be involved in the realization of these initiatives.

### 4. Timeframe

As we consider, these initiatives don't necessitate serious financial investments and wide timeframes. Most of the actions embraced can be achieved primarily with more effective coordination among relevant local stakeholders. Moreover, some of these points have partly realized (renovation of strategic tourist infrastructure, fostering local producer) due to conscious policy background.

## POLICY OBJECTIVE 3 – Efficient communication and brand-building

### SMART objectives:

#### 1. The background

The LSG partnership highlighted that the biggest obstacle for the visitor economy is that Muraland does not possess a well-functioning brand-building and PR background. Facing this huge challenge, policy coordination has decided to make conscious efforts on this field. In parallel with this initiative, LSG members have also drawn up their own ideas to influence relevant developments.

During the elaboration of our smart objectives, the following best-practices were learnt:

- **Rueda Wine Route (Medina del Campo):** the extraordinary wine route cluster of Media del Campo shows us very effective methods of how to successfully advertise winery traditions and tasting local wines, by coordinating production, services and events.
- **Saimaa Life (Savonlinna):** this online blog is an exemplary best-practices for successful online marketing solutions. Saimaa Life attests that personal story-telling, hospitality, sincerity is able to promote South-Savo as a touristic destination.

#### 1. Own brand strategy

- a. **problem:** in parallel with the missing regional marketing message, a local brand is currently non-existent. This is critical to promote tourism and to create a touristic region
- b. **proposal:** for this necessity, it is high time to create our own local brand that must be based on two principles:
  - i. Muraland brand must be attractive enough for increasing the volume of tourism
  - ii. beside this, a separate Muraland brand must be attractive enough for local people to want to consume its products in order to create strong and sustainable market for local products and services

#### 2. Online market of local products

- a. **problem:** as it was discussed also in the local values LSG working group, local producers and their products have weak communication and marketing background that affects negatively their ability to increase sales and market influence
- b. **proposal:** by creating better web and social media marketing and new style interactive communication platforms (or local smartphone applications), it is possible to boost the merchandizing activity of local producers – by examining relevant

international best-practices and pursuing local surveys with Pannonia University, we can outline working strategies and analyses for the proper realization of such an online market

### 3. Players

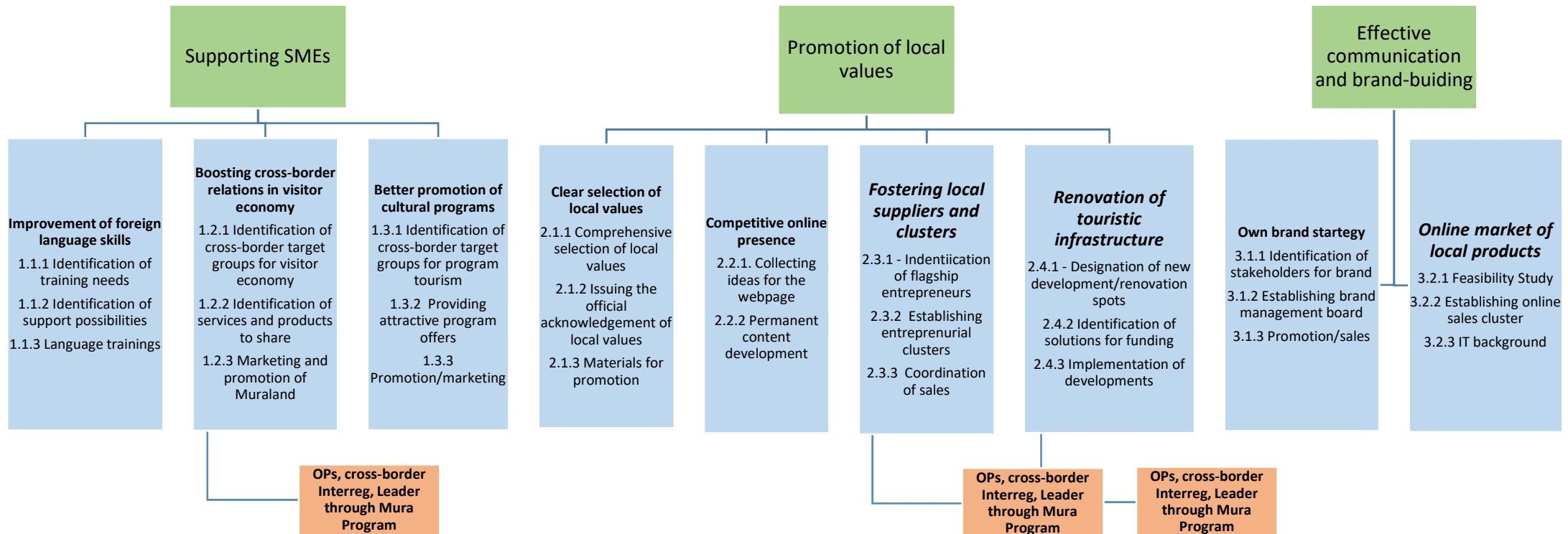
So that we can successfully implement these smart objectives, we can primarily rely on the assistance of the following stakeholders with the below specified roles:

- **Local Government of Nagykanizsa:** as the “capital city” of Muraland, Nagykanizsa has a leading role in defining related brand-building, communication and PR activities to coordinate comprehensively the whole program area of Muraland and to encourage touristic and entrepreneurial aspirations
- **Green Hearth of Zala Rural Development Association** and the **Innovative South Zala Rural Development Association:** our rural development associations are also able to develop their own communication activities, hence they can contribute to the Muraland brand-building with their institutional abilities.

### 4. Timeframe

Despite starting from a disadvantaged position in this field, we estimate that relevant brand-building and communication initiatives could be undertaken within a relatively short time period (approximately 1 year) as the development of communication tools doesn't require serious investments, unique know-how, or long administrative decisions.

## Interlinkages between Actions and Policy Objectives



Leader: **hegyháti** program (őstermelőknek pályázat – 100 million HUF – 5 millió projektenként 75%-os intenzitás), vállalkozásfejlesztés (szállás és vendéglátóhely – 20 millió Ft)

## Part VI – Actions

<b>Policy Objective Title: Supporting SMEs</b>		<b>Policy Objective Number: 1</b>	
<b>Action Title:</b> Improvement of foreign language skills		<b>Action Number:</b> 1.1	
<p><b>Background:</b> Due to historical conditions, in Hungary (mainly in rural areas) far fewer people speak foreign languages compared to the European average. It was very impressive for us to see in rural Finland and Netherlands that rural service providers would be able to communicate in English with customers, potentially helping them to attract more tourists from a variety of foreign countries.</p> <p>In our area, Muraland, it is obvious that stakeholders and service providers in visitor economy often lack the sufficient foreign skills that hinders SMEs to increase their touristic competitiveness (this problem was also identified during the Rural Growth project in Medina and Hargita). Although, this is not the most important part of the Action Plan, we would like to put an emphasis on the development of foreign language learning skills so that local SMEs in the visitor economy could increase the quality of their services and their competitiveness in this way.</p>			
a.	From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action?	<p><b>Drenthe:</b> During the Dutch transnational meeting, we visited many total service providers (farms, restaurants, historic sites, hotels) where the personnel was able to communicate fluently in English that help them to attract more foreign visitors. Comparing to our situation in Muraland, this is a huge advantage for the Drenthe service providers. By speaking English, Drenthe service providers could ensure local storytelling for foreign visitors, thus ensuring a more convenient and warmer touristic atmosphere. In this case, Drenthe has a meaningful potential in terms of attracting visitors also from neighbouring countries.</p> <p><b>Savonlinna:</b> Similarly to Drenthe, rural touristic service providers in Punkaharju were especially interesting for us, because they could elaborate a high quality English language touristic services (hotels, restaurants) in remote places attracting a significant number of foreign visitors.</p>	

	<p><b>Medina del Campo – Town Historical Museum:</b> This particular example was not a good practice but a useful experience as we identified the lack of English subtitles and indications in the halls of the museum, thus the most part of the exhibition was not understandable for non-Spanish speaking visitors. In this case, the level of entertainment for foreigners is not the same that we identified in Savonlinna or in Drenthe.</p> <p>This action and its involvement to the AP was negotiated in a thematic stakeholder workshop with our local stakeholders that focused mainly on the development of HR-related segments of the improvement of our rural visitor economy. It was the common recommendation of the stakeholders to put emphasize on the development of foreign language skills with language trainings, because it often hinders rural touristic SMEs from increasing their competitiveness as they cannot too much exploit the flow of international tourism.</p>			
b. What have you learnt?	<p>During the site visits organised during the transnational meetings, it became obvious for our stakeholders that they have to increase their foreign language skills and services. As Muraland is a borderland area, ensuring at least English language services is a key element in terms of attracting visitors from Austria, Slovenia or Croatia. Consequently, for our local touristic stakeholders, it is necessary to improve foreign language skills so that they could increase their competitiveness and they could become as able as Dutch or Finnish entrepreneurs to attract international (including cross-border) tourism.</p>			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	<p>We identified this necessity throughout site visits in Drenthe and Savonlinna. (And the opposite in Spain.)</p>			
Action Steps	Responsibility	Resources	Timeline	1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
<p><b>1. Identification of language training needs (mainly English) among local stakeholders, service providers and entrepreneurs.</b></p>	<p>SME Support Foundation of Zala County / Municipality of Nagykanizsa</p>	<p>Regarding the originally indicated policy instrument in the AF, it does not support this kind of initiative, but we can identify different OPs (such as Territorial Development OP, Rural Development OP, Human Development OP), LEADER calls or</p>	<p>from autumn 2018</p>	<p>-</p>

		cross-border programs (such as Croatian-Hungarian CBC) suitable for supporting this activity.		
<b>2. Identification of support possibilities (types of training to be organised, trainers and participants to be involved).</b>	SME Support Foundation of Zala County / Municipality	-//-	spring 2019	-
<b>3. Organisation and implementation of courses, foreign-language trainings</b>	SME Support Foundation of Zala County / Municipality	-//-	From spring 2019	-
<b>Implications for other sectors of rural economy?</b>	Raising scale of rural tourism would boost the turnover of associated local services (restaurants, shops, local producers, supply chain businesses) that provide spill-over effects.			

<b>Policy Objective Title: Supporting SMEs</b>	<b>Policy Objective Number: 1</b>
<b>Action Title:</b> Boosting cross-border economic relations (especially in the field of cross-border visitor economy) with borderland areas of Slovenia, Croatia and Austria	<b>Action Number: 1.2</b>
<p><b>Background:</b> International partnerships of Nagykanizsa are mainly based on cultural ties rather than economic linkages, thus the cross-border economic potential doesn't play a significant role. However – as we identified in Savonlinna's case with Russian tourists – international/cross-border touristic and business connections could provide meaningful instruments for boosting the rural economy in the borderland area, particularly in the field of visitor economy and related soft areas (gastronomy, culture, agriculture, local products, traditional local services). In this perspective, we shall strengthen our cross-border relations by improving cross-border visitor economy with a special focus on the exchange of cultural values/services and local products among both sides of the border.</p> <p>This action can be considered a bit broad, but the indicator of success in the AF is the increased export capacity of local SMEs. This is why we involved action 1.2. Beside this, 1.2 action is also one of the main target of local policy strategy in terms of the visitor economy development (strengthening cross-border</p>	



<p>economic ties in the visitor economy) thus the relevance of this action is important in our concept. By boosting cross-border economic relations between rural SMEs in the borderland area, we can create better possibilities for our SMEs to achieve stronger positions mainly in Croatian and Slovenian markets. We are primarily focusing on local producers and unique local Muraland products (especially gastronomic products) that can be sold for foreign customers. Therefore, if we can increase this type of intensity of cross-border touristic ties with Croatian and Slovenian stakeholders, customers and visitors, our SMEs (local producers) can achieve higher financial benefits with stronger export potential.</p>				
<p>a. From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action?</p>		<p><b>Savonlinna:</b> During the Finnish transnational meeting, hosting partner introduced us its practice of attracting Russian tourists from the borderland area with the help of their well-established visitor profile network and database. Consequently, tourism agency of Savonlinna can better adjust its strategy to the demand of foreign (mainly Russian) visitors, thus they can create more attractive offers and promotions to increase the volume of cross-border tourism. As our geographic situation is very similar to the borderland location of Savonlinna, we can potentially follow this track to achieve the same results in case of Muraland and its cross-border touristic relations.</p> <p><b>Drenthe:</b> Similarly to Savonlinna, Drenthe also focusing on attracting foreign visitors from neighbouring countries thus local tourism board maintains a robust database about foreign touristic relations (flow, volume, tendencies, demands, etc.) and regularly prepares surveys upon them and among them to ensure up-to-date information for policy actions. Therefore, tourism board of Drenthe is able to create a wider tourism policy and a more targeted promotion activity that can help to increase the volume of foreign visitors. The implementation of a similar framework is also important in our case – as it is mentioned above – so that we can create higher economic synergies in the field of cross-border visitor economy.</p>		
<p>b. What have you learnt?</p>		<p>Regarding the identified best practices, for us and our stakeholders in Muraland, it would be economically advantageous if we could establish stronger and better touristic relations with the surrounding cross-border areas and local stakeholders in order to boost the volume of cross-border tourism and the demand of related services and traditional products.</p>		
<p>c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?</p>		<p>We identified the relevant best practices during transnational meetings and site visits in Savonlinna and Drenthe during while visiting the most fascinating stakeholders and visitor destinations in the mentioned areas.</p>		
<p><b>Action Steps</b></p>	<p><b>Responsibility</b></p>	<p><b>Resources</b></p>	<p><b>Timeline</b></p>	<p><b>1.Name of the PI to be influenced/ already influenced</b> <b>2. Change needed (e.g. new project, new call)</b></p>

<p><b>1. Identification of cross-border target groups in terms of visitor economy and trade (identification with surveys and joint discussion with foreign partner organisations such as tourism agencies or chambers).</b></p>	<p>Municipality of Nagykanizsa, Chamber of Commerce and Trade of Nagykanizsa, and stakeholders active in Mura Program</p>	<p>Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation Programmes (Interreg)</p>	<p>autumn 2018 – spring 2019</p>	<p>-</p>
<p><b>2. Identification of own services and products to share through thematic joint stakeholder discussions and local surveys.</b></p>	<p>Municipality of Nagykanizsa with stakeholders active in Mura Program</p>	<p>Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation Programmes (Interreg)</p>	<p>autumn 2018 – spring 2019.</p>	<p>-</p>
<p><b>3. Development of marketing materials (leaflets, banners, webpage, slogans, logos, touristic packages, program offers, maps, etc.) and promotion of Muraland to target countries (borderland areas of Croatia, Slovenia, Austria)</b></p>	<p>Municipality of Nagykanizsa</p>	<p>Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation Programmes (Interreg)</p>	<p>spring 2019</p>	<p>-</p>
<p><b>Implications for other sectors of rural economy?</b></p>	<p>Fostering cross-border touristic and trade relations would generate region-wide spill-over effects that could boost other sectors of the rural economy. Most important is that our farmers and their touristic services could obtain higher shares in cross-border trade and improve their potentials in terms of investing and growing.</p>			

<p><b>Implications for other actions or policy objectives</b> (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 1.3</p>	<p>Description of implications:  Promotion of cross-border touristic and trade activities could be boosted and interlinked also by and with the international promotion of cultural programs.</p>
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<p><b>Policy Objective Title:</b> Supporting SMEs</p>		<p><b>Policy Objective Number:</b> 1</p>
<p><b>Action Title:</b> Better promotion of cultural programs in the cross-border area</p>		<p><b>Action Number:</b> 1.3</p>
<p>Background: Currently our area does not possess a vital advertising presence that could effectively promote our cultural events at cross-border level. However, we have initial international relations with partner municipalities for advertising. The only thing left is to set our cultural “supply side” and formalize these cross-border links into a well-functioning marketing platform that would be helpful in generating cross-border tourism.</p>		
<p>Promotion of local cultural programs in the Mura-region (cross-border area of Hungary, Slovenia and Croatia) is very important to boost visitor economy in our area, Muraland. Program tourism attracts a huge volume of tourists to Muraland and more precisely to Nagykanizsa, thus it has a significant potential in the development of our rural visitor economy and the relevant SMEs. The well-implemented promotion of programs and related services can increase the volume of visitors, that helps directly to local SMEs interested in visitor economy to raise their incomes and to develop their services, program offers and also to build common structures (brands, branch cooperations, etc.) based on the local program schedule, thus initiating more attractive visitor economy.</p>		
<p>a. From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action?</p>	<p><b>Savonlinna:</b> During the transnational meeting in Savonlinna, practice of attracting Russian tourists coming from the borderland area was presented us. In this regard, the tourism agency of Savonlinna plays the key role with pursuing active promotion activity in Russia so that they can maintain a vital touristic connection between Savonlinna and the stakeholders (mainly touristic agencies and service providers) of the St. Petersburg area – tourism agency of Savonlinna – through its communication activities – disseminates the cultural programs, cultural services values, attractions, destinations, fascinating sites and events of the Saimaa region among Russian visitors, thus Saimaa region became a popular and well-known touristic brand in the borderland part of Russia. Consequently, a significant part of tourism in Saimaa is generated by the flow of incoming Russian visitors. For tourism goods and services.</p>	

	<p><b>Duero Douro (Medina del Campo):</b> This practices – that was presented during the Spanish transnational meeting – is especially interesting for us in the field of developing and linking cultural attractions along the a well-described geographic cross-border area (Duero river valley), in both Portugal and Spain. The Douro Douro initiative aims to promote collaboration between public and private agents and society with the aim of achieving an active dynamic and generator of socio-economic development for the territory, based on the enhancement of its cultural heritage in a sustainable and intelligent way and in the integration of its natural, gastronomic and social heritage, in a joint action that contributes value to this territory and contributes to a global leadership position. Within this strong touristic cooperation, partners can jointly promote cultural services, programs and events in the whole program area, thus cultural tourism could be maintained and improved more efficiently. Consequently, regarding our weaknesses, this framework has a meaningful relevance for us how to establish better system for program tourism and promotion in the place of the actual, less-competitive framework.</p>			
<p>b. What have you learnt?</p>	<p>According to the above explained good practices of Savonlinna and Medina, it is obvious for us that in parallel with developing touristic destinations and attractions, policy decision-making should also focus on cross-border promotion of local cultural programs, services, attractions and values, so that Muraland, as a touristic and cultural brand, becomes widely popular in the cross-border neighbouring areas of Slovenia and Croatia. Consequently, we could raise the number of foreign visitors in Muraland.</p>			
<p>c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?</p>	<p>Besides our local experiences and feedback from (LSG) stakeholders in Muraland gained through joint discussions, we identified this necessity through site visits in Savonlinna and Medina where we met the examples of the above described practice of attracting Russian visitors (Savonlinna) and the cross-border cultural tourism relation of Duero Douro (Medina). We are intended to elaborate similar structures in case of Muraland.</p>			
<p>Action Steps</p>	<p>Responsibility</p>	<p>Resources</p>	<p>Timeline</p>	<p>1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)</p>
<p>1. Identification of cross-border target groups (age, social, geographic) exclusively in terms of program tourism (volume of tourism to be assessed by</p>	<p>Mura Program stakeholders (farmers, service providers, Municipality of Nagykanizsa)</p>	<p>From Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation</p>	<p>from autumn 2018.</p>	<p>-</p>

stakeholders) – to be implemented together with 1.2.1 action step.		Programmes (Interreg) and/or LEADER sources		
2. Selection among own (local) events and the establishment of an attractive program calendar for visitors.	Municipality of Nagykanizsa	From Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation Programmes (Interreg) and/or LEADER sources	from autumn 2018	-
3. Development of a comprehensive marketing strategy for Muraland with materials and promotion (in strong coherence with the 1.2.3. action step)	Municipality of Nagykanizsa	From Croatian-Hungarian, Slovenian-Hungarian and/or Austrian-Hungarian Cross-Border Cooperation Programmes (Interreg) and/or LEADER sources	spring – summer 2019	-
Implications for other sectors of rural economy?	Cross-border promotion of cultural events could help us to attract higher number of tourists that would provide an extended market for local producers and entrepreneurs. In this case, increasing number of foreign tourists directly affects positively the economic gains of local stakeholders.			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 1.2	Description of implications: Cross-border promotion of cultural programs could be boosted and interlinked also by and with the international promotion of trade activities.		

<b>Policy Objective Title:</b> Conserving and Promoting Local Values	<b>Policy Objective Number:</b> 2
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<p><b>Action Title:</b> Clear nomination of local values as a foundation for developing a brand</p>	<p><b>Action Number:</b> 2.1</p>
<p><b>Background:</b> According to our experiences and the feedback of LSG members, it is very clear that the nomination of our local values should be treated in a more systematic way so that Muraland could possess a plausible/unified and comprehensive inventory of values. Fortunately, initial steps have been taken in this direction and actors involved in policy decision-making are already aware of its significance. However, we still have a lot to do in this field.</p> <p>Branding – in line with promotion activities – is an indispensable element to create a well-known and comprehensive SME atmosphere in the local visitor economy. As it is expressed in the Action Plan, the local values of Muraland were selected without any considerable framework or criteria until the last years. Therefore, to increase the tourism potential of the area, it is necessary to create a coherent structure of values to be promoted or to be included in local brands. Although, this activity does not require any financial support only policy decisions – so influencing policy instrument is totally irrelevant in this point – we considered that this action shall be kept in the AP, because it directly fosters the establishment of standardized local cooperations or clusters (sharing the same values). Without branding (and also without promotion) we cannot create well-functioning clusters that could be attractive enough for high number of visitors. Thus, without branding, no meaningful visitor economy can be established or developed in our area (or anywhere else).</p>	
<p>a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?</p>	<p>In this field, the main impulses came from our LSG stakeholders and domestic experiences. Additionally, during site visits in Savonlinna, Drenthe, and Medina, we saw good-practices relating to how to collectively select values to promote a touristic region.</p> <p>In Savonlinna, Drenthe and Medina, we identified well-elaborated frameworks of selecting local values to create a coherent and competitive touristic brand. In these cases, local and regional touristic agencies – in strong cooperation with local municipalities and touristic stakeholders (service providers, producers, destinations, etc.) – have created clear selection frameworks and criteria for local values and local brands. For example, in Savonlinna, the core values were mostly nature-close and cultural elements such as lakes, forests, animals, wood, snow, animals. In Drenthe, the values treasury is similar to the Finnish example but with different geographic image (brooks, flatlands, mills, small villages, cows, farmers) while in Medina beside the natural and cultural elements gastronomy (wines, foods) plays also an important role as core values. With this kind of clear sets of values, these regions are able to promote themselves as an attractive and outstanding touristic destinations with a unique set of values. Consequently, the value treasury of Savonlinna, Drenthe and Medina reflects to a well-organised structure with consciously selected elements, hence these touristic brands can be considered exemplary practices to be followed and implemented.</p>
<p>b. What have you learnt?</p>	<p>According to the above mentioned explanations, we understood in Savonlinna, Drenthe and Medina that the conscious selection of a comprehensive touristic value treasury can ensure significant benefits for creating a unique and more competitive regional image that helps directly to implement successful promotion activities to attract domestic and foreign visitors. Without a strong and comprehensive set of basic values, touristic brand and visitor economy cannot be strengthened in any area. This is one of our most important experience gained during these meetings.</p>

c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	During LSG meeting, based on our local experiences, local stakeholders have clearly stated that Muraland needs a better nomination and selection system for local values. Besides our own discussions and LSG strategic planning (general reset, reconsideration, frameworking, etc.) we acquired important insights during IE meeting site visits which demonstrated the above described good methodologies of Savonlinna, Drenthe and Medina for suitable selection and coherent promotion of local values by their tourism agencies and supporting stakeholders.			
Action Steps	Responsibility	Resources	Timeline	1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
1. Transparent and comprehensive identification of local values having potential to become touristic products for promotion.	Commission of Local Values in Nagykanizsa with relevant Mura Program stakeholders	Involvement of cross-border Interreg programs or LEADER if needed, but this action can be implemented with the inner capacities of the Municipality of Nagykanizsa.	autumn 2018 – spring 2019.	-
2. Issuing the official acknowledgement of local values of Muraland at the National Committee of Local Values (responsible body for the official nomination of local values in Hungary)	Commission of Local Values in Nagykanizsa with relevant Mura Program stakeholders	Involvement of cross-border Interreg programs or LEADER if needed, but this action can be implemented with the inner capacities of the Municipality of Nagykanizsa.	spring 2019	-
3. Following approval, development of materials and promotion (for potential tourists and local stakeholders) in line with tourism promotion	Municipality of Nagykanizsa	Involvement of cross-border Interreg programs or LEADER if needed, but this action can be implemented with the inner capacities of the	summer 2019	-

(together with action steps 1.2.3 and 1.3.3)		Municipality of Nagykanizsa.		
<b>Implications for other sectors of rural economy?</b>	Fostering cross-border touristic and tourism-related trade relations would generate regionwide spill-over effects that helps us to ensure wider benefits among primary and secondary stakeholders (local producers, service providers, cultural institutions, cultural and natural destinations, etc.).			
<b>Implications for other actions or policy objectives</b> (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 1.2, 1.3, 3.1	<p>Description of implications:</p> <p>If we establish a clear and suitable values treasury, it would be much easier to generate cross-border trade and tourism as customers and clients would face a more transparent image of the special qualities of Muraland. Meanwhile, a suitable value inventory could effectively be the “strategic foundation” for establishing our local brand and what should be involved in it as product.</p>		

<b>Policy Objective Title:</b> Conserving and Promoting Local Values	<b>Policy Objective Number:</b> 2
<b>Action Title:</b> Competitive, transparent and interactive online presence	<b>Action Number:</b> 2.2
<p><b>Background:</b> Without any effective online presence, it is almost impossible to effectively advertise a touristic region with its values and stakeholders. Subsequently, the Municipality of Nagykanizsa – as key player – must take its responsibility and develop the online background of the town and Muraland so that marketing activity can reach a wider range of clients. The municipality has already reformed the online structure of Nagykanizsa. However, we have still a lot to do to establish a transparent and accessible online presence for Muraland as a touristic region. These steps will be taken in line with the implementation of our strategy.</p> <p>To create or develop meaningful visitor economy, beside strong promotion and clearly selected common values, online presence is also necessary as we could see in other RuralGrowth best practices during the study visits (in case of Savonlinna, Hargita and Medina with their local and regional tourism promotion webpages). Online presence gives possibility to create connection between the visitors and SMEs (restaurants, hotels, destinations, service providers, etc.), thus a well-functioning webpage and online marketing can really increase the activity of SMEs in the visitor economy.</p>	



<p>a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?</p>	<p>In this respect, interregional meeting in Savonlinna and Hargita inspired us with the greatest impact as we had the chance to observe the good-practice of Saimaa Life (<a href="https://www.saimaalife.com/">https://www.saimaalife.com/</a>) and Visit Savonlinna (<a href="http://visitsavonlinna.fi/en/">http://visitsavonlinna.fi/en/</a>) webpage and the concept of the “Visit Hargita” webpage and mobile app (<a href="https://visithargita.com/">https://visithargita.com/</a>) for online promotion that was presented during the joint discussion in Finland and Romania. Saimaa Life is a lifestyle personal storytelling blog edited by a local lady from South Savo province that became one of the most important part of the Savo touristic brand. While telling personal stories, the editor of the popular blog also promotes local values, traditions and the original way of life of Saimaa area not just to locals but also for foreign visitors. Consequently, Saimaa Life can be considered a meaningful tool for tourism promotion through social media and online presence. Beside this, Visit Savonlinna is the official tourism promotion webpage of the town and its environment with many relevant information and interactive contents upon local specialities, events, services, destinations, touristic packages and program offers. With this background. Savonlinna and South Savo can maintain an active an efficient online promotion activity both on national and international levels.</p> <p>Similarly, Visit Hargita, the already elaborated online tourism promotion website of Hargita County ensures the competitive online presence for the whole area and its touristic brand. The online platform has a clear structure thus visitors can gain information upon services, programs, destinations, and any important aspects of Hargita, therefore the county can attract a higher number of visitors due to the broad online promotion presence.</p>			
<p>b. What have you learnt?</p>	<p>As elaborated above, Saimaa Life, Visit Savonlinna and Visit Hargita could be considered a very good example for us providing ideas and patterns on how to exploit the underlining values and personal charm of our development area and how to project and promote them in online circumstances.</p>			
<p>c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?</p>	<p>Saimaa Life was presented us in Savonlinna during a Rural Talks session. Visit Savonlinna open on-line platform is explained in a good practice document developed for the Rural Growth project.</p>			
<p><b>Action Steps</b></p>	<p><b>Responsibility</b></p>	<p><b>Resources</b></p>	<p><b>Timeline</b></p>	<p><b>1.Name of the PI to be influenced/ already influenced</b> <b>2. Change needed (e.g. new project, new call)</b></p>
<p><b>1. Collecting ideas and content for Muraland</b></p>	<p>Municipality of Nagykanizsa with LSG members and Muraland stakeholders</p>	<p>No need for additional money or policy</p>	<p>autumn 2018 – spring 2019</p>	

<b>webpage development (based on the identified local values and events)</b>		instrument in this action step.		
<b>2. Content development (based on the identified best practices of Visit Savonlinna, Saimaa Life and Rueda Wine Route)</b>	Municipality of Nagykanizsa with development associations (Green Hearth of Zala, Innovative South Zala)	To be developed 'in house'. Costs of website development will be covered by own capital (mainly municipal sources)	spring 2019	
<b>Implications for other sectors of rural economy?</b>	Comprehensive online development, as the primary tool for the advertisement of Muraland as touristic brand, could easily provide additional benefits in terms of attracting domestic and foreign visitors, investors, firms, and fostering international relations.			
<b>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</b>	Action/Policy objective number: 1.2, 1.3	Description of implications:  In this way, the development of online platforms are able to indirectly support the enhancement of cross-border tourism and tourism-related trade that helps the implementation of action 1.2 and 1.3.		

<b>Policy Objective Title:</b> Conserving and Promoting Local Values	<b>Policy Objective Number:</b> 2
<b>Action Title:</b> Fostering local producers to establish clusters	<b>Action Number:</b> 2.3
<b>Background:</b> Regarding the facts mentioned in Part IV, farmers and entrepreneurs in other sectors in our area are working in an uncoordinated structure that makes them – with some outstanding exemptions - mainly uncompetitive. However, in the framework of the emerging Mura Strategy, we have managed to identify core stakeholders able to assure the basis of regional production-merchandizing chains (such as Murafood brand-building). Although, we have still a lot to do in this field, there are some achievements already in our possession that should be further extended according to strategic directions,	

for example establishing critical mass and collective promotion. According to our plan, these kind of initiatives can be financed mainly by LEADER framework through the Rural Development OP. Even if this OP is different from the originally identified policy instrument (Economic Development OP – GINOP, Priority 1.7) but due to modifications in GINOP implementation, most of GINOP calls are terminated by now, therefore it is necessary to find new instruments for support. These programs can provide us the possibility to obtain financial means to the implementation of our targets.

During Phase I, our LSG community primarily focused on influencing the LEADER sources – in line with the Mura Program strategic objectives – as the Rural Growth LSG has two LEADER association within its local partnership (Green Hearth of Zala, Innovative South Zala). Therefore, as these associations are able to publish the LEADER local calls and also are legally authorise to assess and accept the project proposals, this is the most direct, easy and effective way to influence a policy instrument (Rural Development OP) and make an impact in the field of cluster building in Muraland. For this aim, after the closure of Phase I, the involved LEADER associations published calls for proposals exactly reflecting to our Action 2.3. Due to this engagement, an amount of nearly 1,3 million EUR was consecrated for the development of local clusters and SMEs (mainly micro-enterprises). Beside the published calls, we can identify initiatives supporting the emergence or reinforcement of local cluster cooperations among SMEs, and also motives fostering small-scale technological procurements and the establishment of joint value treasuries that helps to implement a complex cluster-building development scheme in Muraland. These calls are still open, but the assessment will be done in the coming weeks/months, hence the implementation of this entrepreneurial projects can be launched during the Phase II period.

In the LEADER framework, the following Rural Development OP-funded calls were recently published due to the policy influencing measures of Rural Growth:

Leader – Rural Development OP (VP):

- **VP6-19.2.1.-100-8.1.4-17 – Support of Local Cooperations – (app. 250.000 EUR)**
  - establishment of common identity elements
  - procurement of common equipment and machinery in rural companies
  - coordinated, cluster-level infrastructural developments in public and private areas
  - implementation of common identity element
- **VP6-19.2.1.-100-8.1.1-17 – Small-scale Development of Local Micro-Enterprises – (app. 234.000 EUR)**
  - infrastructural developments of companies
  - procurement of software and equipment
- **VP6-19.2.1.-46-2.1-17 – Establishment of Cooperation Networks among Stakeholders in Tourism – (app. 18.750 EUR)**
  - knowledge exchange
  - joint communication platforms, websites
  - organisation of study trips
  - joint implementation of best practices

- **VP6-19.2.1.-46-3.1.-17 – Establishment of Joint Value Treasuries – (app. 115.000 EUR)**
  - Elaboration of new value treasuries
  - Enlargement of new value treasuries
  - Digitization of existing value treasuries
  - Refreshment of existing value treasuries
  - Creation of joint online platforms, webpages, publications
- **VP6-19.2.1.-46-1.-17 – Boosting Local Economy Through Micro-Enterprises – (app. 650.000 HUF)**
  - procurement of new equipment
  - technical development of company premises
  - procurement of new licences and know-how

a. From which partner/presenter/expert/L SG member(s) have you learnt the good practice which feeds this thematic action?

During IE meetings, we identified two examples of innovative business incubator frameworks from Newcastle (Honey Pots – focusing on rural producers, Wooler Growth Hub – focusing on local enterprises) and the Rueda Wine Route (also with a focus on local cellars and producers) from Medina del Campo as good examples of synergy in this policy field.

**Honey Pots** is a highly innovative example of the cooperation among rural landowners and local producers as a form of creating tourism with local producers. Participating landowners of Honey Pots are considered to be outstanding local producers with high quality local products. Their agricultural activity and products are involved into the value structure of the local touristic brand, therefore Honey Pots landowners are making fruitful connections between agriculture and the visitor economy. On the one hand, they can sell their products directly to visitors, while on the other hand they can also host a certain number of visitors and present them their agricultural sites as a unique destination in the countryside. This organic connection between agriculture and tourism is highly innovative and an exemplary pattern to be followed.

**Wooler Growth Hub:** This form of incubation provides an outstanding example of how to provide small offices for young entrepreneurs with cheap rental cost and shared administrative and technical infrastructure in Newcastle. According to the business philosophy, the hub gives the possibility for local SMEs and micro entrepreneurs to rent small cottages as company offices in a common hub area where they are supplied with all necessary equipment (mainly office tools) and services (high speed internet, consultancy, networking, etc.), thus they can easily launch start up activities here. Moreover, the design of the hub is unique (with both business and countryside traits) that also increases the popularity of the cottage offices. In this perspective, Wooler Growth Hub in Newcastle shows us a very good example as Muraland needs also for this kind of business support background for local SMEs.

**Rueda Wine Route:** The wine route is the association of local cellars in the Rueda Region where Medina del Campo is located as regional center. It has a common regulatory and marketing/promotion framework that ensures higher quality production

	and sales potentials for the cooperating winemakers on the one hand, while participating cellars can also attract an increased number of visitors with joint touristic offers and services on the other hand. Regarding the experiences of the management board, the wine route could increase both its sales and touristic incomes due to joint efforts and shared management structures, thus Rueda Wine Route became the cornerstone of the regional brand (as a sub-brand) creating growing number of agricultural SMEs and employees with increased capacities. From this perspective, this example is a strategically important one as policy makers in Muraland are intended to boost the association of local winemakers to be able to increase sales and tourism-related activities.			
b. What have you learnt?	From these examples, we have learnt how to establish cluster cooperations based on common traditions, local products, local values and tourism on a sustainable and competitive way as it is explained above. In these frameworks, entrepreneurs are working together in thematic or sectoral associations/clusters to exploit synergies (in production, sales, quality standards, branding, etc.) thus enabling them to maintain their economic and touristic activities on a more prosperous and effective way. For us in Muraland, this type of cluster initiative can be considered a strategic necessity that must be reinforced by local stakeholders and policy-makers.			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	Examples of Honey Pots and Wooler Growth Hub were presented in Drenthe during the interregional meeting, while the example of Rueda was presented on site visit in Medina del Campo also during the interregional meeting.			
Action Steps	Responsibility	Resources	Timeline	1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
1. Identification of local flagship entrepreneurs able to cooperate in clusters (establishing the network and framework of the cluster cooperations)	Municipality of Nagykanizsa, Green Hearth of Zala LEADER Association, Innovative South Zala LEADER Association with Mura Program stakeholders (farmers, service providers, entrepreneurs)	From Rural Development OP within LEADER framework	from summer 2019	The following policy instruments were influenced: <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals were submitted and the evaluation is going on
2. Establishment of entrepreneurial cluster in	Municipality of Nagykanizsa, Green Hearth of Zala LEADER Association,	From Rural Development OP	from autumn 2019	The following policy instruments were influenced:

<p><b>Muraland (setting common rules and standards, establishing leadership, identifying common targets and formulating a joint strategy)</b></p>	<p>Innovative South Zala LEADER Association with Mura Program stakeholders (farmers, service providers, entrepreneurs)</p>	<p>within LEADER framework</p>		<p><b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals were submitted and the evaluation is going on</p>
<p><b>3. Coordination of merchandising by clusters (producer groups)</b></p>	<p>Municipality of Nagykanizsa in cooperation with Mura Program stakeholders.</p>	<p>Necessary marketing and PR costs covered by city budget, Mura Program sources (if possible) and own capitals from stakeholders (mainly LEADER associations).</p>	<p>from winter 2019</p>	<p>The following policy instruments were influenced: <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals were submitted and the evaluation is going on</p>
<p><b>Implications for other sectors of rural economy?</b></p>	<p>Building production and sales clusters among local stakeholders could effectively support them to harmonize touristic service activities with cluster partners and other outsider non-economic stakeholders. In this regard, each production cluster would have a positive impact on generating more touristic gains among a wide range of stakeholders.</p>			
<p><b>Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)</b></p>	<p>Action/Policy objective number: 2.1 and 3.1</p>	<p>Description of implications:</p> <p>2.1 This action can also support the implementation of Action 2.1 as the cluster-building LEADER calls are also focusing partly on the elaboration of local value treasuries and on the more comprehensive nomination of local values.</p> <p>In the meantime, by building clusters with local producers, we are focusing on establishing strong production clusters that primarily serves the creation of local brands as Murafood. In this case, this action directly supports action 3.1.</p>		

<p><b>Policy Objective Title:</b> Conserving and Promoting Local Values</p>	<p><b>Policy Objective Number:</b> 2</p>
<p><b>Action Title:</b> Renovation of historical touristic infrastructure, especially where of strategic importance</p>	<p><b>Action Number:</b> 2.4</p>
<p><b>Background:</b> Even if several development projects have been realised in the previous years, a significant part of our touristic infrastructure has remained untouched and unmaintained for decades that requires renovation now. Our municipality is very engaged in this field to revitalize old infrastructure in new forms and with new functions. In this aspect, we have achieved already important results in Nagykanizsa (touristic renovation of Boating Lake and its environment, establishment of cyclist infrastructure) and in Muraland (rafting, miradors, cellars, etc.). Nevertheless, we still have enough capacity to renovate the old infrastructure by exploiting opportunities where international best practices – especially those learnt in Rural Growth – can primarily inspire us to find adequate and innovative solutions.</p> <p>The renovation of these infrastructures with touristic potential has a high importance from the perspective of SME competitiveness. Even if an infrastructural development does not mean always a direct investment in SMEs, however the renovated (or newly built) touristic destinations will attract a higher flow of tourism to Muraland that directly generates the raise of touristic demand for the services or products of local SMEs (accommodations, restaurants, local producers, farmers, service providers, etc.). Consequently, with the development of the tourism infrastructure with strategic importance, we can create better conditions also for rural touristic SMEs that will be able to capitalize on a higher level of regional tourism in Muraland due to the envisaged infrastructural projects.</p> <p><b>Renovation</b> of historical touristic infrastructure with strategic importance (such as monuments, environmental visitor centers/spots, active tourism infrastructure, natural visitor spots, museums, etc.) is an essential part of our development concept because with these infrastructural developments we can increase the attractiveness of our area and its visitor economy, mainly in the field of natural tourism, cultural tourism and gastro tourism. Moreover, we identified and influenced through LSG partners and the Municipality certain policy instruments (LEADER and Croatian-Hungarian Cross-border Cooperation Program) supporting directly this initiative as the original targeted Economic Development OP (GINOP) 1.7 priority axis is no longer available for calls and submissions. Consequently, we can implement infrastructural developments with the financial support of the mentioned policy instruments ensuring us better conditions to achieve our aims. In this regard, due to our policy influencing measures, both the Croatian-Hungarian Cross-Border Cooperation Program and one of the local LEADER association (Green Hearth of Zala Rural Development Association, also as LSG member) published calls targeting the development of the significant touristic infrastructures in accordance with the objectives of our LSG. Consequently, in April 2019, the Municipality of Nagykanizsa submitted three project proposals together with Croatian partner organisations to the Croatian-Hungarian Cross-Border Cooperation Program. The total budget claim of Nagykanizsa is app. 1.900.000 EUR. The final evaluation is expected to be done at the end of this year when we'll know the exact portion of this amount we can invest in the planned touristic infrastructural developments.</p> <p>Influencing</p>	

**Our submitted project proposals in the Hungary-Croatia Cross-Border Co-operation Program 2014-2020 2.1.2 (touristic destination development component) are the following ones:**

- *„Touristic attraction development at the Boating Lake of Nagykanizsa” – 700.000 EUR*
  - The main objective of the project proposal is to extend the achievements of the previous touristic projects financed by the Croatian-Hungarian Cross-Border Co-operation Programme at the Boating Lake area in Nagykanizsa to improve the touristic infrastructure. In case of a positive assessment, regarding the main development elements, during the project, the existing building blocks of the *Student Forest Camp* will be renovated in a more updated architectural form and will be also complemented by a tourism office to ensure tourism consultancy for tourists arriving here. Beside this, in the nearby of the Forest Camp, a new *“pumptrack”* will be built for cycling tourists and bikers so that they can pursue extreme bike sport activities in the nature where the previous touristic project achievements (playground, cyclist center, XCO track) are also available. Consequently, this project will further support the local touristic SMEs (service providers; hotels, accommodations, restaurants, program managing companies, etc.) to increase their presence and competitiveness in the Boating Lake area, thus enlarging the scales of natural tourism in our region.
- *„CoolTour Drava” – 850.000 EUR*
  - In case of this project – if it will be approved – the Municipality of Nagykanizsa will renovate one of its most remarkable historical value, a neo-classicist villa called *“Small Castle”* located in a quiet spot of the center town. In line with the infrastructural refurbishment, joint contemporary art exhibitions will be organised with the involvement of Croatian and Hungarian painters that will further increase the cross-border impact and attraction of the project. As a consequence of the castle renovation, cultural tourism of the center town of Nagykanizsa will be increased, consequently local touristic SMEs (mainly service providers) will be able to better exploit this new situation and they can improve their competitiveness due to a higher number of visitors.
- *3CoolTour – 350.000 EUR*
  - As a third submitted Croatian-Hungarian project proposal, in case of a successful evaluation, the Municipality of Nagykanizsa is also focusing on the Boating Lake area as it is willing to create a new-style modern social place with spectacular wood-based outdoor furnitures and installations where tourists and residents as well can spend their free time in a high-standard atmosphere. Beside this, the Municipality also wants to extend the recently built children playground (financed by Croatian-Hungarian program as well) so that younger generations can also exploit the natural atmosphere. Due to this project – in line with the first project proposal – the touristic importance of the Boating Lake area could be further improved that will directly make positive impact on the competitiveness of local SMEs through the increased number of visitors in the area.



Beside the Croatian-Hungarian Cross-Border Co-operation Program, one of the local LEADER associations (Green Hearth of Zala Association) also published relevant calls funded by the Rural Development OP (VP) in line with the final conclusions and remarks of the LSG discussions. This is how the LSG partnership could influence directly an alternative policy instrument as the originally targeted Economic Development OP (GINOP) 1.7 priority axis is no longer available as it was mentioned above. In the field of LEADER framework, we can identify two important calls dealing with the development of the local Vineyard Hills from a gastro touristic perspective. Regarding the competitiveness of the touristic SMEs in this gastro touristic segment (cellars, winemakers, local producers), it is crucially important to invest in the infrastructural development of cellars and the development of their services (accommodations, dining rooms, degustation spots, equipment, etc.) if we want to ensure their competitive place and attractiveness in the tourism of Muraland. Therefore, LEADER associations decided to turn their attention into this direction and published targeted calls on a relevant manner, concretely focusing on SME competitiveness in tourism. Due to this approach, nearly **375.000 EUR** will be purchased for the support of rural wine and gastro touristic SMEs in the framework of the two following LEADER calls:

- **VP6-19.2.1.-100-8.1.7-17 – Recreation of Vineyard Hills for Tourism Purposes – (app. 62.500 EUR)**
  - establishment of accommodation services
  - creation of gastro touristic degustation halls
- **VP6-19.2.1.-100-8.1.3-17 – Economic Development of Vineyard Hills – (app. 312.500 EUR)**
  - building and renovation of building for gastro touristic purposes
  - renovation of wineries and cellars
  - establishment and refreshment of grape plantations
  - procurement of new equipment

a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?

**Medina del Campo:** During the Spanish transnational meeting, hosting partner introduced us a special constructions project. The Municipality of Medina has decided to renovate the ancient XVII. century hospital building into a business loft with conserved old-style architecture that can serve also touristic aims (visitor center, shops, exhibitions, etc.) too. This project can be considered as an outstanding example that ensures relevant pattern for our developments. Beside this, the renovation of the old wine cellars in Medina along the Rueda Vine Route and the construction of new cellar infrastructures (visitor center, new production equipment, new cellar buildings, etc.) is also a good example for us in terms of the destination renovation with increased touristic potentials improving the conditions of local visitor economy.

**Drenthe:** In the Netherlands, during the transnational meeting in Drenthe, we had the possibility to gain an insight upon the Colonies of Benevolence which is one of the most fascinating touristic destination in the region. The Colonies of Benevolence was used to be a farming area constructed in the XVII. century ensuring food supply and basic social services

	<p>for local residents. After centuries, the colony has lost its original function, thus local stakeholder decided to create a historic destination with renovated buildings and touristic services (visitor center, restaurant, exhibitions, cultural programs, etc.). This example therefore is an excellent practice for us how to renovate and revitalise an old touristic infrastructure into a vital visitor spot with the conservation of the original architecture.</p> <p><b>Savonlinna:</b> During the transnational meeting in Finland, we visited Hotel Punkaharju which is a unique good-example for the conservation of architectural heritage in the natural environment. Hotel Punkaharju was built in the early 19<sup>th</sup> century as an administrative building along the royal road. Similarly, to the Colonies of Benevolence, the building lost its original function thus it was transformed into a high-quality hotel with a unique internal design in the middle of the forest. Now, the hotel provides one of the best accommodation services in South Savo region. Therefore, in our consideration, Hotel Punkaharju is a really good example for the revitalisation of an old infrastructure for innovative touristic exploitation in the visitor economy.</p>			
b. What have you learnt?	<p>Regarding the importance of the aforementioned examples, conserving and renovating historic touristic infrastructure provides a unique opportunity for the development of the visitor economy that particularly attracts tourism due to the developed services and the outstanding architectural significance of the destinations. Thus, we must take this issue seriously so that Muraland can offer more fascinating destinations and attractions for visitors in the future to increase the volume of visitor economy, thus increasing the demand for the services and products of local SMEs.</p>			
c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?	<p>We have learnt the mentioned good practices during site visits in Medina, Drenthe and Savonlinna. In this regard, we could gain knowledge directly from the Spanish, Dutch and Finnish stakeholders.</p>			
Action Steps	Responsibility	Resources	Timeline	1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
<p>1. Selection of further infrastructural development sites (especially in the natural environment such as bike roads, miradors, cellars, playgrounds, visitor centers, guesthouses, museums, sports infrastructure, etc. to boost the</p>	<p>Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders</p>	<p>Croatian-Hungarian Cross-Border Co-operation Program, LEADER-related Rural Development OP</p>	<p>spring 2019</p>	<p>The following policy instruments were influenced: <b>Croatian-Hungarian Cross-Border Co-operation Program LEADER – Rural Development OP</b></p> <p>relevant new calls were published, project proposals were submitted and the evaluation is going on</p>

competitiveness of touristic SMEs)				
2. Finding solutions for funding and submitting project proposals (especially LEADER or CBC calls).	Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders	Croatian-Hungarian Cross-Border Co-operation Program, LEADER-related Rural Development OP	spring 2019	The following policy instruments were influenced: <b>Croatian-Hungarian Cross-Border Co-operation Program</b> <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals were submitted and the evaluation is going on
3. Implementation of developments (such as biking infrastructural developments at the Boating Lake area in Nagykanizsa)	Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders	Croatian-Hungarian Cross-Border Co-operation Program, LEADER-related Rural Development OP	in case of positive evaluation from the beginning of 2020	The following policy instruments were influenced: <b>Croatian-Hungarian Cross-Border Co-operation Program</b> <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals were submitted and the evaluation is going on
Implications for other sectors of rural economy?	With infrastructural developments, there will be more attractive touristic destinations that will raise the volume of tourism to specific places and possibly to the area as a whole. This growth could possibly increase economic gains of local service providers and owners of local values.			
Implications for other actions or policy objectives (e.g. conflicts, synergies, overlaps, possibility of double funding)	Action/Policy objective number: 1.3	Description of implications:  By developing touristic infrastructure, we can create better conditions for cultural events, thus indirectly cultural tourism can be also boosted this way.		

Policy Objective Title: Efficient communication and brand-building	Policy Objective Number: 3
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<b>Action Title:</b> Own brand strategy for Muraland tourism, agriculture and food	<b>Action Number:</b> 3.1
<p><b>Background:</b> In line with the comprehensive and clear selection of local values (2.1), it is also necessary to develop a local brand for farmers and their products that can potentially makes our region outstanding and widely-known as a rural touristic and cultivation geographic entity. Within the gradually emerging Mura Program, initial steps have been taken to set the basics of our brand: Murafood. Relevant stakeholders are selected and now policy is making huge efforts to develop production chain infrastructure so that we can maintain consistent quality standards. In later stages, Murafood will be integrated to the wider Muraland touristic brand as the symbol of a local product “inventory” that would strengthen our touristic image, and local identity.</p> <p>According to examples learnt during the project (for example Rueda Wine Route), clusters alone cannot be considered competitive without any meaningful complementary support coming from marketing, promotion, branding or common values. Visitor economy-related developments necessitates the involvement of these elements. These initiatives do not require much financial contribution or considerable policy influencing, however they must be indicated in a comprehensive strategic document, such as our action plan.</p>	
<p>a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?</p>	<p>This action initiative cannot be exclusively linked to one partner. In general, the aim of creating a local brand was conceived partly by the LSG and the municipality on behalf of Mura Program. However, in this aspect, two particular example can be mentioned:</p> <p><b>Medina del Campo – Rueda Wine Route:</b> Rueda Vine Route – as it is described in the Action 2.3 – is a particular good practice in the field of successful clusters, but the vine route is also an excellent example for a competent brand strategy. During our site visit, leader of the vine route presented us the branding principles of their winemaking association (common quality standards, joint design elements, harmonised promotion and sales, common services, etc.) that inspired us to follow the same track in Muraland as we are intended to establish a similar structure with similar brand strategy.</p> <p><b>Savonlinna – Saimaa Life:</b> The example of Saimaa Life – as it explained in Action 2.2 – is an important practice for us, although not just for innovative communication but also for local branding. The online platform of Saimaa Life helped a lot for Savonlinna not just to achieve a broader communication presence but also for creating the core of the local brand strategy by writing about local traditions, stories and values. This kind of online brand creation is a very innovative way how to project the unique aspects of a certain region on the one hand, while setting the fundament of a common brand in Saimaa in the same time.</p>
<p>b. What have you learnt?</p>	<p>In line with the previous examples, we can conclude that if we want to develop a unique touristic region (as it is our plan), it is necessary to establish not only attractive touristic destinations and services, but also outstanding and matchless brand that makes Muraland more competitive in the visitor economy.</p>

c. How have you learnt	We identified the above mentioned examples during transnational meetings in Spain and Finland. However, during our LSG meetings, we also launched and maintained a vital discussion about the necessity and the patterns of brand building.			
Action Steps	Responsibility	Resources	Timeline	1. Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
1. Identification of touristic stakeholders for regional brand (selection through joint discussion among LSG partners and municipal decision-makers)	Municipality of Nagykanizsa with relevant LSG stakeholders (Hivekovics Family Farm, rural development associations – Green Hearth, Innovative)	This action step doesn't require any financial instrument.	ongoing	
2. Establishment of management board for maintaining the brand (following the example of Rueda Wine Route)	identified and involved stakeholders	This action step doesn't require any financial instrument.	spring 2019	
3. Establishment of the brand management boards (in line with cluster building action 2.3) to coordinate the promotion and sales activities of the brand Promotion and sales	Muraland brand management board to be established by the municipality and the relevant touristic stakeholders	Territorial Development OP, Rural Development OP, LEADER sources and the involvement of municipal budget	summer 2019	
Implications for other sectors of rural economy?	By establishing a rural brand, we presumably can raise the ability of export potential of our farmers which directly Sentence is not finished!			
Implications for other actions or policy objectives (e.g.	Action/ Policy objectiv	By establishing a rural brand, we presumably can raise the ability of export potential of our farmers which directly fosters Action 1.2. Meanwhile, the identification of stakeholders to be involved within the local brand		

conflicts, synergies, overlaps, possibility of double funding)	e number : 1.2, 2.1	clearly determines the future ways of nominating local values. This could improve co-ordination of the nomination process.
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<b>Policy Objective Title:</b> Efficient communication and brand-building	<b>Policy Objective Number:</b> 3
<b>Action Title:</b> Online market of local products	<b>Action Number:</b> 3.2
<p><b>Background:</b> While it is crucially important to help our touristic entrepreneurs to find primarily cross-border markets in visitor economy on the one hand, and to form local clusters on the other, it is also inevitable to strengthen their domestic markets also with non-traditional means. In this respect, online shops could be considered as adequate solutions. Although, <u>the elaboration of the necessary IT background requires higher investment, thus the municipality has <b>not yet decided</b> how to implement this action on regional-level.</u> Nevertheless, some members of the LSG have already opened particular online shops, therefore we have significant good practices ahead us that can possibly influence our policy goals. Beside, in case of the Rueda Wine Route association (Medina), we identified a relevant good practice – as we did in the field of cluster-building and promotion – related to online sales. Members of the wine route association maintain a joint webshop where they can sell their products on a wider geographic scale. This is a methodology that we would like to follow in the implementation phase.</p> <p>This action is not primarily related to the originally indicated policy instrument (Economic Development OP – GINOP 1.7 priority) however, we are convinced to keep this action as it directly strengthens our visitor economy and related SMEs. In our concept, we can embrace a few options in terms of potential policy instruments that can foster the achievement of this action. Namely, local LEADER sources – as alternative policy instrument – are the most prominent options for us (in our stakeholder group, two LEADER organisations are represented – Green Hearth of Zala Association, Innovative south Zala Association), therefore they can generate LEADER calls supporting the creation of online markets for local products. Beside this, Territorial Development OP, Croatian-Hungarian CBC program and Rural Development OP can also provide means of support for this activity. We will choose the most suitable and flexible solution to achieve our aim.</p> <p>To boost the realisation of this action point, one of the LEADER associations participating in our LSG community (Innovative South Zala Association) decided to <b>publish a LEADER call</b> with Rural Development OP (VP) funds based on the LSG recommendations this <b>influencing</b> the Rural Development OP as an alternative policy instrument. Even if it doesn't support our Action step 3.2.1 (market research), it ensures <b>funding of nearly 48.500 EUR</b> for steps <b>3.2.2</b> and <b>3.2.3</b>. According to our consideration, the planned market research action step will be implemented a bit later, when the first results become clear</p>	

from the implementation of the LEQADER projects focusing on steps 3.2.2 and 3.2.3. Then, a comprehensive Muraland-level market research shall be prepared so that we can ensure a territorially coordinated form of webshop sales. The mentioned LEADER call is the following:

- **VP6-19.2.1.-46-2.2-17 – Transformation of local values into touristic values – app. 48.500 EUR**
  - support of marketing activities
  - establishment of webpages and webshops
  - organisation of workshops and knowledge exchange events
  - printing communication materials

<p>a. From which partner/presenter/expert/LSG member(s) have you learnt the good practice which feeds this thematic action?</p>	<p>Mr. Ákos Hivekovics, as a member of the Nagykanizsa LSG, was the proposer of this action as his farm is maintaining successful webshop activity by selling own products.</p> <p><b>Medina del Campo - Rueda Wine Route:</b> As it is mentioned before, webshop service of the Rueda Wine Route – that was presented during the transnational meeting in Medina – gives us an excellent example for a successful online marketing strategy. Cellars of the wine route have established a common online webshop platform to diversify their sales between online and offline forms. Due to this development, they could raise their marketing efficiency by selling a meaningful proportion of their products through online channels that makes them more flexible on the market. In our case, the implementation of a similar framework could help us a lot to promote and sell more effectively the products of local stakeholders.</p> <p>In Muraland, we have also an excellent example of webshop sales. Mr. Ákos Hivekovics (LSG member) leader of the <b>Hivekovics Family Plantation</b> (fruit plantation) launched a webshop platform some year ago where customers can buy their products easily. As a result, the sales activity raised significantly and the proportion of online sales takes the meaningful part of the plantation overall sales activity. This example – in line with the Spanish practice – is considered as a pilot case for the elaboration of a Muraland-level webshop platform.</p>
<p>b. What have you learnt?</p>	<p>Creating and maintaining webshops raises the effectiveness of sales, as it diversifies the marketing methodology of entrepreneurs. In this way, entrepreneurs can sell their products more flexibly and reach the highest possible range of customers, thus economic gains could be maximized.</p>
<p>c. How have you learnt (through a presentation, site visit, discussion, workshop etc)?</p>	<p>Presentation of Hivekovics Family Farm during an LSG meeting.</p>

Action Steps	Responsibility	Resources	Timeline (expected)	1.Name of the PI to be influenced/ already influenced 2. Change needed (e.g. new project, new call)
<b>1. Market Research + Feasibility Study</b>	Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders and the University of Pannonia (also LSG member)	LEADER sources funded by Rural Development OP	spring – summer 2019 (researches can be pursued also in later stages in line or after the implementation of the relevant LEADER projects)	Policy instrument to be influenced: <b>LEADER – Rural Development OP</b>  At the moment, there is no call providing support for Market Researches and Feasibility Studies, however, with the involvement of the LEADER associations (also sitting in the LSG) we shall create the necessary conditions also for these activities
<b>2. Collection and identification of producers (SMEs with importance in tourism) and products (focusing on traditional foods, beverages, touristic services, attractive touristic packages, entertainment, etc.)</b>	Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders	LEADER sources funded by Rural Development OP	summer 2019	The following policy instrument was influenced: <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals are under submission
<b>3. Development of IT background (based on the identified example of Rueda Wine Route. also focusing on the customer satisfaction survey, product quality provisions and promotions for local residents)</b>	Municipality of Nagykanizsa in cooperation with local LEADER associations as LSG stakeholders	LEADER sources funded by Rural Development OP	summer 2019	The following policy instrument was influenced: <b>LEADER – Rural Development OP</b>  relevant new calls were published, project proposals are under submission



<p><b>Implications for other sectors of rural economy?</b></p>	<p>No real impact on other sectors. However, future online webshops should have to be drawn into other Murland communication platforms. Moreover, this action is also compatible with 1.2 and 2.3.</p>	
<p><b>Implications for other actions or policy objectives</b> (e.g. conflicts, synergies, overlaps, possibility of double funding)</p>	<p>Action/Policy objective number: 2.3</p>	<p>Description of implications:  Strengthening the online sales of local stakeholders could directly help them to secure online presence that can be easily transferred into an online sales cluster of local entrepreneurs and products.</p>

## Part VI – Policy context (Continuation of 1st Draft of Action Plan)

<b>PRE-DEFINED IN THE APPLICATION FORM: please fill in accordingly!</b>	
<b>Policy addressed:</b> Economic Development and Innovation Operative Programme (GINOP 2014-2020) Priority 1.7	<b>Body responsible for the addressed policy:</b> Ministry of Finances (former National Economy Ministry)
<b>Self-defined performance indicator:</b> Number of SMEs joining a new cooperation network within the visitor economy sector	<b>Target value of the indicator:</b> 30 SMEs

### Please evaluate the current operation of the addressed policy in the box below by answering the following guiding questions:

1. Is the policy currently functioning well so only minor extra details are needed? Or is significant change necessary to achieve the policy objectives defined in the Action Plan?
2. Has the policy been traditionally heavily 'top-down'? Is this the first time a 'bottom-up' aspect has been included?
3. Do you currently have ownership of the policy and who are the partners involved in planning and implementing the policy?
4. What influence does your organisation have over the policy? If so, how does it influence it? (e.g. influencing content; decision-making; scheme design/administration)
5. Does the policy currently have a touristic aspect?
6. Does the policy currently have an aspect related to rural SMEs?
7. Has the policy run calls for touristic projects in the past? Is it planning another call?
8. Please describe any other barriers or opportunities which your organisation faces with respect to this policy.

### Evaluation of the current operation of the policy:

Originally, we intended to influence only Priority 1.7 of the Economic Development OP (GINOP) that supports economic and export potential of SMEs. This OP would be very helpful in this field (fostering cross-border economic activities), as increasing economic potential of SMEs requires more financial resources than any other priority in our Action Plan. However, according to the latest information, there won't be further calls within this priority as the whole GINOP has been closed with the publication of last calls. Thus, there is no chance to further influence this policy instrument as the Municipality of Nagykanizsa and our LSG partners don't possess enough power to make an impact on GINOP at this stage. Consequently, we must summarize relevant achievements in the previous months and look for new influencing possibilities at the same time.

In this regard, we must underline three important aspects that could be considered as achievements and possibilities for influencing policy instruments in Phase II:

- Within the Mura Program – as a strategic local rural development umbrella framework involving several financial sources and operative programmes – some of the LSG members have already tendered joint project proposals significantly inspired by Rural Growth for GINOP and **EFOP** (Human Resource Development OP) that aimed to implement some of the actions embraced in our Action Plan. Moreover, **cross-border Interreg** programs and the **LEADER** projects funded by the **Rural Development OP** can be also significant areas for policy influencing in the forthcoming period as local stakeholders along with the Mura Program are elaborating concepts for these schemes to strengthen local developments in the visitor economy. In this sphere, we can state that at least **alternative policy influencing** has already happened according to the policy objectives of our LSG members. Currently we are waiting for the evaluation of these proposals. Moreover, in the future, as Mura Program rural developments will be implemented on wider scales, the possibility of policy influencing will also provide higher chances for us. Consequently, alternative policy influencing seems to be a very reliable strategy for the future as alternative Ops can provide suitable background for visitor economy and rural SMEs.
- As there are still some open calls within GINOP priority 1.7 (SME support), we have to analyse these possibilities to establish whether there are any eligible among them which can support our aims. However, as the OP is finalized (and therefore fixed), we expect less chance in this scenario, not mentioning that it is also difficult to motivate stakeholders to jump in with proposals at the last minute.
- Finally, it would be also helpful to formulate recommendations about the assessment of GINOP (or other relevant OPs) to help the elaboration of the next EU budget (after 2020) and the forthcoming national OP structure. This way, we can project our experiences and rural development needs to influence the allocation of financial sources on a preferential manner by setting a more flexible and reflective assessment criteria framework for

upcoming OP calls. Consequently, we will have more chance to acquire funding from future calls as evaluation aspects will be harmonized with our aspirations.

**Please describe in the box below what kind of change you want to achieve in the addressed policy, and why change is necessary by answering the following guiding questions.**

1. Do you propose having new initiatives (e.g. new calls, projects) for the policy?
2. Do you propose modification (e.g. modified priorities/objectives, calls, procedures)?
3. Justify why this change is necessary to implement your Actions

**Kind of change and why it is needed:**

1. We are willing to submit proposals for new calls that target directly the competitiveness of SMEs in visitor economy and related services or rural production. Even though it is very difficult to influence the already approved OPs as the implementation of the programmes are conducted heavily top-down by the Ministries. But on the other hand, it is possible to influence the OPs by establishing local development strategies and strategic umbrella frameworks (like *Mura Program* in our case) whose projects can receive preferential scores in certain OP calls thus supporting the implementation of particular territorial development concepts in the designated areas. Therefore, we are intended to influence the OPs (especially GINOP) through our Mura Program able to absorb funding from several OPs (such as Rural Development OP – VP in LEADER framework) a governmentally approved local development concept. In this regard, we are seeking for new calls especially focusing on brand-building, territorial marketing, cluster building and the development of touristic infrastructure in Muraland.
2. As it was mentioned, to make modifications on already approved OPs is quite difficult in Hungary, even more in the case of a municipality. Therefore, we are not planning to influence the responsible bodies to modify the OP structure, but to convince them to assure preferential assessment scoring in case of certain relevant calls (as it is described above).
3. The use of preferential assessment scoring framework within OPs and other (cross-border) programmes is essential from the perspective of Mura Program. As it is described above, the main strategy of Mura Program to provide advantages for local initiatives

by assuring preferential treatment (extra points) during final evaluation. Otherwise, these projects would have less chance to receive funding. In this perspective, it is essential to widen the scope of preferential treatment so that Mura Program initiatives can reach their goals. This is the reason why we are willing to influence the policy instruments in this way.

### Please explain the linkage between the required policy change and your Actions!

List your Actions and the policy change that is needed (For example, to widen the season/attract more German tourists (=Action Title), we plan a new call for tourism SMEs to support the quality upgrade of accommodation (=Policy change linked to the action).)

**NOTE: Do NOT list all Actions here.** Include only those that are relevant in terms of policy influencing

Action Number	Action Title	What policy change is linked to the Action
1.2	<b>Boosting cross-border economic relations</b>	Our development concept is encouraging local enterprises and service providers to widen their activities to cross-border level by finding partners and establishing cooperation and clusters with stakeholders on the other side of the border. In this way, volume of tourism and services can be extended thus generating higher turnover on local level for entrepreneurs. For this aim, cross-border Interreg programmes (Slovenian-Hungarian, Croatian-Hungarian, Austrian-Hungarian) can provide the best possibilities for funding and for finding foreign partners. To assure the best chances, we need to <i>influence the structure and the targets of the new calls</i> and to try to enforce <i>preferential treatment (extra point in the final assessment) through Mura Program</i> to receive more funding.
2.3	<b>Fostering local supplier cluster</b>	This initiative is very important to provide sustainability in local rural developments. We believe that the establishment of production, sales and service provider clusters is the key precondition to sustain the achievements of rural development policy evolved through the efforts of the Municipality and local stakeholders. For this aim, it is necessary to influence at first local level programs such as <i>LEADER</i> because its framework favours the most for bottom-up development initiatives (preferential assessment or the publication of more relevant calls). However, any other relevant

		OP or cross-border development program can be considered relevant even if their structure is heavily top-down.
<b>2.4</b>	<b>Renovation of touristic infrastructure</b>	This is the most cost-demanding part of our action plan. The renovation and the further extension of the existing local (somewhere obsolete) touristic infrastructure costs meaningful amount of money, thus Municipality has the greatest need for external support and policy influencing in this aspect. Infrastructural development can be directly financed from cross-border programs and from some of the OPs. To achieve results, we need to have an impact on the conditions of forthcoming calls and to receive preferential evaluation within the relevant calls. In this regard, preferential treatment would focus on the type of infrastructural investments and the topic of the financed infrastructure (cyclist, eco-tracks, roads, playground, etc.).

**Please describe how you will make the necessary changes to the policy described above and how Rural Growth has contributed to identifying and possibly achieving the proposed change**

<b>Policy Influencing Activities (What will be done)</b>	<b>Responsibility (Who will do it)</b>	<b>Resources (Information, money, materials, workshops, meetings)</b>	<b>Timeline Start and end dates*</b>
<b>1. Identifying the local initiatives and needs how to influence the calls and what kind of preferential criteria should be elaborated</b>	Municipality and Rural Growth LSG community	Information, workshops, meetings, inner initiatives	2018 autumn – 2019 spring
<b>2. Reconsidering and modifying Mura Program according to the latest rural development demands</b>	Local Stakeholders and Mura Program Board	Information, workshops, meetings, inner initiatives	2019 spring – 2019 summer
<b>3. Influencing OPs and development programs through</b>	Mura Program Board, Municipality, Széchenyi Program Office (as implementation authority of OPs)	Information, workshops, meetings, high-level	From 2019 summer

<p><b>the Mura Program as an umbrella strategy – preferential evaluation of calls, extra scores, reconsidering the structure and themes of new calls</b></p>		<p>negotiations – to convince the managing authority about preferential treatment and better conditions of funding</p>	
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**Rural Growth as an engine for change:**  
 How has the Rural Growth project contributed to identifying and possibly achieving the proposed change(s) to the policy?

Rural Growth is serving as an intermediary channel of Mura Program. At first, the project helped us to discover outstanding international best practices in the field of visitor economy. After study visits, our participating LSG members were motivated to follow the good examples by implementing them in their practices thus enriching the policy inventory of Mura Program. On the other hand, Rural Growth also supported the implementation and the elaboration of the Mura Program by establishing the LSG community with service providers, entrepreneurs and experts serving as a professional background of local rural development initiatives. Due to the motivation and engagement, LSG members are working on actively with their ideas and vision on achieving the development targets, thus Mura Program can rely on a suitable human basis.