

**„CROSS-BORDER LOGISTICS: PARTNERSHIP IN COOPERATION ON  
EMPLOYMENT" (INTERLOGISTICS) (ROHU-391)**

**COMMON STRATEGY AND ACTION PLAN**

Principal: Municipality of Ajak



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Date: January 29, 2021

*The content of this material does not necessarily represent the official position of the European Union.*

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## 1 Introduction

On 31 January 2018, the Municipality of the Town of Ajak, Hungary, and the Municipality of the Commune of Halmeu, Romania, submitted an application in the framework of the priority axis Interreg V-A Romania-Hungary Programme "Improve Employment and Promote Cross-Border Labour Mobility (Cooperation on Employment)" in order to receive support for the implementation of the labour market project "Cross-border Logistics: Partnership in Cooperation on Employment" (INTERLOGISTICS, ROHU-391) to increase cross-border regional employment.

The objective of the INTERLOGISTICS project is to enhance the cooperation of local labour market actors in order to improve labour market capacity in the eligible cross-border area.

*Basic information on the project ROHU-391 INTERLOGISTICS*

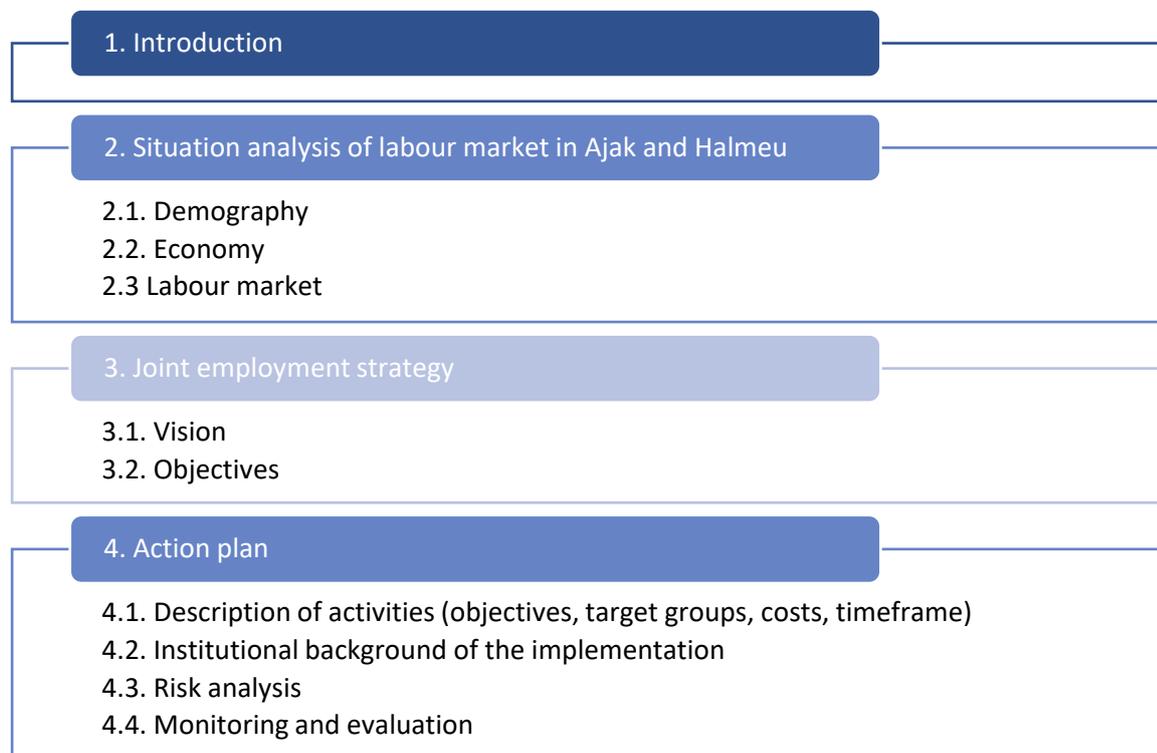
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|--|--|
| <b>Project title</b>                         | „Cross-border logistics: partnership in cooperation on employment”                                     |
| <b>Project code</b>                          | ROHU-391   |
| <b>Project acronym</b>                       | INTERLOGISTICS   |
| <b>Programme priority</b>                    | PA3 - Improve employment and promote cross-border labour mobility (Cooperation on employment)          |
| <b>Programme priority specific objective</b> | SO8/b Increased employment within the eligible area  |
| <b>Partnership</b>                           | Lead Beneficiary: Municipality of Ajak (Hungary)<br>Project Beneficiaries: Commune of Halmeu (Romania) |
| <b>Total budget of the project</b>           | 2,356,602 EUR  |
| <b>Project duration</b>                      | 24 months  |
| <b>Start date</b>                            | 1 February 2020  |
| <b>End date</b>                              | 31 January 2022  |

*Source: Edited by the author based on the project data sheet*

This "Common Strategy and Action Plan" is the basic document for the implementation of the project. Based on a detailed baseline study, its objective is to identify the specific, common labour market goals that the project partners wish to achieve within the project as well as to define the interventions needed to achieve the goals.

The territorial scope of the strategy includes the settlements of Ajak and Halmeu, however, its impact may also extend to their surrounding areas. The “Common Strategy and Action Plan” consists of the following main chapters.

*Structure of the study*



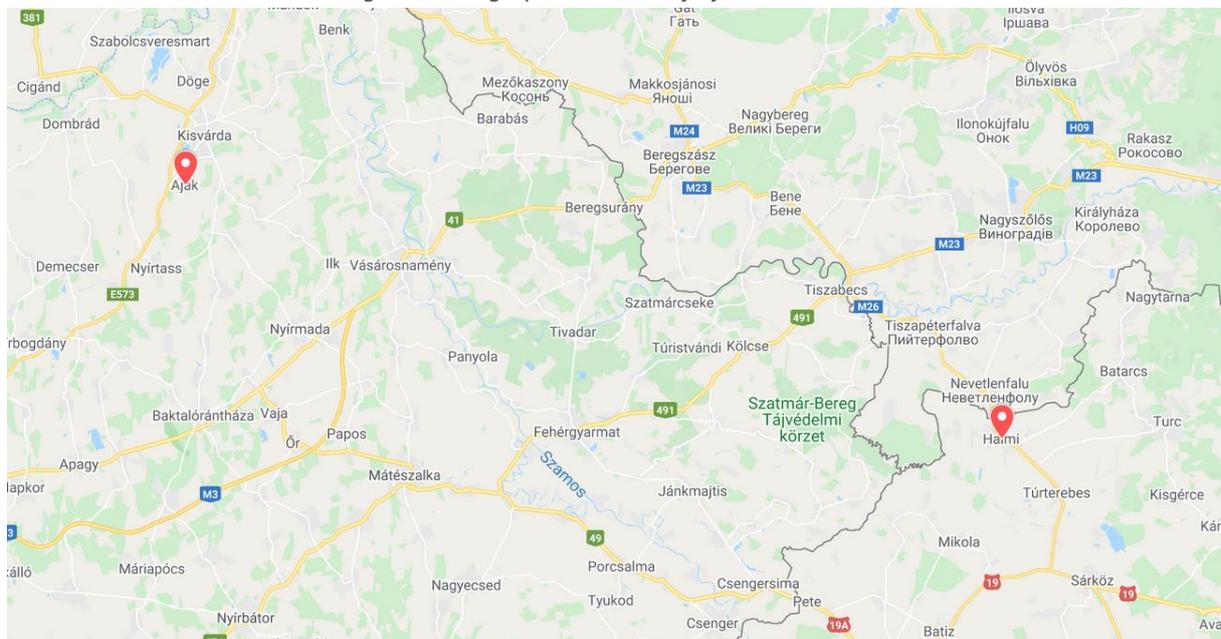
*Source: Edited by the author*

## 2 Situation analysis of labour market in Ajak and Halmeu

Ajak is located in Szabolcs-Szatmár-Bereg County, in the Kisvárdai district, along the main road No. 4, passing through Nyíregyháza, the county seat, and connecting Budapest with Záhony, with the latter town serving as a Hungarian-Ukrainian border crossing, as well as along the railway line No. 100. Ajak lies near the district seat Kisvárdai, only 6 km away from it, and 28 km away from the Záhony border crossing, respectively 40 km away from the county seat Nyíregyháza.

Halmeu is situated in the northern part of Satu Mare County, Romania, along the main road 1C, 32 km to the northeast of Satu Mare. The village constitutes the only public road and railway border crossing station between Romania and the Ukraine in the county.

Figure 1: Geographic location of Ajak and Halmeu



Source: Google maps, edited by the author

### 2.1 Demography

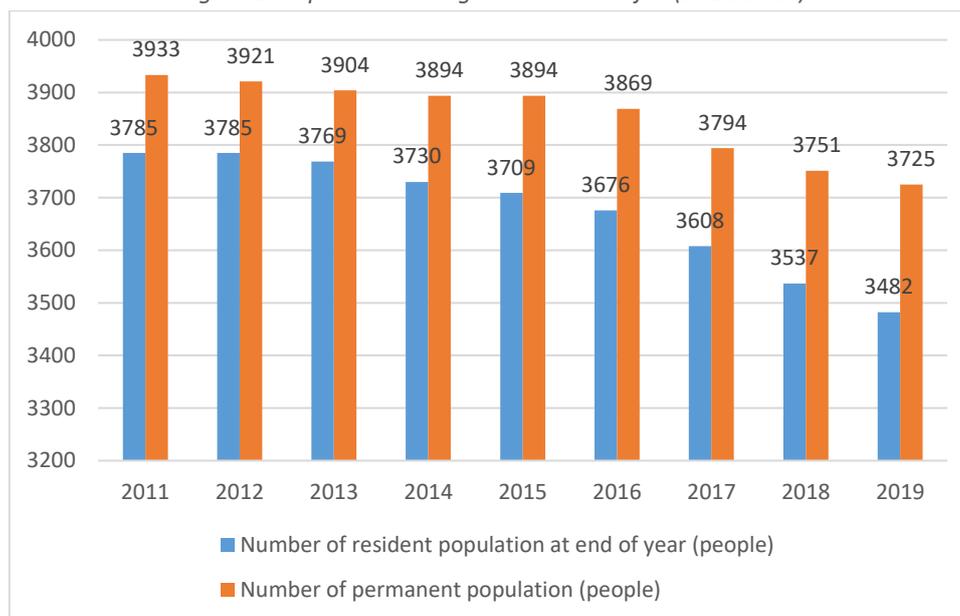
#### 2.1.1 Demographic situation of Ajak

There are two indicators available in the register of the Hungarian Central Statistical Office (in Hungarian and hereafter: KSH) on the population of Hungarian settlements – resident population and permanent population. The resident population of Ajak in 2019 was 3,482, whereas its permanent population was 3,725. The resident population of Ajak represents 14.5% of the population of Kisvárdai district and 0.63% of the population of Szabolcs-

Szatmár-Bereg County. The proportion of men within the resident population is 47.6%, while that of women is 52.4%.

There was a continuous falling trend in the population change of Ajak between 2011 and 2019, accelerating after 2015. Compared to 2011, the rate of decrease is 8% for the resident population and 5.3% for the permanent population, exceeding both county and national rates.

Figure 2: Population change in the town Ajak (2011-2019)

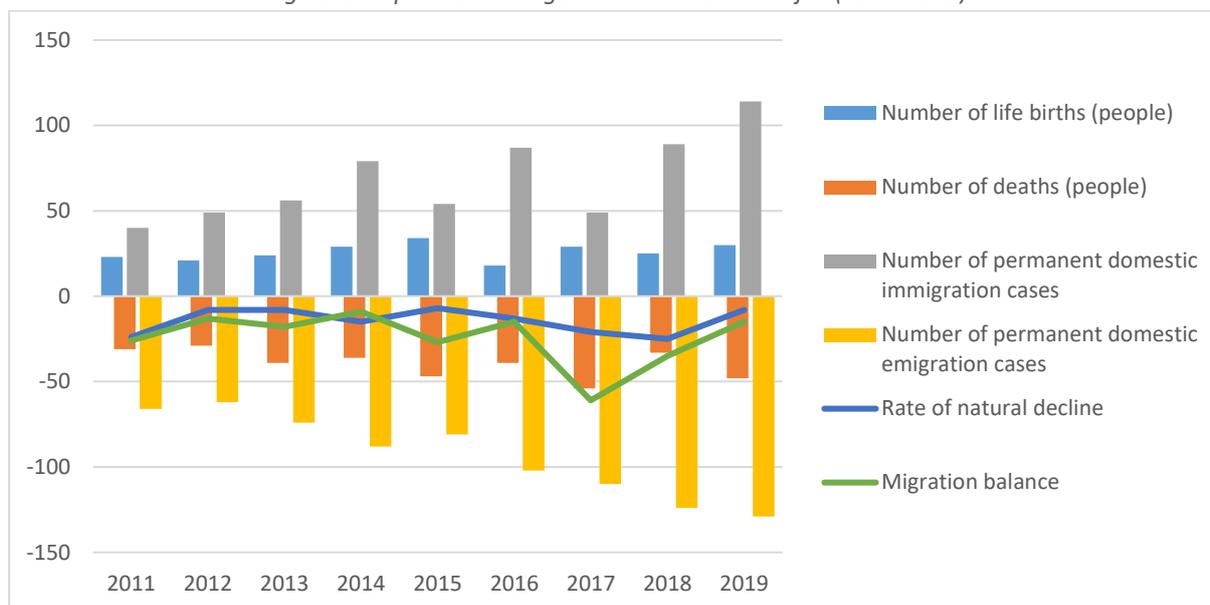


Source: KSH

Demographic trends of settlements can be deduced from population change data. In the case of Ajak, both natural population decline and significant emigration contributed to the overall population decline. In the study period, there was not a single year in which the number of live births exceeded that of deaths or that the emigration was compensated by a considerable immigration to the town.

Between 2011 and 2019, the number of live births ranged from 18 (2016) to 34 (2015), while the number of deaths fluctuated between 29 (2012) and 54 (2017). The migration balance is negative. Although, as for immigration to Ajak, it can be seen as positive that the number of permanent immigration showed a rising trend in the examined period (except for the data of 2015 and 2017), the rate of emigration from the town outstrips the rate of the immigration to the town and this trend is also increasing.

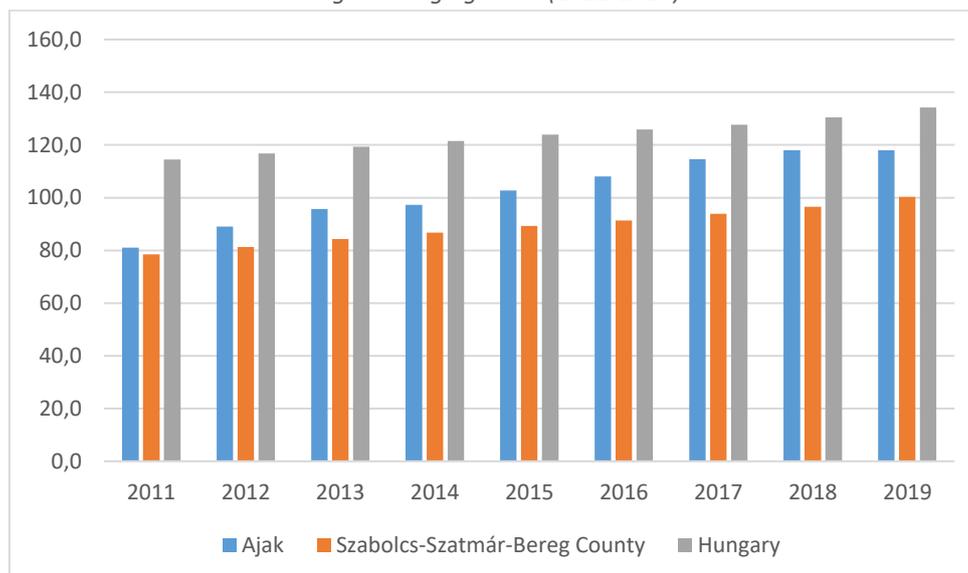
Figure 3: Population change trends in the town Ajak (2011-2019)



Source: KSH

The population of Ajak, similarly to county and national trends, shows an aging trend. The aging index of the town (number of people over 64 years per 100 people under the age of 14) was 118 in 2019, which is higher than the county rate (100.3), but more favourable than the national average (134.2). The upward trend in aging is indicated by the fact that this value in Ajak was just 81.1 in 2011.

Figure 4: Aging index (2011-2019)



Source: KSH

The most recent survey of the ethnic composition of the settlement was conducted at the time of the 2011 census. According to the survey, the ethnic composition of the town is extremely homogeneous, the proportion of the Hungarian population is close to 90%, which is 1.5 percentage points higher than the county average. In addition to the Hungarians, the

2011 census identified 3 nationalities in Ajak, in addition to the category “Other”: Gypsies (Romani, Beas) – 57 people, 1.6%; Germans – 5 people, 0.1%; Russians 0.1%. Other nationalities included 11 people, 0.3%, furthermore, there is no data available on the nationality of 290 people (8% of the population).

In Szabolcs-Szatmár-Bereg County, compared to the town Ajak, the proportion of the Hungarian population is lower, however, it is still high, 88.4%. In addition to Hungarians, representatives of all the nationalities named in the survey are found in the county, the largest number of them declared themselves to be the following: Gypsies (Romani, Beas) – 44,738 people, 8.0%; Germans – 2797 people, 0.5%; Ukrainians – 1461 people – 0.3%, Romanians - 1219 people, 0.2%.

Table 1: Breakdown of the population of Ajak and Szabolcs-Szatmár-Bereg County by nationalities (2011)

| Nationality                 | Szabolcs-Szatmár-Bereg County |       | Ajak   |        |
|-----------------------------|-------------------------------|-------|--------|--------|
|                             | People                        | %     | People | %      |
| <b>Hungarian</b>            | 494,557                       | 88.4% | 3,259  | 89.9%  |
| <b>Bulgarian</b>            | 171                           | 0.0%  | -      | 0.0%   |
| <b>Gypsy (Romani, Beas)</b> | 44,738                        | 8.0%  | 57     | 1.6%   |
| <b>Greek</b>                | 69                            | 0,0%  | -      | 0.0%   |
| <b>Croatian</b>             | 24                            | 0.0%  | -      | 0.0%   |
| <b>Polish</b>               | 131                           | 0.0%  | -      | 0.0%   |
| <b>German</b>               | 2,797                         | 0.5%  | 5      | 0.1%   |
| <b>Armenian</b>             | 97                            | 0.0%  | -      | 0.0%   |
| <b>Romanian</b>             | 1,219                         | 0.2%  | -      | 0.0%   |
| <b>Ruthenian</b>            | 374                           | 0.1%  | -      | 0.0%   |
| <b>Serbian</b>              | 47                            | 0.0%  | -      | 0.0%   |
| <b>Slovakian</b>            | 297                           | 0.1%  | -      | 0.0%   |
| <b>Slovenian</b>            | 10                            | 0.0%  | -      | 0.0%   |
| <b>Ukrainian</b>            | 1,461                         | 0.3%  | -      | 0.0%   |
| <b>Arabic</b>               | 75                            | 0.0%  | -      | 0.0%   |
| <b>Chinese</b>              | 176                           | 0.0%  | -      | 0.0%   |
| <b>Russian</b>              | 749                           | 0.1%  | 3      | 0.1%   |
| <b>Vietnamese</b>           | 28                            | 0.0%  | -      | 0.0%   |
| <b>Other</b>                | 1,859                         | 0.3%  | 11     | 0.3%   |
| <b>No data</b>              | 10,393                        | 1.9%  | 290    | 8.0%   |
| <b>In total</b>             | 559,272                       | 100%  | 3,625  | 100.0% |

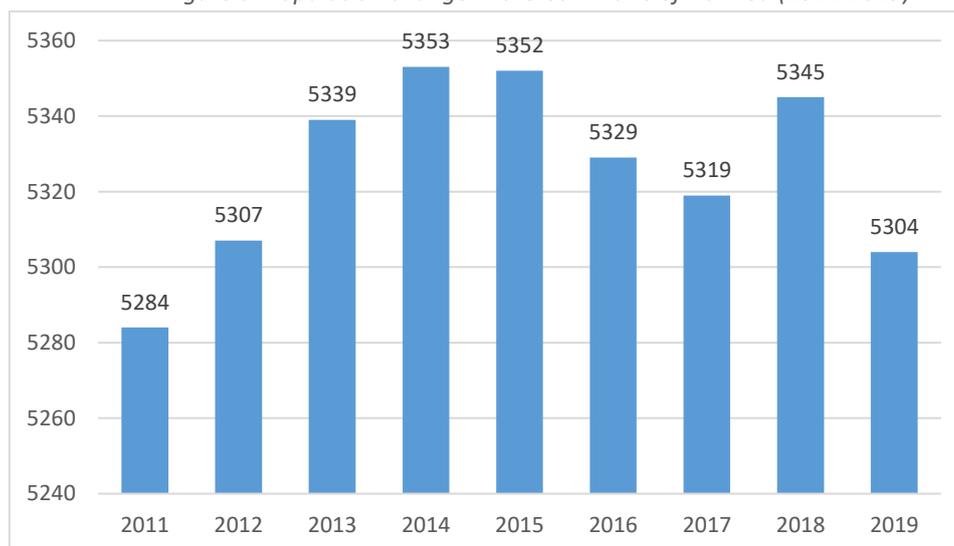
Source: KSH

### 2.1.2 Demographic situation of Halmeu

The population of the Commune of Halmeu, consisting of 5 settlements (Halmeu; Mesteacăn; Băbești; Dobolț; Halmeu-Vii), was 5,304 in 2019, thus, the share of Halmeu in the population of Satu Mare County came to 1.6%. In the settlement complex, unlike the county average (and the average of the Hungarian partner settlement), the proportion of the sexes is balanced, of which men are in a slight majority. Out of the total population of 5,304, 2,665 are men (50.08%) and 2,648 women (49.92%).

The population of Halmeu showed a stagnant trend between 2011 and 2019, compared to 2011, the population increased by only 20 in 2019. Significant fluctuations are not typical between the years examined, the largest decrease occurred between 2012 and 2013 (-32 people), and the largest increase took place between 2018 and 2019 (+41 people). In the period under review, Halmeu had the lowest population in 2011 (5,284 people) and the highest in 2014 (5,353 people).

Figure 5: Population change in the Commune of Halmeu (2011-2019)



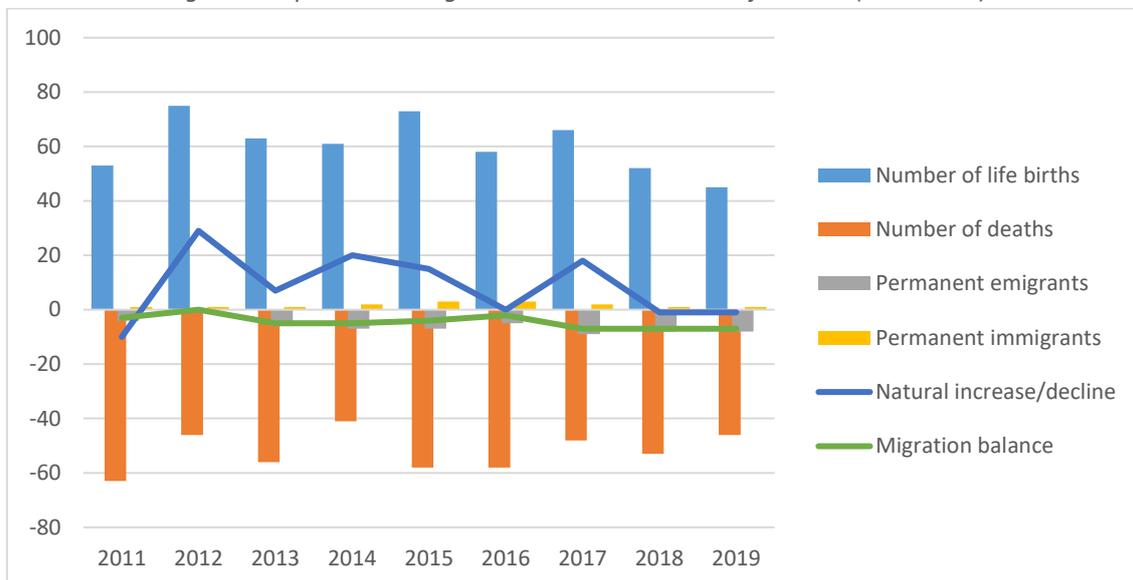
Source: INS

Examining the population change data of Halmeu, as for natural increase/decline, a significantly more favourable trend takes shape than in the town Ajak. Summarizing the period from 2011 to 2019, the number of live births exceeded the number of deaths by 77 people. In an annual breakdown, natural decline appeared in just 3 years – in 2011 (-10 people), 2018 (-1 people) and 2019 (-1 people). Natural increase peaked in 2012, with the number of live births exceeding deaths by 29 this year.

The positive trend in natural increase/decline is slightly offset by the migration balance. Between 2011 and 2019, the number of permanent immigrants typically ranged from 1 to 3, whereas those from emigrants ranged from 1 to 9. The migration balance was 0 in 2012, but

between 2017 and 2019, the number of emigrants surpassed the number of immigrants annually by 7. In the study period, the overall migration balance was -40 people.

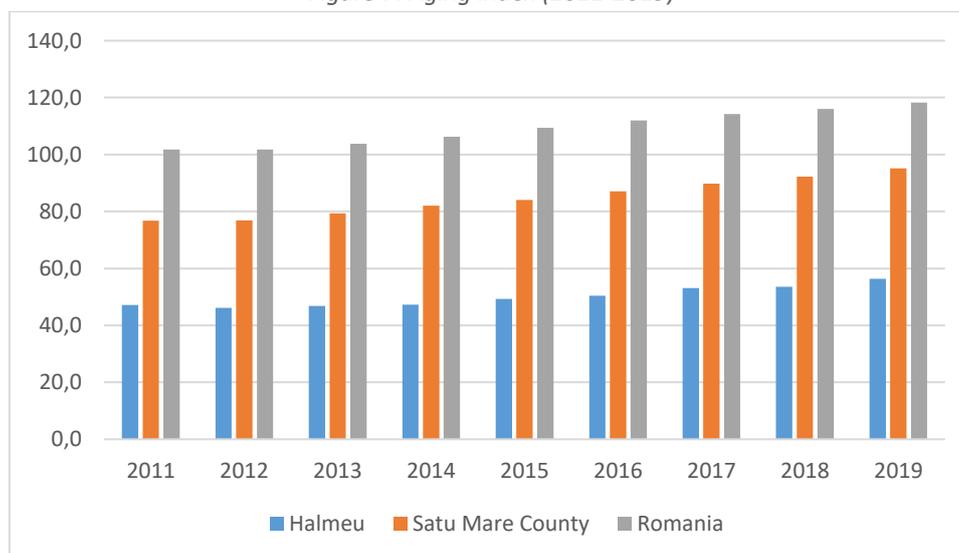
Figure 6: Population change trends in the Commune of Halmeu (2011-2019)



Source: INS

The aging trends of the Commune of Halmeu can be considered favourable in several respects. Although it can be said that the aging of the population has begun, the extent of this is much lower than in both Satu Mare County and Romania. The difference compared to the partner town Ajak is really striking, where the aging index increased by 36.9 points between 2011 and 2019 (from 81.1 to 118), whereas in Halmeu the difference is only 9.2 points. The aging index of Halmeu in 2019 was 56.4, which is significantly better than the average of Satu Mare County (95.2) and Romania (118.2), moreover, it is less than half of the value of Ajak.

Figure 7: Aging index (2011-2019)



Source: INS, EUROSTAT

The most recent survey of the ethnic composition of the Commune of Halmeu, similarly to the town of Ajak, was carried out during the 2011 census. The ethnic composition of the population differs from that of the Hungarian partner town inasmuch as, partly due to historical reasons, the vast majority of the population is made up by not one but two nationalities (Romanian, Hungarian), and the two groups together represent almost 93% of the population. The Romanian population accounts for 56.5% of the total population, while the Hungarian population constitutes 36.4%.

In the Commune of Halmeu, in addition to the previous two, a larger, identifiable group consists of Roma (147 people, 3%), and a few residents of German nationality were registered as well (18 people, 0.4%). 2 people belong to other nationalities, while there is no data on the nationality of 188 people.

Compared to Halmeu, in Satu Mare County the proportion of both Romanian and Hungarian population is lower by a few percentage points, while Roma and German nationalities represent a larger share – the former account for 5% of the population of Satu Mare County and the latter for 1.5%. 0.5% of the population belongs to other nationalities, while at county level there is no data available on nationalities for 19,495 people in the statistics.

*Table 2: Breakdown of the population of Halmeu and Satu Mare County by nationalities (2011)*

| Nationality      | Satu Mare County |        | Halmeu |        |
|------------------|------------------|--------|--------|--------|
|                  | People           | %      | People | %      |
| <b>Romanian</b>  | 188,155          | 54.6%  | 2,807  | 56.5%  |
| <b>Hungarian</b> | 112,580          | 32.7%  | 1,806  | 36.4%  |
| <b>Roma</b>      | 17,388           | 5.0%   | 147    | 3.0%   |
| <b>German</b>    | 5,006            | 1.5%   | 18     | 0.4%   |
| <b>Other</b>     | 1,736            | 0.5%   | 2      | 0.0%   |
| <b>No data</b>   | 19,495           | 5.7%   | 188    | 3.8%   |
| <b>In total</b>  | 344,360          | 100.0% | 4,968  | 100.0% |

*Source: Erdélystat*

## 2.2 Economy

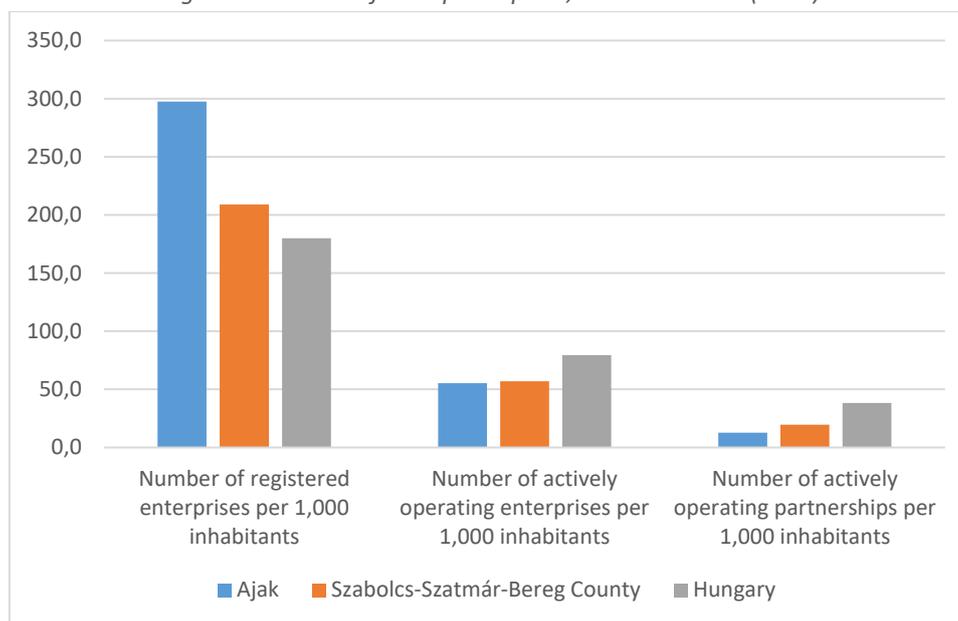
### 2.2.1 Economic situation of Ajak

In 2018, KSH recorded 1,052 registered enterprises in the town Ajak. The number of actively operating enterprises in the same year was significantly lower, only 196. More than three quarters of the actively operating enterprises are sole proprietorships and there are only 45 partnerships in the town.

The number of registered enterprises per thousand inhabitants in Ajak can be regarded as fairly high (297.4), exceeding both the national average (179.8) and the Szabolcs-Szatmár-Bereg County average (209.1). The main reason for this lies in the region's agricultural traditions, nearly half of the registered enterprises, 488, are registered as primary producers.

The number of actively operating enterprises per thousand inhabitants (55.4) is lower than both the county (57) and the national average (79.5), and the number of actively operating partnerships in proportion to the population lags even more behind than previously mentioned.

Figure 8: Number of enterprises per 1,000 inhabitants (2018)



Source: KSH

In Ajak, partnerships are characterized by their small size based on the number of employees. In 2018, with 3 exceptions, all partnerships employed a maximum of 9 people, there were 2 enterprises employing 10-19 people, and only 1 larger, but the number of employees did not reach 50 in this case either.

Table 3: Share of partnerships in Ajak in the total number of enterprises of Szabolcs-Szatmár-Bereg County based on the number of employees (2018)

|                                      | Number of employees |              |              |               |                |             |
|--------------------------------------|---------------------|--------------|--------------|---------------|----------------|-------------|
|                                      | 1-9 people          | 10-19 people | 20-49 people | 50-249 people | 250-499 people | 500+ people |
| <b>Ajak</b>                          | 42                  | 2            | 1            | 0             | 0              | 0           |
| <b>Szabolcs-Szatmár-Bereg County</b> | 9,709               | 611          | 340          | 164           | 14             | 13          |
| <b>Share of Ajak</b>                 | 0.43%               | 0.33%        | 0.29%        | 0.00%         | 0.00%          | 0.00%       |

Source: KSH

Actively operating partnerships do not cover the full spectrum of the sectors of the national economy identified in the TEÁOR\08 system, merely 63% of them. Most of the enterprises – nearly half of the partnerships (22) – operate in the field of trade and car repair, followed by the construction industry with 5 enterprises, in addition, the agricultural, forestry, fishing and real estate sectors are represented by 3 enterprises each.

The following sectors of the national economy do not appear in the economic life of the town:

- Mining and quarrying (economic sector B)
- Electricity, gas, steam and air conditioning supply (economic sector D)
- Water supply, sewage collection and treatment, waste management and decontamination activities (economic sector E)
- Transport and warehousing (economic sector H)
- Financial and insurance activities (economic sector K)
- Public administration, defence, compulsory social security (economic sector O)
- other services (economic sector S)

The breakdown of actively operating partnerships by economic sectors is indicated in the following table.

*Table 4: Breakdown of actively operating enterprises by sectors of national economy in the town Ajak*

| Sector of national economy  | Number of actively operating partnerships | Share of actively operating partnerships (%) |
|---|---|--|
| Agriculture, forestry, fishing (economic sector A)                        | 3   | 6.67%  |
| Processing industry (economic sector C)                                   | 2   | 4.44%  |
| Construction industry (economic sector F)                                 | 5   | 11.11%                                       |
| Trade, car repair (economic sector G)                                     | 22  | 48.89%                                       |
| Hospitality and catering industry (economic sector I)                     | 2   | 4.44%  |
| IT, communication industry (economic sector J)                            | 1   | 2.22%  |
| Real estate industry (economic sector L)                                  | 3   | 6.67%  |
| Profession-based, scientific and technical activities (economic sector M) | 2   | 4.44%  |
| Administrative and service-supporting activities (economic sector N)      | 1   | 2.22%  |
| Education (economic sector P)   | 1   | 2.22%  |
| Human health and social care activities (economic sector Q)               | 2   | 4.44%  |
| Arts, entertainment, leisure (economic sector R)                          | 1   | 2.22%  |

Source: KSH

The largest enterprises in Ajak are as follows.

*Table 5: The 5 largest enterprises located in Ajak, based on their sales revenue*

| Name of enterprise   | Main activity of enterprise                                 | Number of employees |
|--|---|---------------------|
| FLEX-PS 93 Bt.   | Construction of residential and non-residential buildings   | 37                  |
| KEREKES-TÜZÉP Kft.   | Wholesale of wood, building material and sanitary equipment | 13                  |
| RE-CORD NÍVÓ 2000 Kft.   | Wholesale of motor fuel and heating fuel                    | 11                  |
| EUROBIO Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság | no data   | 1                   |
| KOVÁCS-FAKTUM Bt.  | Miscellaneous retail sale (mostly groceries)                | 1                   |

Source: ceginformacio.hu

Due to the high number of primary producers in Ajak, we regard it as important to cover the agriculture of the town.

According to the 2010 General Agricultural Registration, the area of Ajak used for agricultural purposes was close to 1,500 hectares, nearly two thirds of which was cultivated as arable land. The area of orchards (257.87 hectares) is significant as well, accounting for 17.3% of the total utilized agricultural area. In Ajak, the most commonly produced fruits are apples and sour cherries.

*Table 6: Breakdown of agricultural areas of Ajak by their form of utilisation (2010)*

| Form of utilisation            | Area (hectare)  | Area (%)       |
|--------------------------------|-----------------|----------------|
| Arable land                    | 966.76          | 64.90%         |
| Kitchen garden                 | 31.07           | 2.09%          |
| Vineyard                       | 4.51            | 0.30%          |
| Orchard                        | 257.87          | 17.31%         |
| Grass                          | 107.13          | 7.19%          |
| Forest                         | 88.64           | 5.95%          |
| Reeds                          | 0.20            | 0.01%          |
| Fish pond                      | -               | -              |
| Non-utilised agricultural area | 5.32            | 0.36%          |
| Other areas belonging to farms | 28.06           | 1.88%          |
| <b>Utilised area in total</b>  | <b>1,489.55</b> | <b>100.00%</b> |

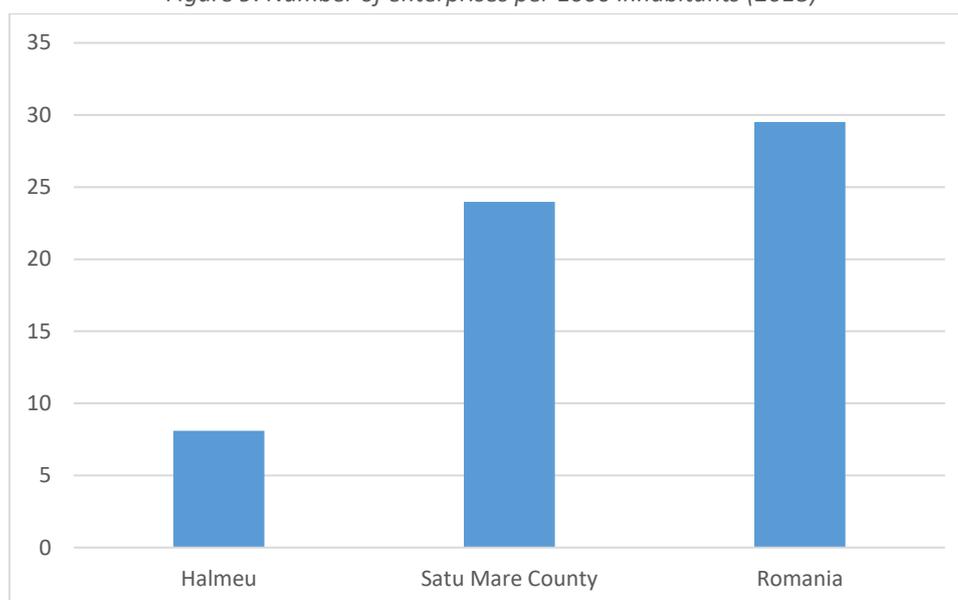
Source: General Agricultural Registration, 2010

## 2.2.2 Economic situation of Halmeu

According to the data of Erdélystat, there were only 40 companies operating in the Commune of Halmeu, accounting for approximately 0.5% of the enterprises operating in Satu Mare County, although more than 1.5% of the county's population live in Halmeu.

The number of companies per thousand inhabitants is not more than 8.1, which is significantly lower than the average of both Satu Mare County (24) and Romania (29.5).

Figure 9: Number of enterprises per 1000 inhabitants (2018)



Source: Erdélystat, INS

Operating companies were classified by Erdélystat into 10 sectors based on their scope of activity, of which 9 sectors are present in Halmeu, with the only exception being the mining sector. Most companies operate in the field of trade, which covers 40% of all companies (16), followed by construction (6) as well as hotels and hospitality (5).

Table 7: Breakdown of active companies by sectors in the Commune of Halmeu (2018)

| Sector                 | Number of active companies | Share of active companies (%) |
|------------------------|----------------------------|-------------------------------|
| Trade                  | 16                         | 40.00%                        |
| Complex industry       | 2                          | 5.00%                         |
| Light industry         | 2                          | 5.00%                         |
| Intellectual services  | 1                          | 2.50%                         |
| Other services         | 1                          | 2.50%                         |
| Transportation         | 4                          | 10.00%                        |
| Construction           | 6                          | 15.00%                        |
| Agriculture            | 3                          | 7.50%                         |
| Mining                 | 0                          | 0.00%                         |
| Hotels and hospitality | 5                          | 12.50%                        |

Source: Erdélystat

The 5 largest enterprises of Halmeu are indicated in the following table.

*Table 8: The 5 largest enterprises located in Halmeu*

| Name of enterprise                              | Main activity of enterprise | Number of employees |
|---|-----------------------------|---------------------|
| SC FRUCTUS PROD SRL                             | Logistics                   | 10                  |
| SC UNICOM HOLDING SRL L - SC UNICOM TRANZIT SRL | Storage                     | 31                  |
| SC OLYMPOS SRL                                  | Trade                       | 36                  |
| SC ZOOTEHNICA CRISENI SRL                       | Agriculture                 | 10                  |
| SC ORTODAC SRL                                  | Production of footwear      | 30                  |

*Source: Municipality of Halmeu*

Although the share of agricultural companies is only 7.5% of the operating companies in total, we regard it as important to address this separately due to local agricultural traditions.

The total administrative area of the municipality of Halmeu is 52.4 km<sup>2</sup>, nearly two thirds of which is arable land and one fifth is other agricultural land. Nearly 10% do not count as agricultural land, while the share of forests does not reach 5%.

*Table 9: Characteristics of the area utilisation in Halmeu (2014)*

| Form of utilisation  | Area (km <sup>2</sup> ) | Area (%)    |
|--|-------------------------|-------------|
| Arable land  | 34.3                    | 65.50%      |
| Other agricultural area (e.g. grazing land, orchard)             | 10.6                    | 20.20%      |
| Forest   | 2.5                     | 4.80%       |
| Other non-agricultural area (e.g. built-up areas, roads, rivers) | 5                       | 9.50%       |
| <b>In total</b>  | <b>52.4</b>             | <b>100%</b> |

*Source: Erdélystat*

Strawberry is considered to be the most famous agricultural product of the Commune of Halmeu. Nearly 80% of Romania's strawberry production is provided by the region. Harvesting is extremely labour-intensive and time-consuming since it is done by hand. About 90% of the harvested strawberries are sold in markets for food, and 5-10% are used for industrial purposes.

## 2.3 Labour Market

### 2.3.1 Labour market situation of Ajak

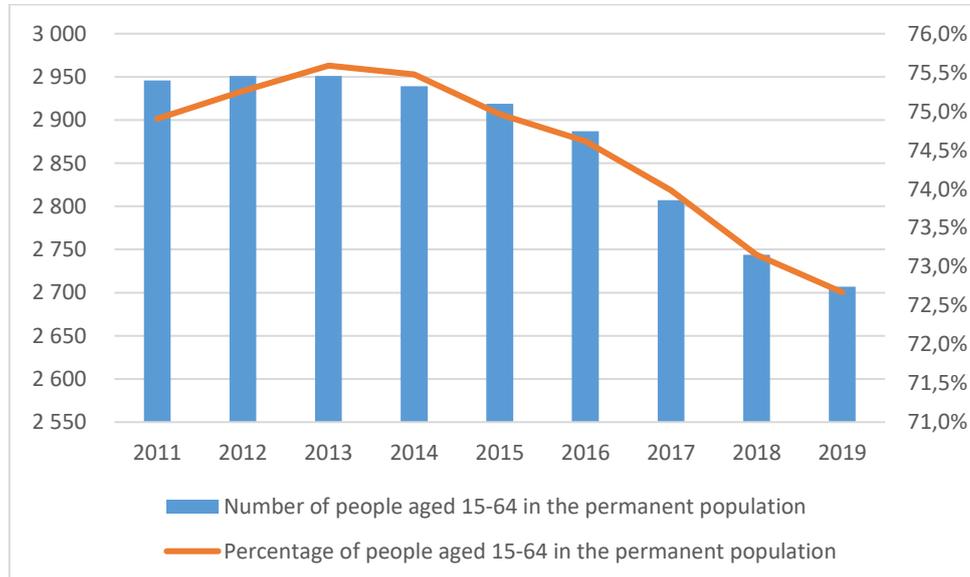
Assessing the labour market situation in a given area, relevant conclusions can be drawn based on the number of the available working-age population (15-64 years), their economic activity, their level of education, as well as the available free labour force (unemployment).

#### Number and proportion of the working-age population

In the town Ajak, there were 2,707 working-age people in 2019, accounting for 72.7% of the permanent population. Looking into the period between 2011 and 2019, it can be seen that the working-age population increased slightly between 2011 and 2012, by only 5 people, and then after a year of stagnation (due to the decrease in permanent population, their proportion increased even then) a continuous decline set in. Compared to 2011, the working-age population decreased by 239 people or 2.23 percentage points. This decrease can be explained by the aging of the population, of which detailed data is given in Chapter 2.1.

Taking current population trends into account, a further decline in the working-age population can be expected in the near future.

Figure 10: Changes in the number and proportion of the working-age population in Ajak (2011-2019)



Source: KSH

#### Economic activity

The most recent survey on the economic activity of the population of Ajak was conducted at the time of the 2011 census. In terms of the economic activity of the population, Ajak was in a better position at that time than the county average – the number of the employed was

higher and that of the unemployed lower, however, compared to the national average, the indicators of the town showed a less favourable picture.

Table 10: Population by economic activity, 2011

|                                      |        | Employed  | Unemployed | Inactive earner | Dependent |
|--------------------------------------|--------|-----------|------------|-----------------|-----------|
| <b>Ajak</b>                          | People | 1,347     | 245        | 1,116           | 917       |
|                                      | %      | 37.16%    | 6.76%      | 30.79%          | 25.30%    |
| <b>Szabolcs-Szatmár-Bereg County</b> | People | 188,627   | 40,976     | 169,578         | 160,091   |
|                                      | %      | 33.73%    | 7.33%      | 30.32%          | 28.62%    |
| <b>Hungary</b>                       | People | 3,942,723 | 568,497    | 2,949,727       | 2,476,681 |
|                                      | %      | 39.67%    | 5.72%      | 29.68%          | 24.92%    |

Source: KSH

### Breakdown of the population by educational level

In Hungary, the educational level of the population of settlements is surveyed in the course of a census to be conducted every 10 years, consequently, in the case of Ajak, the latest data is from 2011. Comparing the indicators of Ajak to those of Szabolcs-Szatmár-Bereg County, the population of Ajak can be considered more educated, but it should be noted that the proportion of those with a higher education degree is about 1.7 percentage points lower.

Compared to national education indicators, however, it can be seen that Ajak lags behind in almost all categories – the proportion of its population assigned to lower education categories (primary school at the most; secondary school without GCSE, with a vocational certificate) is higher, whereas the proportion of its population assigned to higher education categories (GCSE, university, college, etc. with certificate) is lower.

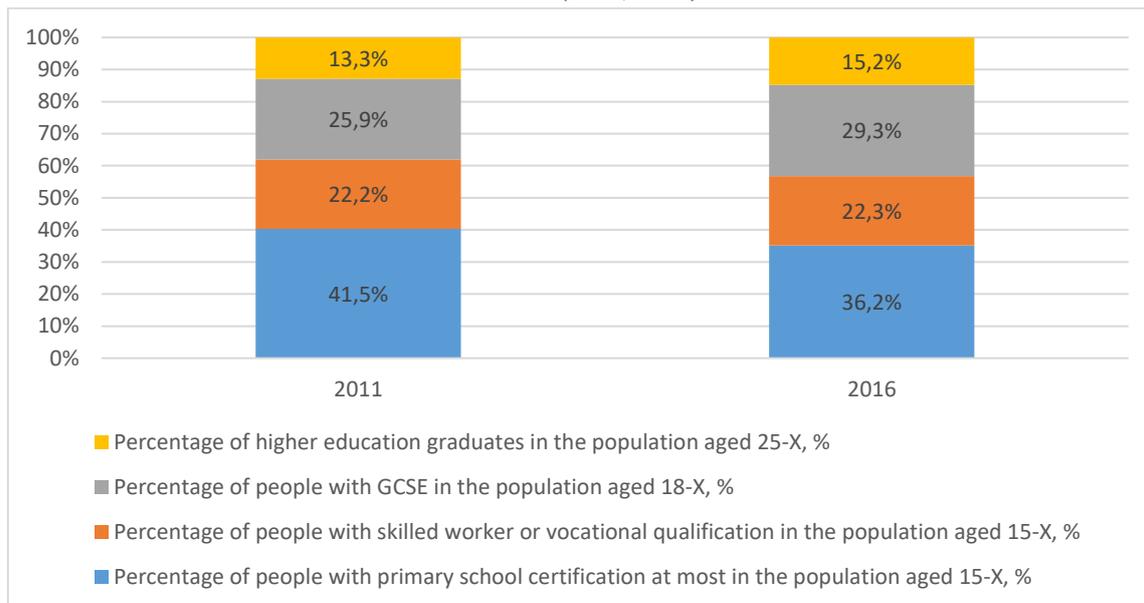
Table 11: Breakdown of the population over 7 years by highest educational attainment

| Highest educational attainment                             | Ajak         |                | Szabolcs-Szatmár-Bereg County |                | Hungary          |                |
|--|--------------|----------------|-------------------------------|----------------|------------------|----------------|
|  | People       | %              | People                        | %              | People           | %              |
| Primary school not completed                               | 503          | 14.79%         | 91,193                        | 17.64%         | 1,149,200        | 12.40%         |
| Primary school completed                                   | 1,010        | 29.71%         | 155,445                       | 30.07%         | 2,319,319        | 25.03%         |
| Secondary school without GCSE, with vocational certificate | 717          | 21.09%         | 102,610                       | 19.85%         | 1,805,051        | 19.48%         |
| GCSE   | 874          | 25.71%         | 113,500                       | 21.96%         | 2,551,276        | 27.54%         |
| University, college, etc. with certificate                 | 296          | 8.71%          | 54,117                        | 10.47%         | 1,439,616        | 15.54%         |
| <b>In total</b>  | <b>3,400</b> | <b>100.00%</b> | <b>516,865</b>                | <b>100.00%</b> | <b>9,264,462</b> | <b>100.00%</b> |

Source: KSH, census 2011

A survey on the educational attainment of the population of Szabolcs-Szatmár-Bereg County was also conducted during the 2016 micro-census. Although this provides no specific data for the town of Ajak, the trends are highly likely to be characteristic of the town as well. Based on the micro-census, after the 2011 census, the educational level of the county population increased significantly, the extent of which is illustrated by the figure below.

Figure 11: Change of educational level of the population in Szabolcs-Szatmár-Bereg County (2011, 2016)



Source: KSH, census 2011, microcensus 2016

### Number and proportion of registered jobseekers

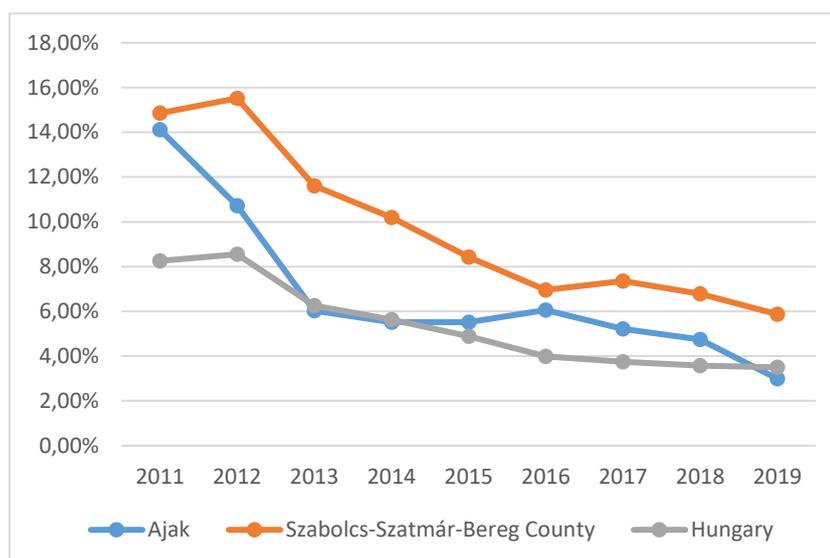
In December 2019, the number of registered jobseekers was 84 in Ajak, accounting for 2.99% of the working-age population. Between 2011 and 2019, the city experienced a steady and significant decline in unemployment – in December 2011, more than four times as many jobseekers were registered as in 2019.

Comparing the ratio between registered jobseekers and the working-age population to county and national data, it can be seen that in Ajak, unemployment was typically lower than the county average, and even slightly lower than the national average in two particular years (2013 and 2019).

Table 12: Number of registered jobseekers (Ajak, people)

| Year | People |
|------|--------|
| 2011 | 402    |
| 2012 | 305    |
| 2013 | 171    |
| 2014 | 163    |
| 2015 | 163    |
| 2016 | 178    |
| 2017 | 152    |
| 2018 | 137    |
| 2019 | 84     |

Figure 12: Relative indicator of registered jobseekers (2011-2019)



Source: National Employment Service

## Public employees

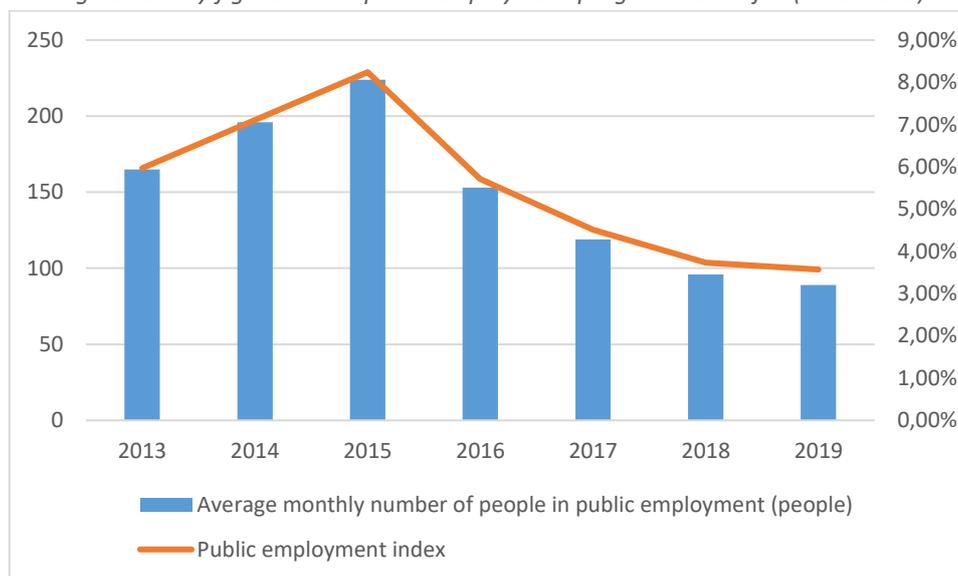
In Hungary, a public employment programme is in place with the aim of effectively integrating or reintegrating people into the primary labour market. The labour market in the region is distorted by the programme in several respects (on the one hand, low wages, not even close to the minimum wage, reduce the average wage, and, on the other hand, those entering the programme are not included in unemployment registers during the programme), thus, we consider it to be important to report it separately.

Public employees are kept on file by the Ministry of the Interior, the earliest data is from 2013.

In the town Ajak, the average monthly number of public employees totalled 89 in 2019, which is just over half of the base year 2013. In 2019, the public employment rate was 3.57%, which shows how much unemployment would rise in that area without the programme.

Between 2013 and 2015, the average monthly number of those in public employment went up significantly (from 165 to 224), and then it started to fall at a faster rate than the previous increase.

Figure 13: Key figures in the public employment programme in Ajak (2013-2019)



Source: kozfoglalkoztatas.bm.hu

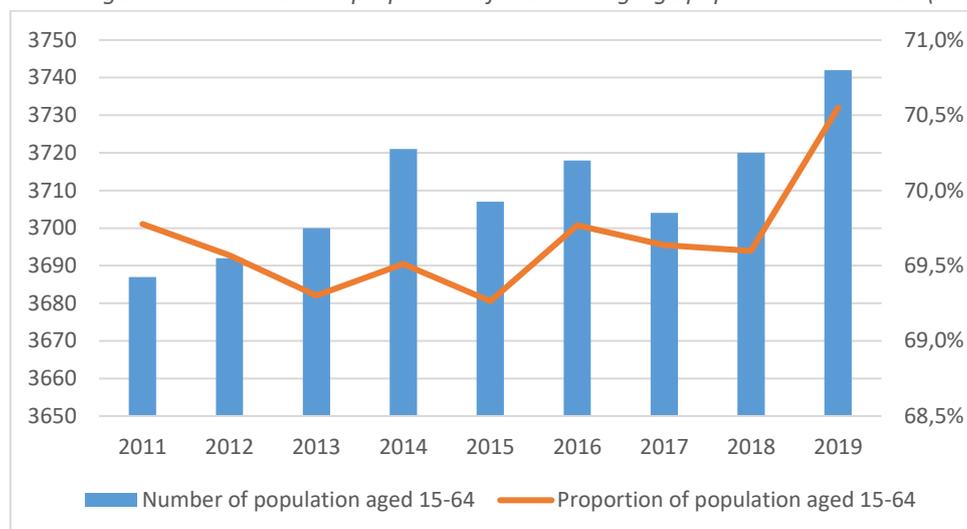
### 2.3.2 Labour market situation of Halmeu

#### Number and proportion of the working-age population

In 2019, 3,742 people of the population of Halmeu belonged to the working-age population aged 15-64. This age group constitutes 70.6% of the total population. This value is almost 2 percentage points lower compared to the town Ajak, the main reason of which is the younger age structure compared to Ajak. In the same year, the working-age population in Satu Mare County was 223,513, this represents 67.21% of the total county population, which falls behind the indicator of Halmeu.

Between 2011 and 2019, both the working-age population and its proportion fluctuated within a relatively narrow range. As for the former indicator, the difference between the lowest (3,367 people – 2011) and the highest value (3,742 people – 2019) is 55 people, as for the latter, it equals 1.3 percentage points (in 2013 and 2016, the proportion of the population aged 15-64 was the lowest, 69.3%, and in 2019, it was the highest, 70.6%).

Figure 14: Changes in the number and proportion of the working-age population in Halmeu (2011-2019)



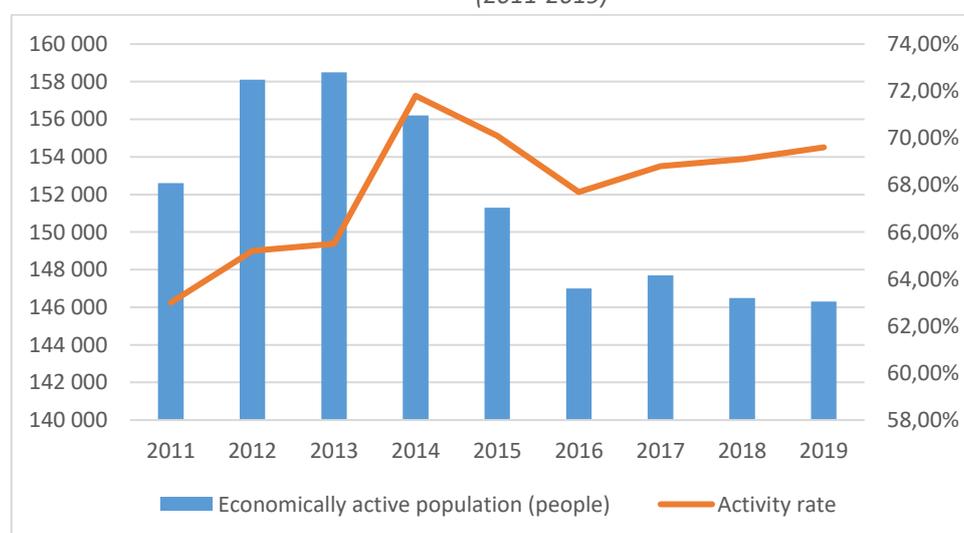
Source: INS

### Economic activity

There is no accurate data on the economic activity of the population of Halmeu available, contrary to data on Satu Mare County. In 2019, the economically active population of the county equalled 146,300, which corresponds to an activity rate of 69.6%. The number of economically active population in the county rose between 2011 and 2013, then it started to fall.

The activity rate differs from this to some extent. Contrary to the economically active population, in the period under review, the rising phase peaked in 2014 (71.8%) and then the trend fell until 2016. After 2016, the activity rate started to climb again, but its rate did not reach that of the period of 2011-2014.

Figure 15: Number of economically active population and activity rate in Satu Mare County (2011-2019)



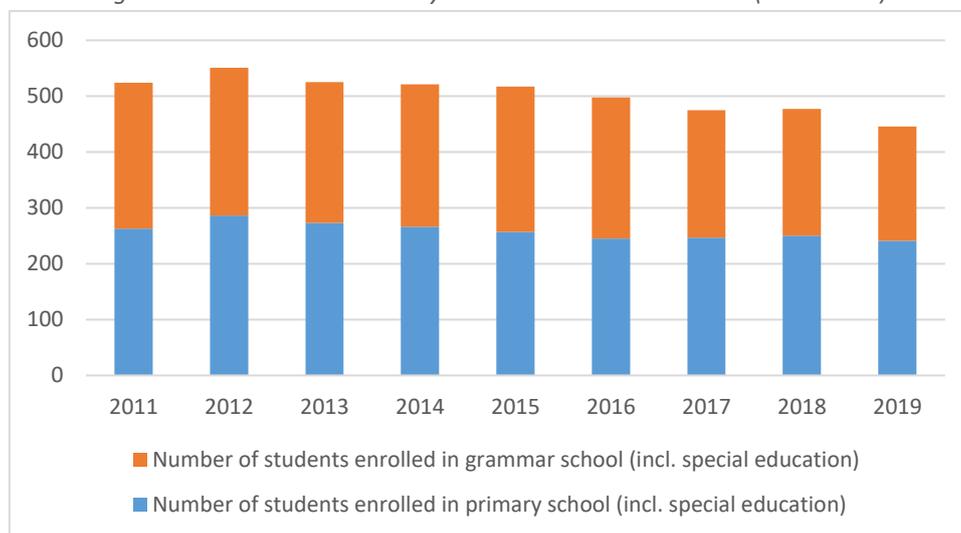
Source: INS

## Breakdown of the population by educational level

In the case of Halmeu, there is data on the number of people attending school. In 2019, the number of students enrolled in primary school and grammar school equalled 446, of which 54% participated in primary school education and 46% in grammar school education.

The number of participants in school education has been slowly declining since 2012. There is a more significant reduction in the number of students enrolled in primary school, where this trend was only slightly broken between 2016 and 2018. Until 2016, the number of grammar school students was more likely to stagnate, but after that a decline set in here as well.

Figure 16: School attendance by educational level in Halmeu (2011-2019)

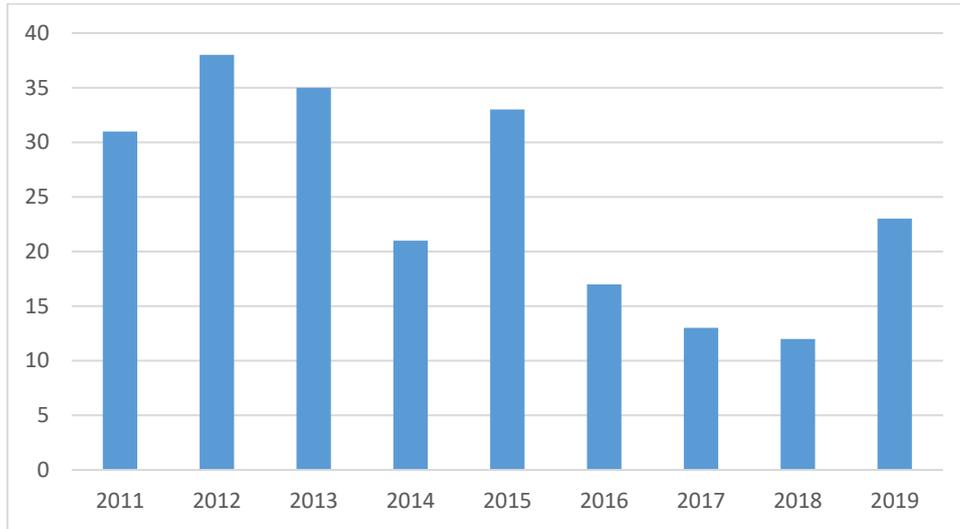


Source: INS

## Number and proportion of registered jobseekers

Based on the data received from the Romanian Statistical Office, it can be stated that there is almost no unemployment in Halmeu. Between 2011 and 2019, the number of unemployed people never reached 40 at the end of the year, the highest value, 38, was recorded in 2012, but in 2018 it totalled 12 only.

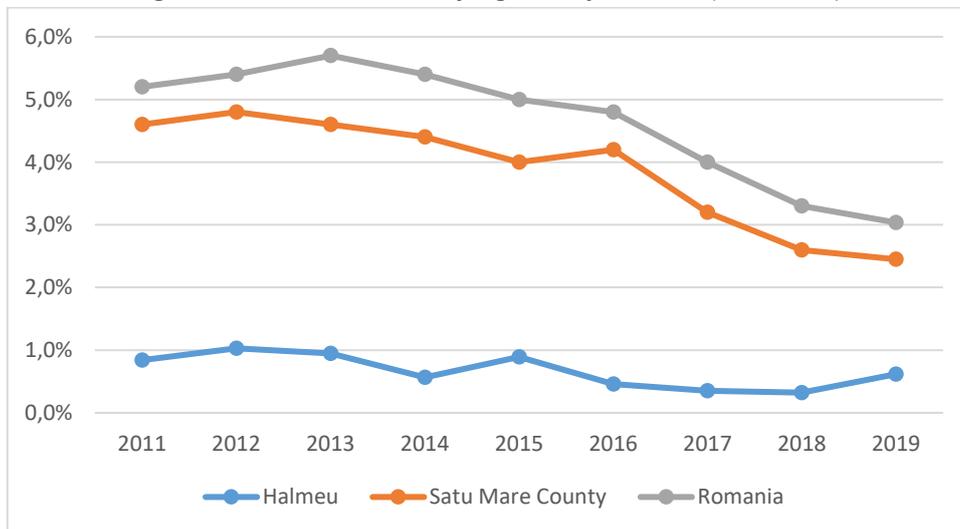
Figure 17: Number of unemployed people at end of year in Halmeu (2011-2019)



Source: INS

Between 2011 and 2019, the relative ratio of registered jobseekers to the population aged 15-64 fluctuated between 0.3% and 1%, which is not only significantly lower than the Hungarian values, but also more favourable than the average in both Romania and Satu Mare County.

Figure 18: Relative indicator of registered jobseekers (2011-2019)



Source: INS

## 2.4 SWOT analysis

| Strengths   | Weaknesses  |
|---|---|
| <p><b>Ajak</b></p> <ul style="list-style-type: none"> <li>• Favourable road and railway connections</li> <li>• High number of registered enterprises per thousand inhabitants</li> <li>• Significant agricultural traditions</li> <li>• Employment is on the rise</li> <li>• Economic activity of the population higher than the county average</li> <li>• The educational level of the population is on the rise</li> <li>• Low unemployment</li> <li>• Despite decreasing public employment, the number of jobseekers is on the decline</li> </ul>  | <p><b>Ajak</b></p> <ul style="list-style-type: none"> <li>• Population loss is accelerating</li> <li>• Natural decline of population</li> <li>• Emigration is higher than immigration</li> <li>• Aging population</li> <li>• Few actively operating enterprises</li> <li>• The town has solely micro and small enterprises</li> <li>• Working-age population is on the decline</li> <li>• The educational level of the population lags behind the national average</li> </ul> |
| <p><b>Halmeu</b></p> <ul style="list-style-type: none"> <li>• Favourable road and railway connections</li> <li>• The population can be regarded as relatively stable</li> <li>• Natural increase of population</li> <li>• Favourable age structure of the population and low aging index</li> <li>• Considerable agricultural traditions, Halmeu is the centre of strawberry growing in Romania</li> <li>• Stable number of working-age population</li> <li>• Increase in the proportion of the economically active population since 2011</li> <li>• Extremely low number of unemployed people</li> </ul> | <p><b>Halmeu</b></p> <ul style="list-style-type: none"> <li>• Emigration slightly higher than immigration</li> <li>• Few actively operating enterprises</li> <li>• The commune has solely micro and small enterprises</li> </ul>  |

| Opportunities   | Threats   |
|---|---|
| <p><b>Ajak</b></p> <ul style="list-style-type: none"> <li>• Population retention capacity improved by targeted developments</li> <li>• Industrial plants based on strong agriculture settle down in the town</li> <li>• The educational level of the population continues to improve, contributing to the dynamic development of the local economy</li> <li>• Regional and cross-border cooperation, exchange of professional experience</li> <li>• Due to the location of the city, logistics sector settles down and expands</li> </ul> | <p><b>Ajak</b></p> <ul style="list-style-type: none"> <li>• Continuously aging population</li> <li>• Emigration is on the rise, especially among qualified young people</li> <li>• Extreme weather conditions caused by climate change can lead to great damage to the agriculture, i.e. to the economic basis of the town</li> <li>• Competitiveness and subsequently the number of enterprises start to decrease</li> <li>• Lack of job opportunities, thus, the population commutes to surrounding larger cities for work</li> </ul> |
| <p><b>Halmeu</b></p> <ul style="list-style-type: none"> <li>• Regional and cross-border cooperation, exchange of professional experience</li> <li>• Logistics sector is becoming stronger due to the location of Halmeu</li> <li>• Continuous increase of working-age population</li> <li>• Emergence of economic activities based on the on-site storage and processing of strawberries</li> <li>• Increasing population retention capacity and drawing power of Halmeu</li> </ul>   | <p><b>Halmeu</b></p> <ul style="list-style-type: none"> <li>• Aging of population is expected to emerge and then intensify</li> <li>• Population retention capacity is on the decline</li> <li>• Due to the seasonal nature of agriculture, labour force required for care and harvesting is not available in time</li> <li>• Demand for strawberries is on the decline</li> <li>• Adverse climate change is damaging agriculture, making current production unsustainable</li> </ul>   |

## 3 Joint employment strategy

### 3.1 Vision

The labour market vision of the settlements presented in the situation analysis is influenced by the internal and external factors stated in the SWOT analysis. Based on these factors, a common vision can be outlined that is worth taking into account at all times while identifying and implementing objectives and related actions set out in this “Common Strategy and Action Plan”.

The labour market vision of the settlements Ajak and Halmeu, and that of the surrounding border area, is as follows:

As a result of long-term cooperation, logistics infrastructure investments and training, agricultural production in Ajak and Halmeu has become stronger and more competitive:

- In Ajak, the construction of a logistics and training centre as well as ongoing training contributed to the fact that agricultural production, that is performed as public work in the town and supplies community catering, became predictable and market-based.
- The region around Halmeu remains the largest exporter of vegetables of Satu Mare County and that of strawberries in the whole of Romania. Agricultural production represents a secure livelihood in the region, largely due to the fact that the construction of the logistics and training centre has made the sale of products predictable.
- Due to local branding and continuous marketing activities in the region, there is an increasing demand for local products and services in Ajak and Halmeu.

As a result of the training tailored to labour market needs as well as the development of labour market competencies, the employment rate in the region is relatively high and the rate of structural unemployment is negligible. The supply and demand sides of the labour market are at an equilibrium. In the region, conditions for job-seeking and employment exist, and thanks to open borders and close labour market cooperation, cross-border labour market mobility is becoming increasingly important.

As a result of favourable labour market trends, the economy of the cross-border region is developing sustainably and the rate of selective migration and emigration from settlements is on the decline.

In order to achieve the ideal state outlined above, a number of interventions are needed in the settlements. In the following, in the strategic part of the document, objectives for achieving the vision as well as priorities and activities, formulated within the framework of the action plan, will be elaborated on.

## 3.2 Objectives

### 3.2.1 Overall objective

The main overall objective of the INTERLOGISTICS project is to enhance the cooperation of local labour market actors in order to improve labour market capacity in the eligible cross-border area, especially in Ajak and Halmeu. In the course of improving labour market capacities, workforce and employers of the region acquire and develop skills, sets of knowledge, tools and other resources needed to perform their work in a competent manner.

One of the most important elements of the project is the improvement of local agricultural logistics capacity, that indirectly serves to support local agricultural production. By establishing and operating logistics and training centres, the partners aim to strengthen the institutional, infrastructural and human resource conditions for agricultural production in the eligible areas, often for social purposes. The newly established logistics centres will provide a suitable background for cooperation among partners, for organizing training, exchanging experiences and establishing good practices.

Infrastructure development is supported by further integrated activities, such as:

- Increasing the capacity of the regional labour market through vocational training and skills development workshops,
- Developing offline and online job-seeking opportunities to match labour market supply and demand, and
- Providing joint marketing activities to promote local products by creating an online sales platform.

### 3.2.2 Specific objectives

#### *3.2.2.1 Enhancing the mobility of the workforce between the two counties by increasing the labour market capacity – SO1*

By means of capacity building activities, the aim of the project partners is to reduce labour market deficiencies and obstacles that currently hinder labour mobility in the region. As part of capacity building, the partners plan to provide training to increase the educational level of the regional workforce as well as skills development support services.

#### *3.2.2.2 Establishing logistics and training centres – SO2*

In Ajak and Halmeu, it is of extraordinary importance to render agricultural production more competitive. Consequently, the partners will set up logistics and training centres in order to achieve the following.

- Increasing the storage capacity for local agricultural products (fruit and vegetables), and
- Developing infrastructural conditions for vocational training in the field of agriculture / food industry.

In addition, by developing a common local brand name and implementing online marketing activities, partners make a contribution to increasing the demand for local products and services.

### *3.2.2.3 Improving the cooperation between unemployed people and other labour market actors to support raising employment rates in the cross-border region – SO3*

In order to increase regional employment and encourage labour market mobility, the partners organize a number of labour market events. A joint cross-border labour market forum will strengthen cooperation between labour market actors and common job fairs will help jobseekers to find employment in the region. Job-seeking is also supported by launching a regional labour market database and a website.

## 4 Action plan

The implementation of the specific objectives set out in the strategic part is served by four priorities and related project activities. The priorities of the project are the following.

- Improving labour market skills and the educational level of labour force for better labour market integration
- Developing infrastructure for a stronger local economy
- Intensifying cooperation between regional labour market actors
- Improving regional conditions for offline and online job-seeking

Activities that directly serve the implementation of the priorities, are described in the action plan.

*Table 13: Relationship between specific strategy objectives, priorities and activities*

| Specific objectives   | Priorities  | Activities  |
|---|---|---|
| Enhancing the mobility of the workforce between the two counties by increasing the labour market capacity – SO1   | Improving labour market skills and the educational level of labour force for better labour market integration | Organizing vocational training that meets the needs of the regional labour market |
|   |   | Developing labour market skills   |
| Establishing logistics and training centres – SO2   | Developing infrastructure for a stronger local economy  | Establishing logistics and training centres in Ajak and Halmeu                    |
|   |   | Creating conditions for online sales of local products                            |
| Improving the cooperation between unemployed people and other labour market actors to support raising employment rates in the cross-border region – SO3 | Intensifying cooperation between regional labour market actors  | Organizing joint labour market forums   |
|   | Improving regional conditions for offline and online job-seeking  | Organizing joint job fairs  |
|   |   | Creating a joint labour market IT database  |

*Source: Edited by the author*

The activities performed in the framework of the priorities are complemented by horizontal activities, such as the work of professional contributors, project management and communication activities, that support the implementation of the entire project. These activities are described in Chapter 4.2 entitled "Institutional Background of Implementation"

as well as the "Communication Strategy" developed within the project. The planned costs of the activities may change during implementation.

#### 4.1 Description of activities (objectives, target groups, costs, timeframe)

##### 4.1.1 Improving labour market skills and the educational level of labour force for better labour market integration

| Activity 1.1 – Organizing vocational training that meets the needs of the regional labour market |   |
|--|---|
| Description  | <p>Although labour market trends in the region have changed to the positive recently, the number of unemployed people as well as structural unemployment in Ajak are relatively high compared to national indicators, whereas the lack of seasonal labour force in Halmeu is a significant problem. The main reasons for this are a mismatch between the skills of employees and jobseekers and the skills required by employers, as well as low labour market mobility in the region.</p> <p>In the region, unskilled labour force must be integrated into the labour market through the implementation of targeted training programmes based on real employer needs. As part of the project, employer needs were surveyed (online questionnaire survey) in the autumn of 2020.</p> <p>Based on the labour market questionnaire survey and knowledge of preliminary labour market needs, there is a need to provide training in the region, mainly in the field of agriculture and settlement maintenance.</p> <p>In Ajak and Halmeu, training will be carried out according to the following parameters:</p> <ul style="list-style-type: none"> <li>▪ In Ajak, training is offered for 25 participants in the field of settlement maintenance.</li> <li>▪ In Halmeu, training is offered for 20-25 participants, based on the needs of the labour market in several training areas – 3 courses in the field of agriculture (estimated cost 2,000 EUR / training); 1 course in the field of food safety, occupational safety and hygiene (estimated cost 4,000 EUR). Successful participants obtain a nationally recognized qualification and/or certificate of competence issued by approved service providers.</li> </ul> <p>By providing training, the project partners aim to improve the educational level and employment opportunities of the target group, to</p> |

| Activity 1.1 – Organizing vocational training that meets the needs of the regional labour market |  |
|--|--|
|  | increase regional employment, thereby indirectly encouraging cross-border entrepreneurial cooperation and networking as well as cross-border labour market mobility. |
| Related specific objective   | Enhancing the mobility of the workforce between the two counties by increasing the labour market capacity – SO1  |
| Target group   | Disadvantaged people, jobseekers living in the eligible settlements/border area<br>Employers from the settlement/region  |
| Planned costs  | Ajak: 16,250 EUR<br>Halmeu: 10,000 EUR   |
| Timeframe  | November 2020 – January 2022   |

| Activity 1.2 – Developing labour market skills |  |
|--|--|
| Description                                    | <p>In many cases, the lack of basic employment competencies is a serious obstacle to employment. Thus, in addition to the implementation of vocational training, special attention should be paid to the competence development of disadvantaged unemployed people. The aim of competence development is to enable the relevant target group to adapt to the needs of the labour market after long-term or short-term unemployment.</p> <p>As part of the competence development, the municipality of the town of Ajak, by involving external service providers, organizes labour market information presentations and workshops focusing on skills development, as well as employs a labour market mentor. The events will be open to everyone.</p> <ul style="list-style-type: none"> <li>▪ Information presentations (4 occasions, at least 30 people/event): At labour market presentations, invited speakers provide useful information on the challenges and opportunities of the regional labour market and cross-border labour market mobility.</li> <li>▪ Workshops (4 occasions, at least 30 people/event): At the workshops, invited professionals develop the participants' labour market competencies.</li> </ul> |

| Activity 1.2 – Developing labour market skills |  |
|--|--|
|  | In addition to information presentations and skills development workshops, in the context of this activity, a labour market consultant is employed (full-time). The consultant assists jobseekers as their mentor and supports graduates with career guidance. Consultancy is open and free to everyone. |
| Related specific objective                     | Enhancing the mobility of the workforce between the two counties by increasing the labour market capacity – SO1  |
| Target group                                   | Disadvantaged people, jobseekers living in the eligible settlements/border area<br>Employers from the settlement/region  |
| Planned costs                                  | Ajak: 45,120 EUR   |
| Timeframe                                      | April 2020 – January 2022  |

#### 4.1.2 Developing infrastructure for a stronger local economy

| Activity 2.1 – Establishing logistics and training centres in Ajak and Halmeu |  |
|---|--|
| Description   | <p>In both settlements, agriculture plays a paramount role in economy and employment. In Ajak, for public catering purposes, public employees produce vegetables, and in Halmeu there are several long-term unemployed/disadvantaged people trying to earn extra income by producing strawberries.</p> <p>In both settlements, the need to build logistics centres arose a long time ago, as the current infrastructure does not satisfy the production potential, there are not enough vegetable and fruit warehouses in the region, where crops can be stored under optimal conditions until they are sold and processed.</p> <p>As part of the project, a logistics and training centre will be built in each settlement and equipment will be procured for operating services in the buildings.</p> <p>In Ajak, within the project a 500-square-meter logistics centre will be erected, the main function of which will be to store agricultural products (vegetables, fruits) harvested by locals. Inside the building, a separate 100-square-meter service space (training room, office) will be placed.</p> <p>The total estimated cost of the investment is 880,661 EUR, of which:</p> |

### Activity 2.1 – Establishing logistics and training centres in Ajak and Halmeu

|                            |  |
|----------------------------|--|
|                            | <ul style="list-style-type: none"> <li>▪ Estimated cost of construction work: 841,661 EUR</li> <li>▪ Estimated costs of planning, public procurement, technical supervisor: 29,900 EUR</li> <li>▪ Estimated cost of procurement of equipment: 9,100 EUR</li> </ul> <p>The useful floor area of the logistics centre to be built in Halmeu will be 1,338.01 square meters. Similarly, the main function of the building will be the storage of vegetables and fruits, however, in one part of the building there will be an office dedicated to administrative functions, a consultancy centre as well as a vocational training centre.</p> <p>The total estimated cost of the investment is EUR 1,087,225, of which:</p> <ul style="list-style-type: none"> <li>▪ Cost of construction works: 1,039,621 EUR</li> <li>▪ Estimated costs of planning, public procurement, technical supervisor: 25,410 EUR</li> <li>▪ Estimated cost of procurement of equipment: 22,194 EUR</li> </ul> <p>Technical details related to the buildings, including the list of equipment, can be found in the feasibility study attached to the application.</p> |
| Related specific objective | Establishing logistics and training centres – SO2  |
| Target group               | Local/regional farmers   |
| Planned costs              | Ajak: 880,661 EUR<br>Halmeu: 1,087,225 EUR   |
| Timeframe                  | June 2020 – January 2022   |

### Activity 2.2 – Creating conditions for online sales of local products

|             |  |
|-------------|--|
| Description | <p>Consumption of local products and services has a number of positive effects on the economy of a region – including an increase in competitiveness of the regional economy and employment.</p> <p>At the same time, small local enterprises and small producers do not have sufficient human and financial resources to carry out appropriate marketing activities, which imposes a significant competitive disadvantage for them compared to large companies. In order to strengthen local enterprises, Ajak and Halmeu wish to support the</p> |
|-------------|--|

### Activity 2.2 – Creating conditions for online sales of local products

|                            |   |
|----------------------------|---|
|                            | <p>promotion of local products and services:</p> <ul style="list-style-type: none"> <li>▪ As a first step, project partners create a common brand name, which the entrepreneurs of the settlements are free to use in their marketing activities. Estimated cost: 3,000 EUR</li> <li>▪ As a second step, project partners will create a common, bilingual e-marketplace, where entrepreneurs and local producers in the area can promote their products online. The e-marketplace will function as a marketing interface, not as a sales interface. Estimated cost: 14,000 EUR</li> </ul> <p>For online marketing purposes, local products and services in the region (a region that touches both sides of the border) must be identified and collected in advance.</p> |
| Related specific objective | Establishing logistics and training centres – SO2   |
| Target group               | Local/regional farmers  |
| Planned costs              | Ajak: 17,000 EUR  |
| Timeframe                  | April 2021 – October 2021   |

#### 4.1.3 Intensifying cooperation between regional labour market actors

### Activity 3.1 – Organizing joint labour market forums

|             |  |
|-------------|--|
| Description | <p>Cross-border cooperation between labour market actors in the region is rather sporadic, making it difficult to quickly identify and understand regional labour market trends and to take proactive joint steps to encourage labour market processes.</p> <p>Within the framework of the so-called “Employment Pacts”, regional “Employment Forums” have been operating in Hungary for several years, where labour market actors of the region gather and discuss the challenges of the labour market. One of the specific objectives of the project is to improve cooperation between the unemployed and other labour market actors in order to increase employment in the cross-border region. To this end, the project partners set up a cross-border labour market forum.</p> <p>The joint labour market forum promotes cross-border cooperation and</p> |
|-------------|--|

### Activity 3.1 – Organizing joint labour market forums

|                                   |   |
|-----------------------------------|---|
|                                   | <p>networking between labour market actors in the region, as well as offers an opportunity for participants to discuss major challenges and development opportunities most relevant to the regional labour market.</p> <p>In the framework of the forums, stakeholders can exchange experiences and learn about each other's good practices in the labour market through factory visits and visits to local enterprises. Members of the forum may be: regional enterprises/employers, education and (vocational) training institutions, labour market agencies, labour market service providers, etc.</p> <p>At the forums, through open public labour market events and labour market surveys, project partners also intend to address the local population. The purpose of involving the population is that people should learn more about and accept investments made under the programme and, as a target group, participate in labour market events organized in the framework of forums.</p> <p>The beneficiaries will implement a joint cross-border labour market forum as follows:</p> <ul style="list-style-type: none"> <li>▪ As part of a joint event, there will be a public forum and a cross-border labour market forum organized by the municipality of Ajak. The municipality will involve external service providers in the implementation of the forum. Estimated cost: 1,500 EUR</li> <li>▪ The Commune of Halmeu organizes a residents' forum as well as a cross-border labour market forum. Forum costs include catering and administration costs (folders, invitations, registration forms). Estimated cost: 1,000 EUR / cross-border labour market forum; 500 EUR / residents' forum</li> </ul> |
| <p>Related specific objective</p> | <p>Improving the cooperation between unemployed people and other labour market actors to support raising employment rates in the cross-border region – SO3</p>  |
| <p>Target group</p>               | <p>County chambers of commerce and industry; (Vocational) educational institutions and providers; Higher education institutions operating in the area; NGOs; Municipal/regional employers; Local employment pacts; Other relevant authorities and stakeholders; Local population</p>  |
| <p>Planned costs</p>              | <p>Ajak: 1,500 EUR<br/>Halmeu: 1,500 EUR</p>  |

### Activity 3.1 – Organizing joint labour market forums

|           |                               |
|-----------|-------------------------------|
| Timeframe | September 2021 – January 2022 |
|-----------|-------------------------------|

#### 4.1.4 Improving regional conditions for offline and online job-seeking

### Activity 4.1 – Organizing joint job fairs

|                            |   |
|----------------------------|---|
| Description                | <p>One of the best known ways to provide a personal meeting platform for employers (recruiters) and jobseekers is through a job fair. At job fairs, regional employers can present themselves in person to local jobseekers. Having attended job fairs, jobseekers can better orient themselves in labour market offers.</p> <p>Joint job fairs contribute to increasing regional employment and, indirectly, to increasing labour mobility. Joint job fairs will be carried out as follows.</p> <ul style="list-style-type: none"> <li>▪ Job fairs are held in Ajak twice a year, one of which takes place at Ajak Festival. Under this activity, the municipality of Ajak employs a local coordinator responsible for organizing events.</li> <li>▪ Job fairs are held in Halmeu twice a year, one of which takes place at the regular Strawberry Festival. Job fair costs include catering and administration costs (folders, invitations, registration forms).</li> </ul> |
| Related specific objective | Improving the cooperation between unemployed people and other labour market actors to support raising employment rates in the cross-border region – SO3   |
| Target group               | Disadvantaged people, jobseekers living in the eligible settlements/border area<br>Employers from the settlement/region   |
| Planned costs              | Ajak: 30,000 EUR<br>Halmeu: 2,000 EUR   |
| Timeframe                  | September 2021 – January 2022   |

### Activity 4.2 – Creating a joint labour market IT database

|                            |  |
|----------------------------|--|
| Description                | <p>One of the biggest challenges for partner settlements is to ensure that local enterprises and the workforce find each other as quickly as possible, one way of which are job fairs, presented above. At the same time, it is often easier to reach some members of the target group, the young people of the region, in online format. To this end, the municipalities of Ajak and Halmeu will create a cross-border website and mobile application to support regional job-seeking.</p> <p>Key features of the joint bilingual online labour market database are the following.</p> <ul style="list-style-type: none"> <li>▪ It ensures the monitoring of regional labour market trends by continuously updating labour market statistics;</li> <li>▪ It provides basic information for jobseekers on the conditions of regional and cross-border employment and housing;</li> <li>▪ As an online job agent, it facilitates job-seeking in the region, jobseekers can find out if there is a vacancy in their profession.</li> </ul> <p>In order to create this responsive website and database, the municipality of Ajak will contract an external expert. Website content is provided jointly by the partners. Promotion of this regional labour market database is essential for both companies and jobseekers.</p> |
| Related specific objective | Improving the cooperation between unemployed people and other labour market actors to support raising employment rates in the cross-border region – SO3  |
| Target group               | Jobseekers from the settlement/region<br>Employers from the settlement/region  |
| Planned costs              | Ajak: 28,000 EUR   |
| Timeframe                  | April 2021 – October 2021  |

## 4.2 Institutional background of the implementation

For the successful implementation of this “Common Strategy and Action Plan”, project partners must have an accountable and transparent organizational structure. The partnership of the INTERLOGISTICS project guarantees the implementation of the activities planned in the document, the Municipality of Ajak as well as the Municipality of Halmeu are responsible for the implementation of the project. For a smooth implementation of the project, project partners will set up a joint project management working group as well as a project Coordination Committee.

The Coordination Committee of the project is the main decision-making body of the project. It consists of the mayors of the two partner settlements. The joint project manager attends the meetings of the Coordination Committee on a permanent basis. During the implementation of the project, the role of the Coordination Committee comprises following tasks.

- Continuous monitoring of the progress of the project, removal of any obstacles before successful implementation of the project;
- Adopting professional, implementation-related and financial decisions related to the implementation of the project (taking the joint project manager’s opinion into consideration);
- Active support of the joint project management working group.

The partners bear joint responsibility for the implementation of the proposed activities, therefore, the staff of the project management working group is provided jointly by the partners. Following principles shall be taken into account in the course of the establishment and operation of the joint project management team:

- Detailed planning of management tasks, operation of an appropriate financial and accounting system;
- Ensuring daily contact between management and partners;
- Compliance with strict administrative requirements for EU-funded projects: transparency, traceability, controllability and exclusion of conflicts of interest;
- Clear responsibilities; and
- Utilisation of project experience – command of appropriate knowledge and experience in the implementation of cross-border activities.

In addition to the joint project management working group, both municipalities contract an external project manager for the smooth and efficient execution of management tasks. Responsibilities of the joint project management working group are outlined in the following table.

Table 14: Responsibilities of the joint project management team responsible for the implementation of the common strategy and action plan

| Responsibility                     | Description   | Responsible project partner   |
|------------------------------------|---|-------------------------------|
| Joint project manager              | <p>Organizing and optimizing resources needed to implement project activities successfully and efficiently.</p> <p>Organization, management and control of preparation and implementation processes.</p> <p>Coordinating cooperation between project partners and relevant external service providers.</p> <p>Continuous communication with the joint management working group.</p> | Municipality of the Town Ajak |
| Joint financial manager            | <p>General financial management and administration of the project, provision of professional support to the joint project manager.</p> <p>Documentation of project expenditures and procurement procedures.</p> <p>Continuous communication with the joint management working group.</p>  |                               |
| Project assistant                  | <p>Assisting the joint project manager in the adequate implementation of activities.</p> <p>Continuous performance of monitoring tasks.</p> <p>Continuous communication with the joint management working group.</p>  |                               |
| Local coordinator                  | <p>Supervision of the implementation of project activities.</p> <p>Quality control of technical documentation and construction work (in cooperation with the technical supervisor).</p> <p>Continuous communication with the joint management working group.</p>  | Commune of Halmeu             |
| Financial assistant/<br>accountant | <p>Management of the financial activities of the Romanian partner.</p> <p>Performing proper project accounting.</p> <p>Continuous communication with the joint management working group.</p>  |                               |

Source: Edited by the author

### 4.3 Risk analysis

The successful implementation of the interventions planned in the joint development strategy and action plan may be influenced by various external and internal factors. The risk analysis and risk management process comprises following steps.

- Identification of risks that are likely to arise during implementation;
- Determining the probability of risks occurring and the extent of potential impact; and
- Defining the measures taken to prevent risks and reducing the extent of their impact.

Risks can occur in different areas such as in social, organizational/institutional, legal/policy-related, financial/economic, technical areas. The most important risks for the implementation and maintenance of the project are outlined below.

*Table 15: Risk analysis and management*

| Risk   | Probability of occurrence | Impact      | Prevention/Management measures   |
|--|---------------------------|-------------|--|
| Negative changes in the legal and policy environment       | low                       | medium      | Continuous monitoring of legislative and policy changes<br>Adequate flexibility in organizational structure and interventions  |
| Adverse macroeconomic developments                         | significant               | significant | Monitoring macroeconomic developments: preparing for a worst case scenario<br>Adequate flexibility in financing interventions<br>Networking with stakeholders for possible external funding of the project |
| Inadequate technical design or construction                | low                       | medium      | When selecting designers and contractors, special attention must be paid to professional suitability and references  |
| Unforeseen technical problems                              | medium                    | medium      | Completion of detailed study plans, detailed situation assessment  |
| Organizational/ personnel changes in the work organization | low                       | medium      | Selection of individuals with appropriate experience<br>Clear, transparent responsibilities and procedures   |

| Risk  | Probability of occurrence | Impact      | Prevention/Management measures  |
|---|---------------------------|-------------|---|
| Lack of experts required for implementation | medium                    | medium      | Selection of individuals with appropriate experience  |
| Delay in project implementation             | significant               | medium      | Realistic, feasible and flexible scheduling<br>Thorough preparation of (public) procurement<br>Consideration of dependence on external service providers                    |
| Delay in financial schedule                 | medium                    | low         | Continuous monitoring of implementation and indicators<br>If necessary (and possible), modification of the financial schedule   |
| Target group not motivated                  | low                       | significant | Preliminary assessment of the needs and expectations of the target group<br>Presentation of the benefits and results of the project through effective project communication |

Source: Edited by the author

#### 4.4 Monitoring and evaluation

A well-functioning monitoring activity is an essential part of project management. The fundamental function of the monitoring activity during the implementation of the programme is to keep track of whether the planned outputs are created as a result of the interventions and whether the implementation of the programme really leads to the expected results. If the continuous monitoring of the indicators shows deviations from the goals set, it is the task of the project management to intervene and ensure the fulfilment of the pre-defined goals and to avoid possible loss of resources. In contrast, the purpose of project evaluation is to examine whether the programme has actually achieved the expected results.

Although monitoring and evaluation activities are directly linked to the implementation of the strategy, laying the groundwork for them is essential before project implementation, as part of the planning process. Key elements of this are the following.

- Formulating clear goals, development of a clear intervention logic,
- Defining indicators suitable for the realistic measurement of the outputs and results of the programme,
- Designing a system of monitoring and evaluation activities to support the implementation of the programme.

Effective monitoring and evaluation activities cannot work without well-defined indicators. The indicators can be used to determine whether the project is performing as expected and whether it is achieving the set results. Indicators can be quantitative or qualitative. Indicators must meet SMART criteria: specific, measurable, achievable, relevant and time-bound.

Measurability of an indicator is ensured if the following information about the indicator is available: a clear and precise description of the indicator, initial and target values (at the time of determining the values), and method of measuring the indicator. Within the framework of this strategy, result and output indicators defined by the Investment Priority 8/b of the Interreg V-A Romania-Hungary programme shall be applied, which are as follows:

- RESULT INDICATOR: 'Employment rate in the eligible area as a percentage of the working-age population'<sup>1</sup>
- OUTPUT INDICATOR: 'Number of participants in joint local employment initiatives and joint training'

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<sup>1</sup> The latest data on the employment rate in settlements are the 2011 census data in both Hungary and Romania. The next census in both countries is scheduled to be held in 2021, which could be overridden by the COVID-19 pandemic.

Table 16: Result and output indicators of the strategy

| Indicator   | Definition   | Initial value | Year | Target value | Year | Source   |
|---|--|---------------|------|--------------|------|--|
| <b>Number of participants in joint local employment initiatives and joint training (programme output indicator)</b> | Number of participants in joint employment initiatives and/or joint employment training programmes | 0             | 2020 | 760          | 2022 | Attendance sheets for relevant events of the ROHU 391 INTERLOGISTICS project |
| <b>Employment rate (programme result indicator)</b>   | Employment rate in Ajak as a percentage of the working-age population (%)                          | 52.27         | 2011 | 66.0         | 2021 | Based on data of KSH <sup>2</sup>  |
|   | Employment rate in Halmeu as a percentage of the working-age population (%)                        | ...           | 2011 | 68.0         | 2021 | Based on data of INSSE <sup>3</sup>  |

Source: Edited by the author

<sup>2</sup> KSH: Hungarian Central Statistical Office

<sup>3</sup> INSSE: National Institute of Statistics of Romania

## Technical information

|                        |   |
|------------------------|---|
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