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Capitalization of existing results

Hungary



IFKA
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Project Information

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1. Short description of the region and its economic situation in general

Hungary has borders with seven countries: Austria, Slovenia, Croatia, Serbia, Romania, Ukraine, and Slovakia. It is a medium sized country within the EU and has a population of 9,8 million resulting in a relatively low population density in comparison with the EU average. The per capita income level is relatively low compared to the EU average, however, in the past eight years, it has been dynamically growing. As a result, the income gap has become significantly smaller, although it still remains considerable. When purchasing power is taken into account; the gap is smaller than based on nominal numbers.

Slightly more than half of the total land of Hungary is arable agricultural land, and about 20% of it is forest. A very small part of the territory of Hungary is urbanised (1,2%) and nearly a fifth of the population lives in urban areas. The capital city, Budapest, has by far the largest population. It is centrally located within the country; hence, it plays a central role in the transport of the country as well. Large rural areas can be found in the south, east and the northeast. These are also the poorest parts of the country. This does not mean that these areas are homogenous, and so one can find large cities with urban population, universities, research potential and industry in these regions (Debrecen, Szeged, Pécs, Miskolc, Győr). However, it must be noted that the share of agriculture and food industry in employment are significantly higher in these regions than both the national or EU average.

2. Objectives and identification

2.1 Short overview on the objectives of this report

The main objective of this deliverable is to gain good knowledge and, when possible, to capitalize results from a selected list of EU-funded projects and macroregional documents that are related with demographic change, circular bioeconomy and/or sustainable rural development.

The first research batch, focused on Horizon 2020 projects, was delivered by MIZS; BIOPRO made a first selection from this batch and extended the search in October 2020 with a focus on Interreg projects (Danube Transnational Programme, Alpine Space and Interreg Europe, including ARPAF) using the keep.eu database. Further research related to Horizon 2020 projects was done through [CORDIS](https://cordis.europa.eu/) and the database of the Bio-Based Industries/BBI JU funded [LIFT project](https://lifter-project.eu/) that encompasses the results of up to 34 coordination and support actions funded mainly by Horizon 2020.

As search criteria, projects starting from 2016 onwards were considered and it was intended that most of the selected projects had at least one of the countries participating in GoDanuBio in their consortia. From each relevant project, its deliverables and outputs that could be interesting for the development of GoDanuBio were identified using the project websites. In some particular cases, the deliverables were not available and, if relevant, were requested by other means. The search has delivered 19 EU-funded projects and 12 transregional documents. Only a handful of them have a focus on the deployment of the

bioeconomy in the Danube macro-region; some of the outputs can be used as inspiration or even guideline to gain insight in the transnational approach aimed by the project. Complementary to this search, all partners are invited to identify further transregional projects and macroregional documents that are relevant for their regions with regard to the implementation of GoDanuBio and to include them in their reports.

2.2 Identification and short description of the regional documents

2.2.1. Capitalization of Projects

MOVECO

Coordinator: Chamber of Commerce and Industry of Slovenia; Start/finish date: 2016-2019

Did your organization take part in the project? No, but IFKA took part in trainings organized within the framework of the project.

Main objective(s): establish a strong transnational partnership develop a transnational strategy for the transition to the circular economy (identification of possible material streams) and roadmaps, new services and tools for eco-design and eco innovation - Circular Economy Toolbox

Results: Cross-Country Road Maps and Action Plan were delivered with the managing of the Hungarian project partner. Documents focus on 3 waste streams in line with the Transnational Strategy developed during the project offering activities and actions for the product manufacturers, waste handling companies and also for the consumers how they can contribute and foster the transition to the circular economy business models.

Danube S3 Cluster

Coordinator: South Muntenia Regional Development Agency – Romania; Start/finish date: 2018-2021

Did your organization take part in the project? Yes

Main objective(s): develop Danube S3 Cluster Strategy and Programme based on Quadruple Helix involvement, test the strategy by 5 pilot initiatives in 4 cross-cutting themes (market intelligence, open innovation, business models for circular economy and healthy food), generate new innovative project ideas, create coordinated cluster program

Results: Danube S3 Strategy identified five priorities or intervention areas: cooperation and internationalization; monitoring benchmarking and accreditation; mapping and visibility; cluster policy and supporting schemes; and cluster management support programmes.

RUBIZMO

Coordinator: Rise Research Institutes of Sweden AB; Start/Finish date: 2018-2021

Did your organization take part in the project?: No

Measures related to demographic change, circular (bio)economy and/or rural development: Urban-rural interaction (sustainable rural development)

Results: Appropriate policies might be able to reduce the trend towards urbanization or at its best, might even be able to reverse the trend, reducing the pressure on urban growth and on rural decline. It is one of the aims of the Rubizmo project, to consolidate different views and to contribute towards developing appropriate guidance on how to move forward in promoting the uptake of rural areas through innovative initiatives, the exploitation of rural competitive advantages characterized a.o. by new development in bioeconomy, the elimination of development barriers facilitated by a.o. new developments in digitization, the promotion of entrepreneurship, and the facilitation of collaboration within the broad range of stakeholders with interest in rural development. Rubizmo had some impact on the rural policy by influencing Measure 7 of the Rural Development Programme that funds strengthening and creation of services in rural areas.

SHERPA

Coordinator: Ecorys; Start/Finish date: 2019-2023

Did your organization take part in the project? NO, HUN PPs: Research Institute of Agricultural Economics
Measures related to demographic change, circular (bio)economy and/or rural development: Urban-rural interaction (sustainable rural development)

Results: In 2020, the European Commission initiated the preparation of a new long-term vision for rural areas. SHERPA can contribute to the process by feeding in the views of science-society-policy actors from 20 European territories.

Identifying the key trends, major challenges and opportunities affecting rural areas in the EU will shed light on the factors that may favour or hinder future development plans. The challenges and opportunities have been documented in policy reports and research papers (see for example, Eurostat 2017 and 2019; OECD 2018 and 2019). It is also important to recognise that the COVID-19 pandemic may change the perceptions and visions of cities and rural areas of the future.

The SHERPA approach will happen in two stages. The first stage will follow a Delphi process to identify challenges and opportunities and to discuss a vision for the MAP territory (or thematic area) looking to 2040. The second stage will identify the enabling conditions and the actions needed to address the challenges, take the opportunities and achieve the vision.

2.2.2. Capitalization of Macroregional documents

BIOEAST vision paper

Author: BIOEAST initiative; Year of publication: 2018

Scope of the publication: CEE countries set the vision for 2030 to develop knowledge and cooperation based circular bio-economies which helps to enhance their inclusive growth and to create new value-added jobs especially in rural areas, maintaining or even strengthening environmental sustainability.

Results: The vision is to have knowledge based, sustainable, circular economy in the macro-region and to achieve these challenges were identified and along the following scopes: strategic thinking in bioeconomy, quality FOOD and FEED for Europe and for the World, industrial boost for rural areas. With the declaration Hungary is strongly committed to keep the BIOEAST Initiative high on their political agenda.

3. Findings

Policies and actions to support the transition to a circular (bio)economy

Out of the 13 projects dealing with circular economy or circular bioeconomy, 7 projects were implemented with the participation of Hungarian project partners. Since Hungary is in an initial phase regarding circular- and bioeconomy related legislation, so far, there has not been much direct effect of these projects on policy making. However, all these results could be used during the work that should be accelerated in the near future to fulfil the EU directives and tendencies in these given topics.

The main output of the MOVECO project was a training material for companies, product manufacturers, waste management organizations and also consumers. IFKA participated in the workshops where these materials and their application were introduced, so indirectly, some elements are implemented also in the local and international projects and procedures led by IFKA.

Danube S3 Cluster project's main topics are the role of clusters in the agro-food sector. Danube S3 strategy, to be finalized within the framework of this project, mostly focuses on transnational cluster cooperation within the agro-food sector adapting to the smart specialization strategies of the cooperating partners. The document identified five priorities or intervention areas which could influence the next programming period (2021-2027), upon success it will also influence the programming period in Hungary, as well.

So, in order to catalyse the transition towards a circular economy, essential steps need to be undertaken to create new, or improve the implementation of existing plans and programmes on resource efficiency and waste prevention whereby the untapped potential for synergies within and across economic sectors can be unleashed along the entire value chain. Influenced by the above-mentioned projects, international strategies and action plans, in 2019, the Hungarian Bioeconomy Cluster has been established, which aims to enliven the Hungarian biobased economy sector and its long-term development. Founder of the cluster is Bay Zoltán Non-profit Ltd. for Applied Research dealing with research & development & innovation activities.

In Hungary, with the support of Ministry of Innovation and Technology and Embassy of the Kingdom of the Netherlands, the first Hungarian Circular Economy Platform was established in 2018. It aims to promote circular economy business models, to share best practices, knowledge and tools to develop in a circular way. IFKA is also one of the 80 active members of this initiative, taking part in each semi-annual working group meetings.

Projects' and international documents' outcomes can be used at policy level to support creation of the Hungarian bioeconomy strategy because they contain theoretical and also practical information, experiences and best practices, which should be definitely taken into account for realistic, sustainable, and feasible policies.

Key issues for rural development

Hungary is participating in a few projects in this topic, some of which might have impact on policy. GoDanuBio identified two projects that could be relevant from an impact point of view (Rubizmo, Sherpa).

From a Hungarian point of view, what the main message of **Rubizmo** could be is that it is important to improve the traditional rural income generating activities and businesses, often related to agriculture, food and manual crafts. These should be combined with digital skills and technology. However, it is equally important to open up the rural areas to the possibility of totally new activities that can be pursued from rural areas through new technologies and the digital revolution (home office work, small scale manufacturing becomes economical through digital technology, smart village solutions, new activities in tourism). These ideas appeared in the Rural Development Programme in measure 7 and 19, where non-agricultural rural services get funded and there is a good chance that the new rural development plan will keep and increase these parts of the programme, too.

In Hungary, many of the elements of **SHERPA** are present, the recommendation of SHERPA made inroads into policy making both in- and outside rural development. The making of rural areas a desirable place to live and the reversal of the depopulation of the rural areas is a prime policy objective in Hungary, which is not only supported through rural policy. Improving local community services (care homes, social workers, food supply, schooling, nursery and security) and other tools are in operation as well (e.g., broadband programme, family policy and village programme also contribute). From a Hungarian point of view, this project is particularly promising as the messages of the project directly build into the planning of the new rural development programme. The Hungarian partner of the project (AKI) is directly participating in the planning of the new rural development programme and directly feeds in the result of the project. In the Hungarian approach, the key element for improvement in the rural context is a "leap" in digital skills and the improvement of services and infrastructure in rural areas.

As far as rural development related macroregional documents are concerned:

Policy Note: "Rural 3.0 A Framework for rural development" (OECD) - briefly outlines the case for focusing on rural areas as engines of national prosperity and how policies should leverage this opportunity. Traditionally, in Hungary, rural areas are associated with agricultural production and this is actually underlined by the relatively high proportion of agricultural employment and production. However, the message of the above-mentioned document is that rural areas can become attractive and competitive places to live and work is relevant for policy makers in Hungary, too. This approach actually appeared in the Rural Development Programme 2014-2020, in particular, under measure 7. where service activities improving the quality of life in rural areas are promoted, while under measure 19 (LEADER), the needs of

rural areas can get flexibly supported. In the new instruments for rural development, this approach will be given even more emphasis. Also, the Village Programme of the government separate from the Rural Development Programme also covers improvements to rural services mainly provided by municipalities and local communities.

4. Consequences for GoDanubio

For Hungary most of the international statistical trends summarised in macroregional documents apply, however, there are some specialities that warrant slightly different policies or solutions to the challenges of these trends. The purpose of making rural areas an attractive, quality place to live and thus prevent their depopulation is desirable from a policy point of view. A large, mainly nationally funded programme called “village programme” is running, aiming exactly at that. GoDanuBio could be helpful in identifying policies that contribute and supplement national policies in this area. Bioeconomy can have its place in that mix helping rural areas.

As far as the conclusions from the projects are concerned, the most relevant recommendations are:

- (1) In addition to traditional agricultural activities and activities related to food production, new activities could be set up and introduced based on new technologies and the digital revolution
- (2) Local services should be improved and diversified, and that should include not only the services for the elderly population but also those that help keeping the young are needed as well
- (3) Keeping the young by offering them healthy and productive jobs locally should be achieved to maintain the long-term sustainability of the populace
- (4) Bioeconomy is something that could play a key role both under (2) and (3).
- (5) Made in Danube and BIOEASTsUP projects are still in progress, further cooperation possibilities could be identified. Some common points have been identified that could be useful to foster cooperation between IFKA and Hungarian project partners – such as innovation, new ideas and developing the bioeconomy sector are also important in GoDanuBio project to make the rural more attractive amongst young people.

The projects and the mentioned macroregional strategies could be a good starting point to influence the policy making procedure. IFKA could have a key role to synthesize the already existing results, proposals to involve more stakeholders.