

Managing Authority
Ministry of Regional Development and Public Administration

Joint Operational Programme Romania – Ukraine
2014-2020

FIRST DRAFT

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Abbreviations

CBC	–	Cross Border Cooperation
CC	–	County Council
DG DEVCO	–	Europe Aid Development and Cooperation
EaP	–	Eastern Partnership
EC	–	European Commission
ENI	–	European Neighbourhood Instrument
ENPI	–	European Neighbourhood and Partnership Instrument
EP	–	European Parliament
EU	–	European Union
GIZ	–	German Society for International Cooperation
JOP	–	Joint Operational Programme
JOP RO-UA-MD	–	Joint Operational Programme Romania – Ukraine - Republic of Moldova
JPC	–	Joint Programming Committee
JTC	–	Joint Technical Secretariat
HCOP	–	Human Capital Operational Programme
LIPs	–	Large Infrastructure Projects
MA	–	Management Authority
MC	–	Municipal Council
MD	–	Republic of Moldova
MEF	–	Ministry of European Funds
MFA	–	Ministry of Foreign Affairs
MRDPA	–	Ministry of Regional Development and Public Administration
NGO	–	Non Governmental Organisation
NPRD	–	The National Programme for Rural Development
NE	–	North-East
NRP	–	National Reform Program
NUTS	–	Nomenclature of Territorial Units for Statistics
OP	–	Operational Programme
OPAC	–	Operational Programme Administrative Capacity
OPLI	–	Operational Programme Large Infrastructure
OPC	–	Operational Programme Competitiveness
ODA	–	Official Development Assistance
PA	–	Partnership Agreement
RA	–	Regional Authority
R&D	–	Research and Development
RO	–	Romania
ROP	–	Regional Operational Programme
SIDA	–	Swedish International Development Cooperation Agency
SME	–	Small and Medium Enterprises
SWOT	–	Strengths, Weaknesses, Opportunities, Threats analysis
TWG	–	Thematic working groups
TA	–	Technical Assistance
TO	–	Thematic Objectives
UA	–	Ukraine
USAID	–	United States Agency for International Development

Table of Contents

- 1
- 1. INTRODUCTION 4
- 2. DESCRIPTION OF THE PROGRAMME AREA 7
 - 2.1. CORE REGIONS 7
 - 2.2. MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES 10
 - 2.3. FLEXIBILITY RULE 11
 - 2.4. PROGRAMME MAP 12
- 3. PROGRAMME STRATEGY 13
 - 3.1. STRATEGY DESCRIPTION 13
 - 3.2. JUSTIFICATION OF THE CHOSEN STRATEGY 19
 - 3.2.1. SOCIO ECONOMIC AND SWOT ANALYSES 19
 - 3.2.2. PRELIMINARY CONSULTATIONS 40
 - 3.2.3. COHERENCE ANALYSIS 41
 - 3.2.4. MULTI CRITERIA ANALYSIS 58
 - 3.2.5. PAST EXPERIENCE ANALYSIS 60
 - 3.2.6. SUMMARY OF STRATEGY IDENTIFICATION 62
 - 3.3. RISK ANALYSIS AND MITIGATION MEASURES 64
 - 3.4. PROGRAMME INDICATORS 66
 - 3.5. CROSS-CUTTING ISSUES 70

1. INTRODUCTION

Cross border cooperation at the external borders of the EU continues to represent a top priority for the European Union during the 2014-2020 programming period. The cross border cooperation under the European Neighbourhood Instrument (ENI) will create added value for the border regions building on its predecessor, the ENPI. The ENI CBC aims to create “an area of shared prosperity and good neighbourliness between EU Member States and their neighbours”. To this purpose the ENI has three strategic objectives:

- (A) promote economic and social development in regions on both sides of common borders;
- (B) address common challenges in environment, public health, safety and security;
- (C) promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

The programme Romania-Ukraine 2014-2020 will contribute to all ENI strategic objectives while focusing its strategic intervention on four thematic objectives:

1. Support to education, research, technological development and innovation (Strategic objective: A)
2. Promotion of local culture and preservation of historical heritage (Strategic objective: A)
3. Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)
4. Common challenges in the field of safety and security (Strategic objective: B)

In the general framework created by the Programming document for EU support to ENI Cross-Border Cooperation 2014-2020, EU Regulation 232/2014 establishing a European Neighbourhood Instrument and of the Commission Regulation no 897/2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation 232/2014, the participant countries have cooperated in order to identify the needs of the programme area and select those thematic objectives and priorities that are most relevant for further development of the border region.

Within this context the partner countries nominated the Ministry of Regional Development and Public Administration from Romania as Managing Authority and established the Joint Programming Committee (JPC) as decisional body for the programming process. Additionally, two working groups were created, one for the identification of Large Infrastructure Projects and one for the description of management and control structures.

The process of elaboration of the Romania-Ukraine Joint Operational Programme included stakeholder consultations, socio economic analysis, SWOT and multi criteria analysis as well as a review of the lessons learnt from the Romania-Ukraine-Republic of Moldova Joint Operational Programme and meetings of the especially created working groups and JPC. The whole process actively involved the JPC who was informed regarding each milestone and decided on the stages of the programming process.

The main steps of the development of the Ro-Ua Programme were:

- Socio-economic and SWOT analyses
- Preliminary consultations: interviews, focus groups, online survey
- Coherence and multi-criteria analyses
- Public consultations on the first draft JOP

Socio-economic and SWOT analyses

The socio economic and SWOT analyses followed the most important features of the eligible area and their likely positive or negative impact. The main areas covered were:

- 1) Geography;
- 2) Demography;
- 3) Economy and Labour Market;
- 4) Transport and Infrastructure (including public utilities and ICT);
- 5) Environment and Energy;
- 6) Health, Social Safety and Security;
- 7) Education, Culture, Society;
- 8) Public Administration and Governance

As a result of the socio-economic and SWOT analyses thematic objectives 5 (Support to local & regional good governance) and 9 (Promotion of energy cooperation) were ruled out.

Preliminary consultations: interviews, focus groups, online survey

The preliminary consultations with the Programme stakeholders included **interviews** with local, regional and national authorities and focus-groups with civil society organisations, Universities, Commerce, Industry & Agricultural Chambers and other relevant stakeholders. Additionally, **5 focus groups** were organised in Ukraine and 4 in Romania involving representatives of local and central administration as well as civil society.

An **on-line survey** was sent to potential eligible applicants from the programme area. The survey was done using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP.

Overall results of preliminary consultations indicated the main preferences of the stakeholders in the eligible area in regards to the thematic objectives to be financed as follows:

- TO 2. Support to education, research, technological development and innovation
- TO 3. Promotion of local culture and preservation of historical heritage
- TO 6. Environmental protection, climate change adaptation
- TO 7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO 8. Common challenges in the field of safety and security

Past experience analysis

A review of the lessons learnt from the previous programming period was done in order to gather information for the strategy development. The main findings followed the typical life stages of a project: generation (including identification of partners), application, evaluation, contracting and implementation and provided valuable inputs for the implementation section.

Coherence and multi-criteria analysis

According to CBC programming regulations for 2014-2020 timeframe, the CBC programmes must deliver real cross-border added value and not cover elements already funded or that could more suitably be funded from other ENI or EU programmes. In order to narrow down the thematic objectives to be addressed by the Romania-Ukraine Programme to those that can contribute to a greater extent to the development of the programme area and that are not financed through other funding mechanisms, a coherence analysis was undertaken.

Based on the Programming document for EU support to ENI Cross-Border Cooperation 2014-2020, the coherence analysis followed three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objective with the programme).

As a result of the consistency analysis with other programmes and strategies it was considered that thematic objective 6 is already covered through other funding mechanisms and it was decided to exclude it from the list of thematic objectives to be considered for the Romania-Ukraine Programme.

Multi criteria analysis

In order to ensure the consistency of the selected thematic objectives with the realities of the region and with the financial allocation of the programme a multi-criteria analysis was done. A panel of experts scored each thematic objective against the following five criteria:

- Cross border impact
- Capacities for project management
- Relevance for overall financial allocation
- Coherence with strategies and programmes
- Current regional context

As a result of the multi criteria analysis the highest ranking thematic objectives were:

OT 2: Support to education, research, technological development and innovation (Strategic objective: A)

OT 3: Promotion of local culture and preservation of historical heritage (Strategic objective: A)

OT 7: Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)

OT 8: Common challenges in the field of safety and security (Strategic objective: B)

Public consultations on the first draft JOP (to be filled in after the public consultations)

Work of the Joint Programming Committee and Joint Working Groups

In the programming process the main decision making body has been the Joint Programming Committee (JPC) that has been set up especially for the development of the operational programme. The JPC has met twice in order to decide on the main elements of the programming process. During its first meeting held in June 2013, the JPC nominated the Managing Authority, the Audit Authority and the Joint Technical Secretariat.

The second meeting of the JPC took place in October 2014 and had as main objective the decision regarding the thematic objectives to be financed by the Programme. The JPC approved the list of thematic objectives resulted from the analyses and gave further guidance on the priorities and activities to be included under each of the selected thematic objectives. Following the second meeting the JPC approved by written procedure the programme area and the priorities and indicative activities.

Joint Working Group for LIPs

The Joint Programming Committee decided to select and award without call for proposals (as according to art. 41 of the Commission Implementing Regulation no 897/2014) Large Infrastructure Projects. In this respect a Joint Working Group (JWG) was set. Its role was to identify, select and prioritize the list of Large Infrastructure Projects to be included in the programme. The JWG included representatives nominated by the central and regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police), health and customs. The responsibility for the designation of the LIP WG members belonged to each participant country.

At national level, a strong and participatory consultation process was carried out with the relevant institutions having a significant role in the fields of interests for LIPs. The objectives of the consultation were firstly to identify suitable and feasible project ideas at national level and secondly, to obtain the proper input from the relevant stakeholders as regards the national support for the identified projects.

The project selection itself was based on a working procedure approved by the Joint Programming Committee. More specifically, the stakeholders have submitted project proposals through the use of a template designed to underline the LIP essential criteria and conditions and these were analysed by the Joint Working Group, with the support of the Managing Authority.

Following a thorough analysis projects were discussed and prioritized at the level of the Joint Working Group through the means of two meetings (October 2014 and March 2015).

The Joint Programming Committee approved the list of the **Large Infrastructure Projects (including the reserve list)** to be selected through direct award procedure and it can be consulted in **ANNEX I. The list was approved during the xth JPC meeting, on2015 .**

2. DESCRIPTION OF THE PROGRAMME AREA

The programme area consists of the core regions listed in the chapter 2.1. below and major social, economic and cultural centres as presented in chapter 2.2.

In addition to the programme area, a flexibility rule has been introduced, as described in chapter 2.3 below.

2.1. CORE REGIONS

The core regions of the Romania-Ukraine Joint Operational Programme 2014-2020 are indicated by the Programming document for EU support to ENI Cross-Border Cooperation and covers:

- **Romania** – 5 counties – Suceava, Botosani, Satu-Mare, Maramures, Tulcea;
- **Ukraine** – 4 oblasts – Zakarpattia, Ivano-Frankivsk, Odessa, Chernivtsi.

The core regions encompass a total of 100,860 km², out of which 32,760 km² represent the Romanian territory (divided between the 5 counties: Suceava 8,553 km², Botoşani 4,986 km², Satu-Mare 4,418 km², Maramureş 6,304 km², Tulcea 8,499 km²), while 68,100 km² represent the Ukrainian territory (divided between the 4 oblasts: Zakarpattia 12,800 km², Ivano-Frankivsk 13,900 km², Odessa 33,300 km², Chernivtsi 8,100 km²). In terms of proportionality, the Ukrainian eligible area is more than double in size compared to the Romanian territory.

The border shared by the two countries represents part of the current virtual border of the European Union, as the Romanian regions of North-West, North-East, and South-East are the outermost border regions of the EU in the region.

The total length of the border is of 649.4 km. The border is varied in terms of type: land – 273.8 km, river – 343.9 km, sea – 31.7 km. Furthermore, the Southern part of the Romanian-Ukrainian border divides the shared biosphere of the Danube Delta. The two countries share six land border crossing points at the Northern part of the programme area, accessible by car and train as follows:



Crossing points	Accessibility
Halmeu (Satu Mare)– Diakove (Zakarpattia)	● rail & auto
Câmpulung la Tisa – Teresva	● rail (not operational)*
Sighetu - Marmaţiei - Solotvino	● auto
Valea Vişeuului – Dilove	● rail (not operational)*
Vicşani – Vadul Siret	● rail
Siret – Porubne	● auto

*according to official data from the Romanian Border Police

As regards the Southern area of the core regions there are no direct border crossing points between the two countries. The border crossing can only be done through Galati (RO) - Giurgiulesti (MD) and further, through several border crossing points from Republic of Moldova to Ukraine (the closest in terms of distance being Giurgiulesti-Reni and Vulcanesti-Vinogradovka).

The core regions include a significant part of the core eligible area of the former Romania-Ukraine-Republic of Moldova cross-border cooperation programme (Odessa and Chernivtsi oblasts and Botoşani, Suceava and Tulcea counties) and an additional number of two oblasts (Zakarpattia and Ivano-Frankivsk) and two counties (Maramureş and Satu-Mare) that are also included in the former (2007-2013) and current (2014-2020) ENI CBC Hungary-Slovakia-Romania-Ukraine .

The core regions encompass a total *area* of 100,860 km² and have a combined border length of 649.4 km. Out of the total core eligible area 32.48% represents the Romanian territory and 67.52% represents the Ukrainian territory.

There are a number of important urban *settlements* in the core eligible area that polarize a large number of the resident population. This type of polarization, along with the social and economic situations of the urban and rural areas emphasizes the large disparities when comparing urban and

rural settlements. This is of major importance, as in spite of the urban concentrations in the area, a large part of the core eligible area is still predominantly rural.

The programme area sums up a total of approximately 8,022,042 inhabitants. Of the total *population*, 26% (2,083,538 inhabitants) reside on the Romanian side of the border and 74% (5,938,504 inhabitants) on the Ukrainian side. The difference in scale, considering both the size of the territories and populations is extremely important and an integral part of the territorial analysis, as these differences can have a skewing effect on the territorial comparisons results.

The core eligible area concentrates a large population with ages between 15 and 64 years. Territorial comparisons show that the four Ukrainian oblasts have a positive (but sensitive) natural increase of 0.6‰, while the Romanian counties have a negative rate of -3.78‰. The largest negative natural increase rates are registered in the rural area of the core eligible areas, while urban centres register slight positive increases. Even so, the natural increase rate of the core eligible area is of -0.54‰, which combined with the outward migration trends signals major difficulties in the population rejuvenation process, creating the premise for the increase of the urban-rural disparities.

The *health infrastructures* are limited in development especially in the rural areas. The level of development and the capacity of the health units are below national averages across all of the core eligible area. Significant differences are observed in the more urbanized counties and oblasts; however, even in these cases, the capacities are still under their national averages.

The major differences in development and opportunities leading to higher poverty and unemployment rates have direct effects on the quality of life and life expectancy at birth. In Romania, male life expectancy is 71 years and female life expectancy is 78.1 years, while in Ukraine the life expectancy for males is of 66 years and 76 years for females. Compared to previous years life expectancy is on a rise, but it is still below European averages.

The core eligible area's *active population* represents 45.09% of the total population. Out this total, 93.83% of the active population is employed, while 6.15% is unemployed. The largest employed population by sector is employed in the agricultural sector, and represents 25.35% of the total employed population. Territorial differences are however significant, as in Romania 42.58% of the employed population works in this sector, while in Ukraine only 20.35%. In the latter case, this still represents the largest sector by employed population.

The structure of the unemployed population shows that there are similarities between the two sub-national territories. On both sides of the border the largest part of the unemployed population has only primary, secondary or vocational education. In the Romanian counties, 62.99% of the unemployed population has this level of education, while in the Ukrainian oblasts 48.03%. In addition, early school leaving is relatively high in the area, especially in Ukraine, where in 2012 at the secondary level early school leaving reached 17%.

The average gross monthly earnings in the area are some of the lowest at national and European levels. On average the gross monthly earnings reached in 2012 €360 in Romania and €241 in Ukraine. The agricultural sector is the largest sector in terms of employed population; however, earnings in this sector are some of the lowest, registering values below the averages.

The core regions of the programme have one of the lowest development levels in the area in comparison with the other neighbouring countries and regions. At the national level of Romania, comparing the GDP per inhabitant levels by county emphasized a directional trend of development on an axis from North-West to South East. Compared to this axis of development, the North-East development region and the Northern part of the South-East development region in Romania can be considered peripheral, while their GDP levels indicate a type of isolation effect. The North-West Development Region, which includes Maramureş and Satu-Mare counties, benefits from the direction of this axis; however, the two counties are positioned only in the influence area of the axis.

In Ukraine the major development axis, is also oriented from North-West to South-East, out of the reach of the Ukrainian oblasts in the core eligible area. Compared to the rest of the country and

excepting Odessa Oblast, the rest of the oblasts in the eligible area are some of the poorest at national level. This is consistent when comparing the GDP per inhabitant levels at county and oblast level, as Botoşani and Chernivtsi have some of the lowest GDPs compared to each of their national territories.

Competitiveness is rather low in the core eligible area. The major causes behind this are: the predominance of agriculture and industry as the main economic activity and the lack diverse economic activities; the low level of investments in Research & Development and its underuse in industrial and technological activities, reducing productivity; low accessibility due to the poor quality of the transport infrastructure; the underdeveloped and deteriorating public utilities infrastructure; and the low ICT penetration rates at territorial level.

In terms of *infrastructure*, the core eligible area has a poorly developed transport infrastructure, which cannot insure accessibility and connectivity at international standards, resulting in an isolation effect. Intermodal transport is still limited, as the naval and air links are underdeveloped, in spite of the gain potential given by the Tulcea-Odessa region. The road and rail infrastructures are sufficiently dense if compared to their national figures. However, quality wise the infrastructure still leaves room for improvement. Local roads lack investments due to limited funding opportunities and bureaucracy, compared to national and European roads, which receive significantly more attention. The rail network is rather old and requires significant improvements, as at the present state it does not allow the use of high speed trains, and the gauge difference between the two countries makes border crossing by train time consuming.

The state of the *public utilities and services infrastructure* serving the urban and rural localities in the area raises a number of issues. Even if significant percentages of the localities in the core eligible area are connected to these networks, their quality is rather poor. A large portion of these infrastructures are developed before 1989 and in general lack serious investments since then, especially in the case of rural localities. This creates problems in terms of environmental protection, as this leads to the evacuation of undertreated or untreated waters and poorly managed waste, which combined have a negative impact on soil and water quality.

The analysis shows that the core eligible area is a big consumer of energy, mostly due to industrial activities and energy production with the purpose of heating. The Ukrainian oblasts have significantly higher levels of energy use compared to the Romanian counties. Furthermore, the Ukrainian oblasts are large consumers of coal and gas as fuels, greatly increasing particle and greenhouse emissions in the area.

The varied relief, the geographical positioning, the varied flora and fauna, and the cultural heritage of the area are major competitive advantages of the core eligible area in terms of tourism. The area benefits from over 1000 natural protected areas of national and international importance and numerous historic sites. The increasing number of tourists in the last two years confirms that the attractiveness of this area is one of international level.

2.2. MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES

The programme decided to make use of the art. 8 (3) of the *Regulation no 232/2014 of the European Parliament and of the council establishing a European Neighbourhood Instrument* provisions, and included two major social, economic and cultural centres Bucharest (RO) and Kiev (UA) in the programme area. Considering that large infrastructure projects proposed for selection without a call for proposals have specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power and also taking into account that most of the relevant institutions are located in the Capitals of the participant countries, it was identified the need to include in the programme area, these two cities as major social, economic and cultural centres.

The selection of the Capital Cities as major social, economic and cultural centres will primordially contribute to the achievement of the programme objectives in a sustainable way especially for the

TOs including essential/strategic investments, capable to improve the life of people in the eligible area by larger and more integrated interventions generated exclusively with central support. Including Bucharest and Kiev as Major Centres within the programme will be a guarantee for more sustainable results at the core eligible area level.

In the same line of reasoning, including these two cities in the Programme will strongly contribute to the achievement of the CBC impact of the interventions. The Programme allocates 30% of the EU contribution to Large Infrastructure Projects which presumes (1) beneficiaries from central level having de jure / de facto monopoly of the interventions and (2) financial capabilities to support costly/large scale interventions.

LIPs contribute to the development of the border area, as they are strategic projects that address important problems of the border such as emergency situations, health, transport and infrastructure. Also, LIPs require better-coordinated actions, joined planning and implementation at central level from both countries, while paying attention to the particularities and communalities larger regions on both sides of the border.

The two major centres may only be involved in large scale projects which are addressing TO2 Support to education, research, technological development and innovation; TO7 Improvement of accessibility to the regions; TO8 Common challenges in the fields of safety and security. The corresponding financial allocation for the project partners and/or activities carried out within the major social, economic and cultural centres are limited by the allocation set at programme level for large infrastructure projects.

Summary of conditions for eligibility of major, economic and cultural centres

Major Centres	Specific Conditions*
Bucharest Kiev	Organizations participating in Large Infrastructure Projects, Financial allocation limited by the large infrastructure envelope; <i>Thematic Objective 7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems</i> <i>Thematic Objective 8 Common challenges in the field of safety and security</i>

2.3.FLEXIBILITY RULE

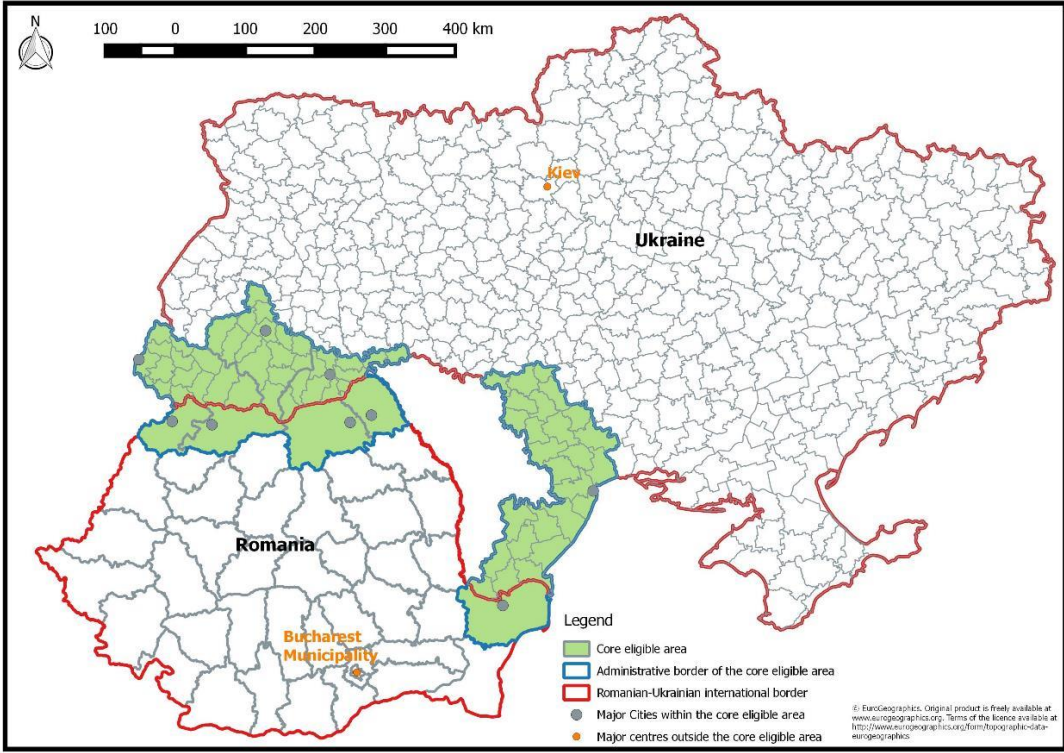
A **flexibility rule** set in accordance to point (b) of article 39(2), and article 45(4) of Commission Regulation 897/2014 **may** be used outside the programme area (meaning outside core regions and major social, economic and cultural centres).

Maximum 10 % of the Programme allocation may be used outside the programme area or by the beneficiaries located outside the programme area, as follows:

- A. By Romanian and Ukrainian **beneficiaries** (but not lead beneficiaries of projects) **located outside the programme area**, provided that the following conditions are met:
 - a. Their participation in project is required by the nature and by the objectives of the project and is necessary for its effective implementation;
 - b. Comply with the eligibility criteria defined for each selection procedure
- B. By beneficiaries (including lead beneficiaries) located within the programme area or by LIP beneficiaries (including those located outside the programme area) **for implementing projects partially outside the programme area**, provided that the following condition is met:
 - a. The projects are necessary for achieving the programme objectives and they benefit the programme area

In order to be selected, a project should justify any use of funds outside the programme area.

2.4. PROGRAMME MAP



3. PROGRAMME STRATEGY

3.1. STRATEGY DESCRIPTION

The Romania-Ukraine Joint Operational Programme 2014-2020 contributes to the achievement of the overall ENI objective of “*progress towards an area of shared prosperity and good neighbourliness between Member states and their neighbours*”. For the 2014-2020 period the ENI will contribute to the creation of a climate of prosperity and good neighbourliness at its external borders and has set three strategic objectives for the achievement of this overall goal:

- A: promote economic and social development in regions on both sides of common borders;
- B: address common challenges in environment, public health, safety and security;
- C: promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

Each operational programme financed through the ENI will contribute, depending on its specific context, to the achievement of at least one of these strategic objectives by financing a maximum of 4 thematic objectives

The general objective of the Romania-Ukraine Joint Operational Programme is to enhance the economic development and to improve the quality of life of the people in the border area through joint investments in economic development, culture, infrastructure and health.

Thematic objectives and priorities

The process of identifying the specific needs of the border area to be addressed through the Ro-Ua Programme was concluded with the selection of 4 specific thematic objectives:

- ✓ **Thematic objective 2:** Support to education, research, technological development and innovation (Strategic objective: A)
- ✓ **Thematic objective 3:** Promotion of local culture and preservation of historical heritage (Strategic objective: A)
- ✓ **Thematic objective 7:** Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)
- ✓ **Thematic objective 8:** Common challenges in the field of safety and security (Strategic objective: B)

These thematic objectives will be addressed through specific priorities, implemented through cross border activities as presented below.

THEMATIC OBJECTIVE 2: SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION

Objective 1: *Develop competencies and support research and innovation by facilitating the cooperation at local, regional and central level*

Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education

Justification for the definition of Priority 1.1:

The development of the education sector is strongly supported as a key area for intervention in the programme area. The main issues of the area in regards to education are related to early school leaving, poor accessibility to the educational infrastructure in rural areas, support for disadvantaged groups as well as low investments in educational infrastructure and trainings for teachers. These elements combined with the fact that the current capacities of the major university centres in the eligible areas (Odessa, Ivano-Frankivsk, Chernivtsi and Suceava) are underutilized give this sector a great potential for development in a cross border cooperation environment. The above-mentioned

issues highlight the need of joint interventions in order to get a positive impact on the border communities.

Indicative activities

- Joint planning and joint development of educational strategies;
- Exchanges of experience, teacher exchanges, transfer of good practices between institutions from both sides of the border for increasing the effectiveness of education through the diversification of professional training programs for employees in the education system in areas such as:
 - School development, school management, developing the relation between schools and communities;
 - developing and applying innovative educational methods, for increasing teaching skills to facilitate and motivate students to perform;
- Developing specific joint programs of entrepreneurship education, programmes that stimulate creativity, innovation and active citizenship;
- Rehabilitation/modernization/ extension/ equipment procurement for the educational infrastructure to provide the necessary material preconditions of a quality educational process and increase the participation in the educational processes;
- Development and implementation of partnerships between education institutions from both sides of the border to:
 - prevent and correct early school leaving phenomenon through integrated programs (including awareness campaigns) for prevention of school dropout, encourage school attendance and reintegration of those who have left school early;
 - develop after school programs and extra-curricular activities;
- Development and implementation of joint actions in support of disadvantaged groups, e.g*.:
 - Integrated support actions addressing children and youth with parents living abroad (which may include inter alia guidance, counselling, after school programmes, educational and cultural activities);
 - Support actions meant to facilitate the social and work integration of people (children, youth and adults) with disabilities*
- Joint support actions for youth for the prevention of drug use, human trafficking, alcohol abuse, etc.**
- Development and implementation of cross border actions for enhancing/improving/facilitating job qualifications and competences.**

**Only activities that do not provide an economical advantage for the beneficiary will be supported.*

*** These activities should be carried out in the framework of educational campaigns and in cooperation with education institutions in order to be eligible.*

Indicative Beneficiaries for Priority 1.1

- National/regional/public administration and other public institutions;
- Education institutions;
- NGOs; / professional teachers associations; other relevant associations;
- Health organizations acting to prevent and cope with alcohol and drug abuse**

*** These types of beneficiaries may only be eligible for this priority when work in partnership/association with education institutions.*

Priority 1.2 – Promotion and support to research and innovation

Justification for the definition of Priority 1.2:

One of the underdeveloped fields in the programme area is research and development (R&D). The level of investment in this field is very low, although there is potential for its growth. There are a number of urban centres where R&D activities are carried out that can be correlated with the level of the expenditures in R&D, the number of employees in the field, and the localization and number of tertiary level educational institutions, e.g. Odessa, Chernivtsi, Tulcea, Suceava. Building on existing centres and the general economic profile of the core eligible area there is a strong opportunity for positive outcomes for R&D that can be further enhanced through joint cross border activities.

Indicative activities

- Development of partnerships/networking between universities for joint development of theoretical research
- Joint research actions and studies (including related equipment procurement) in the field of environment (climate change challenges, preservation of biodiversity, renewable energy and resource efficiency, etc).
- Promotion and support for research and innovation through rehabilitation/modernization/extension of the specific infrastructure including the procurement of related equipment.

Indicative Beneficiaries for Priority 1.2

- Universities;
- Research institutes/organizations/NGOs;
- National /regional/public administration and other public institutions;
- Professional/ other relevant associations

TO 3. PROMOTION OF THE LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE

Objective 2: *Preservation of the cultural and historical heritage in the eligible area, support the developing of local culture, specific cultural identities and the cultural dialog*

Priority 2.1 – Preservation and promotion of the cultural and historical heritage

Justification for the definition of Priority 2.1:

The two sub-national eligible areas share commonalities in terms of cultural heritage due to historic evolution and have a long-standing tradition in multi-ethnic cohabitation and multiculturalism. Despite the fact that there is a high concentration of natural and historical sites and natural protected areas, the eligible area registered low level of investments in touristic and cultural facilities.

The cultural infrastructure is developed but poorly financially supported. It includes museums, libraries, theatres and other cultural institutions. This priority aims to facilitate investments in historical heritage and local culture through joint projects and to improve the touristic potential of the cross border area.

Indicative activities

- Restoration, conservation, consolidation, protection, security of cultural and historical monuments (including the corresponding access roads), museums, objects and art collections and their joint promotion based on relevant cross-border strategies/concepts;

- Preservation, security, and joint valorisation of cultural and historical monuments and objects;
- Cultural institutions networks aiming at the promotion of the cultural and historical heritage
- Support for specific and traditional craftsman activities, important for preserving local culture and identity.
- Promotion of specific and traditional activities in the eligible area (including cross border cultural events);
- Preserving, promoting and developing the cultural and historical heritage, mainly through cultural events with a cross-border dimension;
- Valorization of the historical and cultural heritage through developing joint promotion strategies, common tourism products and services.

Indicative Beneficiaries for Priority 2.1

- Museums, cultural/religious/higher education institutions;
- National /regional/ local public authorities and other public institutions;
- NGOs, cultural and tourism associations;
- Local business associations in the domain of traditional and craftsmen activities;
- International organizations

TO7. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF TRANSPORT AND COMMON NETWORKS AND SYSTEMS

Objective 3: *Improve public transport services, infrastructure and ITC cooperation and networking*

Priority 3.1 –Development of cross border transport infrastructure and ICT tools

Justification for the definition of Priority 3.1:

Transport in the core eligible area is dominated by road and rail. However, regardless of the high density of road and rail networks, their viability is reduced by the poor quality and maintenance of these networks, the lack of modernization projects and of resources. This situation increases travel times significantly and impacts on the transport costs.

As mentioned, there is a poor quality of road and rail networks and urban-rural linkages in the border area. Technical differences in terms of rail transport between the two countries (i.e. use of different rail gauge) and limited multi-modal transport capabilities makes cross-border transportation more difficult. However, the eligible area presents high potential for river transport development that should be acknowledged and acted upon.

The people and businesses have low access levels to broadband Internet and communications infrastructure, especially in the rural areas as pointed out in the socio-economic analysis.

This priority has a very good potential to have a high cross-border impact due to the good capacities for project management in transportation area and offers good potential for strategic coordination between Romania and Ukraine.

Indicative activities

- Reconstruction, rehabilitation, modernization of cross-border transport systems
- Development of environmentally friendly (carbon-proofed) cross-border transport initiatives and innovative solutions ;
- Improvements of multimode transport (road/water) facilities of cross-border interest;
- Reconstruction, rehabilitation, widening of cross-border (segments of) roads connecting settlements alongside the border with main road, which leads to the border;

- Improvement/restoration/construction of (segments of) access roads to centres of cross-border interest;
- Elaboration of joint strategies/policies/plans for improving the cross-border transport infrastructure;
- Development of cross-border connections, information and integrated communications network and services;
- Upgrading existing facilities to enable linkages between communities and public services which promote co-operation on a cross-border and wider international basis;

Indicative Beneficiaries for Priority 3.1

- National /regional/ public administration and other public institutions;
- State owned companies administrating transport and communication infrastructure

TO 8. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY

Objective 4: *Addressing common challenges in cross-border security, access to health, management of natural and anthropic risks and emergency situations through joint projects*

Justification for the definition of Priority 4.1:

Priority 4.1 - Support to the development of health services and access to health

The public health system in the programme area faces a number of limitations generated by the low quality of the infrastructure, the accessibility to health services and the lack of access of physicians to trainings and specializations. These limitations are responsible for the low life expectancy at birth in the eligible area, the low number of physicians and the high number of illnesses. A system of joint investments in public health infrastructure and equipment as well as related professional trainings and exchanges of experience would contribute to improving the response of the health local system to the real need of the area and generate significant cross border impact and added value.

Indicative activities

- Joint activities meant to enhance the access to health in the border area through construction / rehabilitation / modernization of infrastructure of public health services (including through the use of renewable energy etc.);
- Developing labs and mobile labs for screening / clinical monitoring of diseases and prevention of cross border epidemics;
- Equipping specific public medical service infrastructure (outpatient, emergency room facilities, medical centres, integrated social intervention, etc.);
- Joint training programs and exchange of experience, networking for supporting the functioning of the specific public medical services, telemedicine ;
- Exchange of experience, joint activities in order to ensure compatibility of the treatment guidelines, joint diagnosis programmes;
- Awareness campaigns concerning public education on health, diseases and prevention of epidemics.

Indicative beneficiaries groups for Priority 4.1

- National /regional/ public administration and other public institutions
- National/regional/local/ institutions acting in the field of health and social policies;
- NGOs, universities and research institutes;
- Professional medical and other relevant associations.

Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations

Justification for the definition of Priority 4.2:

The eligible area presents high risk of pollution through industrial accidents, especially in the Danube and Black Sea area. Also, there is a high risk of natural disasters as a result of the topography and the dense hydrographical network (e.g. flooding, landslides) – mountain areas in the North, delta area in South. These characteristics of the programme area require joint actions involving organizations from both sides of the border in order to prevent and improve the response to emergency situations. This priority aims to address common challenges such as landslide, flooding, risk prevention, emergency situation, through joint planning and coordinated interventions.

Indicative activities

- Common measures for preventing land slide and flooding of the cross border areas;
- Joint integrated systems for efficient monitoring and disaster prevention and for the mitigation of consequences;
- Common strategies and tools for hazard management and risk prevention including joint action plans;
- Elaborating of joint detailed maps and databases (indicating natural and technological risks, and land use for regional planning authorities, environmental agencies and emergency services;)
- Exchanging experience and knowledge, including raising awareness in the field of efficient risk prevention and management in the cross-border area;
- Development of integrated and common standards for the urban planning and risk management;
- Investments and development of common, integrated, emergency management systems.
- Planning co-ordinated actions of the authorities in emergency situations caused by natural and man-made disasters (flood, fire, heat waves, earthquakes, storms).

Indicative beneficiaries for Priority 4.2

- National/ regional/ county/ public administration and other public institutions acting in the area of mitigation of disaster risks and effects and emergency situations;
- Research institutes/organizations, universities, NGOs;
- ***Priority 4.3 Prevention and fight against organised crime and police cooperation***

Justification for the definition of Priority 4.3:

The region faces challenges in terms of criminality rates and additional risks due to the status of the border and the ramifications of illegal smuggling.

In order to reduce criminality rates, improve the intervention capacity of police forces and ensure the security of the people on both sides of the border this priority will foster investments in capacity building, infrastructure and equipment for the structures involved in the customs and police services.

Indicative activities

- Common actions for increasing mobility and administrative capacity of police units (including border police);
- Creating collaborative working platforms in order to increase the efficiency of police, border police and custom structures in the exchange of data and information;

- Joint trainings of police, customs, border police, gendarmerie, exchange of best practices on specific areas of activity (analysis, criminal investigation, organized crime).
- Investment in construction, renovation or upgrading of police and border crossing infrastructure and related buildings;
- Investments in operating equipment and facilities specific for the activity of police/customs/border police/gendarmerie (e.g. laboratories, equipment, detection tools, hardware and software, means of transport);
- Developing common policies and strategies, experience exchange for fighting organised crime.

Indicative beneficiaries for Priority 4.3

- Custom services, border police, police, other national/regional/local public institutions acting in the area of crime prevention and police, professional associations

3.2. JUSTIFICATION OF THE CHOSEN STRATEGY

The strategy of the programme was derived from a number of analyses and consultations and reflects the needs of the border area between Romania and Ukraine that can be addressed by the ENI cross border cooperation programme. The main elements of the strategy justification can be found below.

3.2.1. SOCIO ECONOMIC AND SWOT ANALYSES

This section summarizes the main findings of the territorial analysis, the statistical data and the conclusions from the document analysis, under the general framework of a SWOT analysis.

Starting from the ENI strategic objectives, the socio-economic and SWOT analyses are organized along the main lines of the territorial analysis: A) Geography and human settlements; B) Demography; C) Economy and Labour Market; D) Transport and Infrastructure (including public utilities and ICT); E) Environment and Energy; F) Health, Social, Safety and Security; G) Education, Culture, Society; H) Public Administration and Governance. The most important information for each of these fields is presented below:

A. Geography & Human Settlements

The major geography and topography of the area divides the area in two: a mountainous and hilly region in the North and a flat region dominated by the Danube Delta and wetlands in the South. This major difference requires a comprehensive approach, to address the territorial particularities of each of the regions.

In the mountainous Northern region there are major risks for landslides and floods with direct effects on localities at the base of the mountains. Similarly, increased natural disaster risks are also present in the Southern region of the core eligible area, dominated by the Danube Delta and plains. Here, potential flooding is a major risk, which must be carefully managed.

The area has a limited number of large urban centres, in general, these being the administrative capitals of the corresponding county or oblast. The largest urban centres in the area like Odessa, Uzhhorod, Ivano-Frankivsk, Chernivtsi, Baia-Mare, Satu-Mare, Suceava, Botoşani and Tulcea attract a large part of the rural-to-urban migration in the area as well as the majority of the international immigration. In addition, these urban centres concentrate the bulk of the services based economy in the detriment of the rural areas. In contrast, the largest majority of the population in the area still lives in rural areas with limited access to public utilities and amenities.

The living area composing the housing stock of the core eligible area sums up a total of 172,805,872 m². Because of the disproportionate area and population ratios between the Romanian and Ukrainian

eligible territories, 20% of the total living area is on the Romanian side of the core eligible area, while the bulk of 80% is on the Ukrainian side.

Comparing the average living area per inhabitant shows a significant difference between the Romanian counties and Ukrainian oblasts. In Romania, the average living area is of 16.8 m² per inhabitant, with the highest registered in Tulcea County (18.45 m²) and the lowest in Botoşani County (14.31 m²). The Ukrainian oblasts average at 23.5 m² per inhabitant, and have smaller differences at territorial level compared to the Romanian counties, the oblasts' living area per inhabitant ranging from 22.3 m² to 24.6 m². In this respect, the Ukrainian oblasts' average living area per inhabitant is much more in line with the EU member states (besides Romania), where these rates usually surpass 20 m² per inhabitant.

However, the living area rates do not reflect living conditions, as does the access to public utilities and services. At the core eligible area level the technical infrastructure required for public services is more developed in urban than in rural localities.

Moreover, the level of development of the infrastructure is not always consistent at territorial level. Urban localities have better connectivity to public utilities and services than rural ones. This is an important issue as with the exception of Maramureş County and Odessa Oblast, a large majority of the population still lives in rural localities.



Figure 16: Main cities in the core eligible area by size of population

The Ukrainian rural localities in the core eligible area have poor access to the drinking water infrastructure, while access to sewage systems is limited (i.e. below 30% are connected). Access to the gas supply infrastructure is extremely different at the level of core eligible area. Almost 85% of the Ukrainian localities in the core eligible area are connected to the gas supply infrastructure, while in Romania less than 60% of the urban localities and 13% of rural localities are connected. Reliance on thermal energy supply is on a downward trend in Romania (i.e. less than 20% of the urban localities are still connected), while in the Ukrainian oblasts this remains an important utility in urban and rural areas. Access to internet infrastructure is still a problem, especially in rural areas in both Romania and Ukraine, the core eligible area connectivity rate being below 50%. The public transport infrastructure is concentrated in the main urban centres of the core eligible area, and offers limited connectivity to the predominant rural localities. In addition, public transport in the core eligible area is mainly limited to buses, with additional but underdeveloped means of transportation in the major centres.

Strengths		Weaknesses		Opportunities		Threats	
1. Geography & Human Settlements							
S11	Various relief forms as: mountains, hills, plains presenting advantages for agricultural and tourism development	W11	Extremely different topography across the programme's area. The eligible area of the programme is split in two distinct geographical zones: north-west zone (Suceava, Botoşani, Satu-Mare, Maramureş counties and Zakarpattia, Ivano-Frankivsk, Chernivtsi regions and the south-east zone (Tulcea county and Odessa region)	O11	The proximity of Black Sea represents a strong potential opportunity for the south-east area of the programme	T11	High risk from natural disasters due to the differentiated types of relief (e.g. landslides, floods)
S12	Complex hydro graphic network: many lakes and estuaries, important rivers and Danube together with its Delta	W12	Large unpopulated areas and rural areas, especially in the areas of Tulcea County and Odessa Oblast	O12	Future synergies that can be obtained by cooperation with border regions from Hungary, Slovakia and Poland, which all are UE member states	T12	Massive migration from rural to urban settlements due to lack of opportunities, services, and other amenities, especially in areas with small number of urban centres (i.e. Odessa Oblast, Tulcea County)
S13	Presence of the powerful urban pole of Odessa	W13	Large urbanization gaps between the main urban centres	O13	Development of the technical infrastructure in rural areas, consequently reducing the polarization effects of established urban centres	T13	Uncontrolled sprawl of the existing urban areas towards neighbouring rural areas without considering technical requirements
S14	Developed urban settlements with more than 100000 inhabitants (i.e. Baia-Mare, Satu-Mare, Botoşani, Odessa, Chernivtsi, Ivano-Frankivsk, Uzhgorod)	W14	Mountainous areas and the natural deltas hinder urban and infrastructure development				
		W15	Uneven distribution of large urban settlements which favour polarization processes				

Conclusion: Looking at the geography and characteristics of human settlements it should be mentioned that the positioning of large rural areas between the main urban centres, having limited access to services and amenities characteristic to urban areas. This factor negatively affects the accessibility to education, healthcare or social assistance services, mostly for the rural area.

B. Demography

The core eligible area of the programme sums up a total of approximately 8,022,042 inhabitants. Of the total population, 26% (2,083,538 inhabitants) reside on the Romanian side of the border, while 74% (5,938,504) on the Ukrainian side.

In terms of densities, in a country-to-country comparison the difference is notable. The average density for the five Romanian counties was in 2011 63.6 inhabitants/km², significantly lower than the national population density of Romania of 84.4 inhabitants/km². In comparison, according to the 2013 population estimates, the four Ukrainian oblasts had an average density of 87.20 inhabitants/km², higher than the national average of 75.5 inhabitants/km².

Urban areas concentrate a large part of the population, especially in the Romanian counties and Odessa Oblast. Comparing the urban-rural composition of the population, the numbers show a slight difference: only 46.16% of the Romanian population is living in urban areas, compared to 50.84% of the Ukrainian population. Compared to national levels both of the sub-national territories have significantly smaller urban populations than at national level, as 54% of Romania's population lives in urban areas, while in Ukraine the rate is 68.88%.

The gender distribution is almost even between male and female, however a slightly larger female population can be observed – 52.18% of the population – compared to the male population – 47.57%.

The natural increase rate shows an overall negative trend, with a weighted average of -0.54%, due to the almost equal values of birth and crude death rates, however in favour of the latter.

The age pyramids of the Ukrainian and Romanian populations in the core eligible area are different in terms of composition. The Romanian pyramid is significantly flatter than its Ukrainian counterpart, and reflects a more **even distribution of the population within the age groups**, and a predominant population aged between 40 and 44 years. In contrast the Ukrainian age pyramid has a much steeper slope and the largest age group in the eligible area is aged between 25 and 29 years.

Outward migration and consequently the ageing of the resident population are major concerns in the area. The young adult population leaves the area in search of work opportunities and education either abroad or in other parts of Romania or Ukraine. Territorial differences are visible as in Ukraine the natural increase rate is positive, but close-to-0, compared to Romania's negative natural increase rate. An important consideration is the **fragility of the natural increase trend** (in the case of Ukraine), which can swiftly change its direction, especially considering the low life expectancy at birth of both territories in comparison with EU averages.

International and internal out-migration at core eligible area level and the **polarization** effects of cities like Odessa or Tulcea create significant development gaps of slowly depopulated rural areas where opportunities become extremely limited in terms of economic activities. This is especially important in Odessa Oblast and Tulcea County, where there are major **differences in terms of population densities** compared to the rest of the core eligible area due to the presence of the Danube Delta, making depopulation and the ageing of the resident population major concerns, as in this region smaller demographic variations have much greater impacts.

Strengths		Weaknesses		Opportunities		Threats	
2. Demography							
S21	Higher density of population in the north-west part of the eligible area of the programme	W21	Low density of population in the south-east part of the eligible area of the programme. (A low density implies higher operating costs for public services for population, especially in Tulcea and Odessa)	O21	Future synergies that can be obtained by cooperation with border regions from Hungary, Slovakia and Poland, which all are UE member states	T21	Long term trend in negative natural increase ratio
S22	Important urban centres of both sides of the border concentrating a large urban population	W22	Urban population ratio under the national average in Tulcea County and Odessa Oblast	O22	Increased attractiveness of the EU border area and the potential return of expats to the Ukrainian oblasts due to the signing of the EU Association Agreement	T22	Over-polarization of the migrant urban population in established urban centres (e.g. Odessa)
S23	The Ukrainian regions have a positive natural increase ratio of population	W23	The Romanian counties are confronted with a negative natural increase ratio of the population			T23	Strong migrant influx: external in the case of Romanian counties, internal in the case of Ukrainian
						T24	Ageing process of population on Romanian side

Conclusion: One of the main weaknesses is the split of the eligible area in two parts: north-west and south-east, with different geography and population features. Other weaknesses are related to the ageing population and strong migrant flows: internal in Ukraine and external in Romania. These have the potential of a negative impact on the labour market (the tendency is for the most skilled labour force to leave while the non-active and socially assisted part of population would remain).

Out-migration is an important issue in the core eligible area, especially in the Romanian counties, and the most eastern oblast in Ukraine, Zakarpattia. Even though, the statistical analysis shows a relatively stable present situation, the slight negative natural increase rate emphasizes the importance of the ageing process, and the current inability to counterbalance this process.. On the longer run, this trend would impact heavily on the sustainability of the national pension system. Even if the Ukrainian data shows a more positive trend regarding evolution of the population, great attention should be given to the population forecasts, as the close-to-0 numbers show that the natural increase rate is exposed to the risks of future socio-economic events, which combined with out-migration trends, can increase the depopulation phenomenon in the area. Even though a large part of the population fits in the 15-64 age group (active population), the tendency towards negative natural increase shows that attention should be given to the population rejuvenation process, whilst also considering increasing in-migration flows and decreasing out-migration, in order to stabilize the active population and to reduce the strain on the social security system.

C. Economy and Labour Market

According to the 2011 data, the GDPs per inhabitant registered significant increases since 2004. In Romania, the regional GDPs increased on average 2.3 times, while in the case of the Ukrainian oblasts the increase was of 2.25 times. However, the territorial hierarchy in terms of GDP per inhabitant at county and oblast levels remains the same, while the GDP gaps increased. The difference between the Romanian top and bottom counties in terms of GDP tripled in size since 2004, while in Ukraine the gap increased 2.5 times. This shows an involution in terms of reducing regional disparities, and over-polarization of both capital and population to already established urban areas. This is a systemic unbalance with long-term consequences that comes against the EU's polycentric approach towards development.

In terms of employment and unemployment, percentages are in line with national averages, with only small variations. The dominance of the agricultural sector in Romania and agricultural and industrial sectors in Ukraine in terms of employment makes the labour market over-specialized and extremely sensitive to socio-economic changes. These sectors register some of the lowest earning levels out of all the economic sectors, thus being unable to support an increase in the standards of living. The analysis showed that there is a negative correlation between the high rates of employment in the agricultural sector and the GDP levels, emphasising **the low added value of this activity** in the core eligible area. This is mainly caused by the fragmentation of the agricultural land between small subsistence farms, which lack the resources required to capitalize on their agricultural production and to protect their production against natural disasters.

Negative variations in both industrial and agricultural production have a direct impact on the living standards in the area. At the same time, **the low variety of economic activities**, especially in the rural areas, limit the opportunities of the unemployed active population. This is more important in the context in which over 60% of the unemployed population in the five Romanian counties and almost 50% of the unemployed population in the Ukrainian oblasts have only primary or vocational education. This is a high-risk situation if we also consider the low level of investments in the education sector and the significant early school leaving rates. These trends signal that the tools required by the unemployed population to adapt to the labour market requirements are missing.

The SMEs sector grew considerably in the core eligible area showing a new direction towards entrepreneurship. At the core eligible area the largest number of SMEs is concentrated in Maramureş County and Odessa Oblast, pointing to a certain level of polarization. Also, six predominant activities of the SMEs can be identified at the core eligible area level: *Wholesale and retail trade, repair of motor vehicles and motorcycles; Manufacturing Industry; Constructions; Agriculture, forestry and fishing; Industry; and Real estate activities.*

One major disadvantage in the core eligible area is the **lack of investments in R&D** and the reduced number of this type of activities. Considering the general movement towards a service-based economy, the potential added value of this sector is significantly diminished. This is extremely significant as R&D can also have positive impacts in both dominating sectors of agriculture and industry through technological innovation.

Compared to the national level, the core eligible area is also the **poorest performer in terms of FDI attraction**, because of the low level of competitiveness of the sub-national territories composing the core eligible area. The **reduced competitiveness** of the area can be assigned to three main problems: the complex bureaucracy, the taxation systems along with corruption create a high risk environment for investors; the reduced level of accessibility and intermodal capabilities significantly increase travel times; excepting the main urban centres, the technical infrastructure in the area is underdeveloped.

Competitiveness of Romanian and Ukrainian territories is significantly lower than that of the neighbouring countries. This reduced level of competitiveness is a direct result of the poorly maintained road and rail networks along with the constantly deteriorating public utilities infrastructure, the deteriorating tourism infrastructure, the lack of productivity and the low added value of the traditional economic activities (i.e. agriculture, industry and commerce), the limited RDI activities in the area, and the overall polarization of the population in and around already established urban centres.

Strengths		Weaknesses		Opportunities		Threats	
3.Economy and Labour Market							
S31	Diverse structure of economy and important natural resources (forestry)	W31	The divergence in investment focus between Romanian side (industry related area) and Ukrainian side (real estate and financial services)	O31	Opportunities related to the EU member-state status of Romania (attractiveness for foreign investments) and to the signing of the Association Agreement between Ukraine and EU	T31	Political instability of the north-west part of Black Sea region can jeopardise economic development, especially the Foreign Direct Investments – FDIs
S32	Developed agriculture, forestry, fishing and food industry activities	W32	Divergent economic structure (on Romanian side focused on agriculture/forestry/fishing and on Ukrainian side on services)	O32	EU financing programmes on Romanian side	T32	The other regions surrounding the north-west part or the eligible area of the JOP, from Hungary, Slovakia and Poland are from the poorest in their countries – generation of negative spill over effects
S33	Strong potential for tourism in general and agro-tourism in special	W33	The main economic activities have low value added (agriculture, forestry, fishing, trade and tourism related services)	O33	Other donors increasing their financial assistance programs in Ukraine (e.g., USAID, UNDP focusing on local lasting economic development)	T33	The eligible area of the JOP is relatively far from the specific economic developing axes in Romania (West-North-West to South-East) and Ukraine
S34	Since the programming period 2007-2013, GDP per capita increased 2.3 time on the Romanian side and 2.25 on the Ukrainian side	W34	The agriculture production is concentrated in subsistence farms and is strongly dependant on weather conditions and exposed to natural risk.	O34	Well established cross-border contacts and communication at the business level in the northern area	T34	Ukrainian economy presented zero economic growth and it is in recession in 2014.
S35	Low rate of unemployment partially influential by migratory fluxes	W35	Very low ratio of employed population is hired in high added value activities as R&D, Innovation (0.18%)			T35	Internal turmoil in UA with impact economic activity across the country
S36	Relatively low gap in personal revenues on both sides of the border (maximum 50%): the relative difference between wages especially in conditions of low absolute pressure does not stimulate migratory border.	W36	Low coherence of the economic structure due to the split of the eligible area of the programme in two different and specific sub-areas: north-west and south-east				
S37	Important number of SMEs	W37	Labour force massively occupied in a very limited number of activities				

S38	Competitive labour costs and labour force with good education and skills (see especially the structure of un-employed population on Ukrainian side)	W38	Widening of the GDP gap				
		W39	Unbalanced employment rate by gender, especially in the UA side.				

Conclusion: The eligible area has an important economic potential and achieved high levels of economic growth in the last 7 years (the GDP per capita increased 2.3-2.5 times during this period); however the eligible area remains poorer compared to the national average in Romania and Ukraine. Moreover other two threats are relevant: the eligible area is surrounded by poorer (in their national terms) regions of Hungary, Slovakia and Poland; secondly the eligible area is outside of both developing axes of the Romanian economy (which can be seen in the figure below) and Ukraine.

The concentration of investments in the Industry sector in the Romanian counties and Ivano-Frankivsk Oblast in Ukraine signals a resistance to the global de-industrialization process, more visible on the Romanian side. The limited amount of investments in Transportation emphasizes that in the future the level of connectivity of the area might suffer. The increase in investments in Real Estate and Financial Services in the Ukrainian oblasts shows that, in spite of the industrial character of the area, the economic activities are starting to reorient towards the more general services sector.

The important role of the agricultural sector and the decrease in production, in reference to the percentage of the employed population working in this sector signals certain risks for the Romanian side of the core eligible area. Part of the decrease can be assigned to recent climatic changes, making natural risk a major element to be considered when analysing socio-economic development.

The analysis emphasizes significant territorial gaps both in Romania and Ukraine in general but also when comparing the two sub-national territories. A more focused approach to R&D is needed, given the limited (or lack) of R&D activities (especially in Botoşani County) and the need to counterbalance the areas that polarize these activities at the expense of others.

D. Transport and Infrastructure (including public utilities and ICT)

The transport in the core eligible area is dominated by **road and rail transport**. However the networks are underdeveloped and poorly maintained, limiting traveling speeds and increasing traveling times. Out of the seven functioning international airports in the core eligible area, Odessa International Airport has the most varied flight schedule in terms of type and destinations, the rest of the airports being limited mostly to charter or low-cost flights and seasonal flights, hence affecting the **accessibility of the area**.

In the Romania-Ukraine core eligible area the most important and utilized navigable route is the Danube, and its three arms unravelling in Tulcea County: Chilia, Sulina and Sfântul Gheorghe. However, the **traffic on the Danube is fairly limited due to the underdevelopment of the navigable canals**, in spite of the direct link to the Danube Delta, the possible connectivity with Galați and Tulcea ports, and the link with the Black Sea, which could open more opportunities in terms of international freight and passenger traffic.

One of the major issues regarding border crossing between Romania and Ukraine is represented by the limitations in this respect of the Southern area of the core eligible area, i.e. Tulcea County - Odessa Oblast. Due to the geographical specificities of the area and the relief characteristic of the Danube Delta there are no border crossing points between the two states. As a result, the Romania-Ukraine border crossing traffic has to be rerouted via Republic of Moldova, through the Galați-Giurgiulești border crossing point, while entrance into Ukraine can be made through several points, the closest in terms of distance being Giurgiulești-Reni and Vulcănești-Vinogradovka border crossing points. This detour increases traveling times with significant impacts on economic activities, as well as supplementary complications in terms of international transit law.

The **quality and modernization levels of the road network in the core eligible area show significant issues** at territorial levels. In Romania, in the five counties, 56.88% of the roads are either modernized or have a light pavement. The Ukrainian oblasts tell a different story, as 98.3% of all roads are covered with a hard coating. It is important to note that these percentages do not reflect the real road quality. All of the county and oblast strategies and their afferent analyses emphasize that in the core eligible area the **quality of the transport infrastructure is very poor**. National and European level roads have significantly higher qualities and their state is better than that of the local roads. The problems in the area result from the ageing pavements, as the majority of the roads in the area are built pre-1989, and have since then exceeded their maintenance periods, leading to a continuous degradation.

Urbanization is a major concern in the area considering the types of technical infrastructure available, the access of the population to public services, and the limited levels of connectivity of the urban and rural settlements. A large number of localities and their population are deprived because of the **limited access** to the drinking water and sewage systems. This limitation does not only reflect in the conditioning of future local development, but becomes a problem as it can create major health and sanitary issues. In addition, the lack of this type of public utilities also directly affects the environment as the lack of sewage and waste management systems means that used waters and waste are discarded directly into the environment, increasing the pollution levels and affecting the quality of the soil and waters.

Access to telecommunications and internet backbones is also a problem as, along public utilities provision, it directly affects the competitiveness level of the area, especially in the case of the rural settlements, making the area unattractive for businesses using these technologies.

Rail transport infrastructure is significantly underdeveloped in the core eligible area. The old infrastructure drastically limits the movement speeds across the network, and the lack of modernisation projects inhibits the introduction of high-speed trains. In addition, the network is underused, especially in the case of Romania, where at national level the majority of the rail traffic uses less than 50% of the rail network.

Local public transport networks in the core eligible area are varied and complex in terms of modes of public transport. At core area level, **bus and minibuses are the most used modes of transport**, as

passenger traffic for these represent 71% of the total traffic. However, **public transportation and urban-rural linkages** are major problems, since the majority of the public transport networks are concentrated in and around the main urban centres with limited rural connections.

Internet access has improved in the recent years across Romania and Ukraine. In Romania, in 2013, 52.9% of the total number of dwellings had Internet access, and 73.2% of these were urban dwellings. In addition, 95% of the Internet subscribers used fixed broadband technologies. As concerns the counties participant in the programme, at regional level, the 5 Romanian counties are part of the North-West, North-East and South East development regions. The first is the third at national level in terms of connectivity with 56.9%, while the others have a connectivity rate of 45.7% and 44% respectively (lowest in the country).

In Ukraine, the level of subscribers to Internet services in 2013 is registered at around 13% out of the total population, according to the official statistics.

Strengths		Weaknesses		Opportunities		Threats	
4. Transport and Infrastructure (including public utilities and ICT)							
S41	Good density of road infrastructure in the Northern Border	W41	Under-developed air, naval and rail transport Poor quality of road infrastructure in UA	O41	The eligible area is crossed by TEN-T and TRACECA networks	T41	Political instability and international conflicts or tensions can directly threaten the significant investments in infrastructure development, which need long-term planning, predictability and stability
S42	Developed transport network for buses and minibuses	W42	Old rail infrastructure and using different gauges	O42	2014-2020 EU programs to support developing of infrastructure (ROP, BIOP, NRDP)		
S43	The core eligible area is crossed by important EU network roads	W43	Very limited air direct connectivity of the eligible area (especially Tulcea-Odessa & Maramureş-Ivano-Frankivsk)	O43	Other international donor programmes (in Ukraine) to develop public utility infrastructure (ROP, BIOP)		
S44	Good energy supply network	W44	Old airport infrastructure	O44	Border traffic agreement recently signed		
S45	Good water and sewage networks in urban area, especially on Romanian side	W45	Poor water and sewage networks in rural area				
S46	Good Internet access (using broadband technologies), especially on urban area	W46	Poor gas supply networks in the eligible area				
		W47	Low coherence of the transport infrastructure (especially road and rail) due to the split of the eligible area of the programme in two different and specific sub-areas: north-west and south-east				

Conclusion: An important issue for the core eligible area of the Programme is the low level of urbanization and the associated downfalls, directly affecting the accessibility of the population to public services and basic utilities. A large number of localities and their population have limited access to the drinking water and sewage systems, which may create a negative impact on the future local development, but also on population health.

Access to telecommunications and Internet backbones must be developed further to increase the competitiveness level, especially in the case of the rural settlements and their population by facilitating their access to new opportunities. Transportation should also be a priority, specifically public transportation and the improvement of the urban-rural linkages. The diversification of the modes of public transport should be the main concern especially in Satu-Mare, Suceava and Tulcea Counties, and Zakarpattia Oblast, as this can participate to increasing the mobility level of the population and to reducing the level of pollution caused by public transport modes.

E. Environment and Energy

The use of natural gas, coal, oil and petroleum products, and firewood are the predominant fuels used in the core eligible area for the daily consumption of the population. This is a major concern in terms of energy and pollution, due to lack of alternatives, and because it has a major impact on the environment as energy production is one of the main polluting activities directly affecting air quality, especially in the Northern region of the core eligible area where the relief inhibits the movement of air masses.

Surface water pollution levels in the area are high, but within international limits – the Ukrainian side registering significantly higher levels. Pollution reasons are versatile, but the most significant are the evacuation of untreated or under-treated used waters resulted from both home and industrial use, and the ageing water treatment and purging facilities.

In the Northern region of the core eligible area, the majority of the treatment and purging facilities as well as the drinking water supply system is developed before 1989, and lacks any real modernisation for bringing these to present day standards. In addition, the rural localities in the area have significantly lower penetration levels of the sewage system; as a result the evacuation of used waters in these cases being done directly into the water streams. Even so, surface waters register levels of pollution within accepted limits, and are used as water sources for industrial and home use (drinking water) – for example the Tisza Basin. Few exceptions do exist in this respect, especially where these are or were affected by industrial activities and contaminated sites, as in the case of Satu-Mare, where the water quality is lower than normal.

In the case of the Danube and the Delta, water pollution is much more difficult to measure because of the total mass of water; however, levels of pollution have been noted as high on its tributaries, increasing the potential pollution levels of the Delta, and further more of the Black Sea.

Leakages and losses due to ineffective sewage systems, treatment facilities working below potential capabilities, the lack of general waste management systems – especially in the rural area – and the infiltration of mine waters, resulted from active mining activities all participate to the pollution of the soil and underground water systems.

The use of chemical fertilizers used in agriculture has a damaging effect on the soil and underground waters, due to increased levels of nitrites and nitrogen, making the latter not recommended for use without treatment. Furthermore, waste storage platforms that are not up to sanitary and environmental standards – mainly in rural area – and the existence of several contaminated industrial sites as well as toxic waste storage sites are major contributors to soil and underground water pollution.

Along with climatic changes, deforestation is a major contributor to soil erosions, landslides, drought in the summer and floods in the spring, which have crippling social, economic and environmental effects on the agricultural lands and human settlements in the area.

Air pollution is below internationally accepted limits, however territorial differences are significant due to industrial activities in the area that use coal and gas as energy fuels (especially in Odessa Oblast). In addition, in the Northern region of the core eligible area two specific environmental situations have to be considered: the pollution resulted from industrial manufacturing and energy production sites; and the mountainous relief present in most areas and the positioning of human settlements in valleys where atmospheric conditions prevent the dispersion of toxins in the air.

Strengths		Weaknesses		Opportunities		Threats	
5.Environment and Energy							
S51	High quality natural sites and ecosystems, especially Danube Delta	W51	High levels of water pollution from wastewater and industrial pollution – lack of waste water treatment systems	O51	The EU programmes to finance environmental protection, to develop public utility infrastructure, energy efficiency and green energy production (Connecting Europe – EU projects list supporting two-way pipeline)	T51	Political instability and international conflicts or tensions can directly threaten the significant investments in green energy production and infrastructure, which need long-term planning, predictability and stability.
S52	Variety of natural sites and ecosystems: forestry, wetlands, mountains.	W52	Lack of developed solid waste management systems, especially in the rural areas.	O52	The other international donor programmes (in Ukraine) focusing on energy efficiency and green energy production	T52	Development of new source of fossil energy (gas and oil in Black Sea, shale gas) can jeopardize new investments in green energy
S53	Low level of air-pollution	W53	High level of soil erosion	O53	Foreign Direct Investments in green energy (especially solar and wind power)	T53	Instable legal framework regarding the subsidies for green energy production
S54	Strong potential for green and renewable energy: hydro, solar and wind power	W54	Groundwater pollution by nitrates and nitrites				
		W55	Energy production is based on fossil resources – Ukraine is the 6th world producer of greenhouse gas				
		W56	Lack of modern and integrated emergency system in case of natural disasters				

Conclusion: The main strengths refer to the multitude and variety of natural sites and ecosystems and especially to the strong potential of renewable energy (sun and wind power). The main weaknesses are the high level of pollution together with the high rank of Ukraine as producer of greenhouse gas. In this sector the opportunities and threats are equally distributed as importance: on one side there is a high interest of international investors in renewable energy; on the other side new technologies developed in the field of fossil energy resources together with the unstable legal framework in the domain can jeopardize the development of green energy.

The main priority in the area should be the migration towards renewable and environmentally friendly energy sources, especially when the area has significant potential in this respect. Along with the high potential for harvesting solar and wind power especially in the plain and valley areas, the large number of rivers is a good starting point for developing hydroelectric facilities. Moreover, the predominant rural areas and the intense agricultural activity can make possible the creation of biomass and bio-fuels through the recycling of zoo-technical waste.

6. Health, Social Safety and Security

The significant differences between the Romanian and Ukrainian territories in terms of health infrastructure is a direct result of the difference in scale and has no real relevance. True disparities can be observed only at subnational level.

In the Romanian counties 20 out of the 32 hospitals are equally divided between Maramureş and Suceava counties, while the rest of the counties have five or less hospitals. A similar skew is also visible at the level of the Ukrainian oblasts as 103 of the 279 hospitals are localized in Odessa Oblast and 82 in Ivano-Frankivsk. This shows a notable unevenness in the distribution of the medical facilities across the core eligible area, which is aggravated by the reduced accessibility of the area.

The differences in terms of health services offer are especially visible when considering urban and rural areas, the latter having a significant handicap due to the combined effects of low accessibility to health services and infrastructure and also public utilities and services, like drinking water and sewage systems – which have significant impacts on health. In addition, increases in poverty due to unemployment rates rising as a result of the economic crisis, have a great impact on life expectancy at birth. As a result Romania and Ukraine have some of the lowest life expectancies at birth in Europe.

At the level of the European Union in 2012, life expectancy for males was estimated at 77.5 years and for females at 83.1. According to Eurostat data, in 2012, in Romania the general life expectancy at birth is of 74.2 years, while according to the state statistics in Ukraine life expectancy is of 71.2. Male life expectancy at birth in Romania is of 71 years, while in Ukraine is of 66 years; and female life expectancy at birth in Romania is 78.1 years, while in Ukraine is of 76 years. These numbers position the two countries at the bottom of the life expectancy hierarchy if we compare these with the EU member states.

In terms of safety and security, the major issues of concern relate to contraband, border fraud and illegal crossings.

Strengths		Weaknesses		Opportunities		Threats	
6. Health, Social Safety and Security							
S61	Good density of border crossing points on the north-west part of the eligible area of the programme	W61	High cross-border criminality	O61	Small-scale border traffic agreement.	T61	The new conflicts from the Black Sea area (Crimea) could represent a direct threat to the south-east area of the programme
		W62	No border crossing point in the south-east part of the eligible area of the programme	O62	On-going political discussions on opening new cross border points.		
		W63	Cross-border traffic is concentrated in only one point: Siret-Porubne (63% from the total)				
		W64	Higher level of poverty in the eligible area of the programme compared with the national average both in Romania and Ukraine				
		W64	Lower rate of life expectancy at birth				
		W65	Low rate of investments in public health infrastructure				
		W66	Uneven distribution of public health facilities				

Conclusion: Increasing safety and security by reducing the cross-border criminality and the need to modernize the cross border points appear as priority activities out of the analysis. On the other hand, the social inclusion and poverty alleviation, other important areas of intervention, benefit from significant support from other programmes (EU or other international donor programs).

The high concentration of traffic in Siret-Porubne and the two closed crossings signal that there might be a need for developing additional border crossing infrastructures and points. The development of cross-border infrastructure and economic activities is because of this of utmost importance. Moreover, the development of border environmental activities is also of importance considering that the Romanian-Ukrainian border is formed out of river and land, and it divides the shared biosphere of the Danube Delta.

The concentration of this type of traffic on the Romanian-Ukrainian border signals that security systems must be upgraded, especially when considering traffic from Ukraine to Romania. In this context, cross border projects covering the security infrastructure of the border must be prioritized.

In terms of health issues, the programme area faces specific challenges in terms of accessibility to public health services and distribution of hospitals as well as low investments in health.

F. Education, Culture and Society

The **educational system** in the core eligible area has registered several improvements in the last 20 years. However the provision and accessibility of post-high school educational units is still relatively low. The two subnational territories have significant early school leaving rates, but in respect with their national averages.

In Ukraine, at national level, in 2012 17% (715 thousand) of the total secondary level (primary, secondary, and high school) students did not finish this level of education, and 16.4% (39.7 thousand) of the students admitted in vocational educational institutions did not graduate. The Romanian educational system manages to keep the early school leaving rates relatively low for the primary and secondary educational levels – less than 3%. However, this is still a high rate compared to the national level of 1.8%. The high rate of early school leaving signals a reduction of the potential opportunities of young adults, as education is an important factor in increasing individual competitiveness on the labour market.

The educational infrastructure corresponding to the primary, secondary and high school levels is fairly well distributed considering population distribution and area. The major differences appear when comparing the infrastructure required for higher education levels, as these are concentrated in well-established urban centres, so a polarization effect of students in this type of areas is clearly visible.

The polarization effect is highly visible when comparing student numbers at the level of the core eligible area. Because of the structure and quantitative consideration of the educational infrastructure, in the five Romanian counties the student population is not distributed evenly. Maramureş and Suceava counties have the largest student populations of 81,510 and 133,575 students, together representing 55.7% of the total student population in the Romanian eligible area. Tulcea registers the lowest number of students, 34,293. A particularity in this case is the total lack of students enrolled in tertiary education. At the opposite pole, Suceava has the largest numbers of students for all categories. In the Ukrainian territory the number of students is in its majority evenly spread out, the exception being as in the case of the infrastructure Odessa Oblast. The oblast registers the largest number of overall student, 443,725 – representing 41.44% of the total number of students in the Ukrainian oblasts – and 59.8% (114,300) of the total tertiary level students in the Ukrainian eligible area. Out of all of the oblasts, Chernivtsi has the lowest number of students – 166,570 – representing 15.5% of the total student population in the core eligible area, and its tertiary student population only 12.3% of the total students in this category at the level of the Ukrainian eligible area.

Comparing the **cultural institutions** shows a number of differences across the core eligible area. In the five Romanian counties there are a number of 1,347 cultural institutions, distributed in a relatively even manner across the territory, with the exception of Tulcea County, which has the lowest number of 164 institutions. At the level of the Ukrainian oblasts, there are a significant number of cultural institutions, 2,932 in total. The difference in comparison with the Romanian territory is in part due to the difference in territorial scale.

The subnational distribution of these institutions is uneven due to the concentration of some of these in and around urban centres. The dominant type of institution (e.g. library, museum, theatre, cinema, or opera) varies across the core eligible area between countries as well as between administrative units of the same country. Ivano-Frankivsk and Chernivtsi oblasts register a large number of cinemas summing 158, respectively 127, Odessa and Zakarpattia oblasts have only 12 cinemas each. In Romania, cinemas are the scarcest cultural amenity in the Romanian counties, counting a total of only 5, with Suceava County having none. These differences signal different cultural priorities as well as investment priorities in this field.

The **natural settings** in the core eligible area give very specific competitive advantages in terms of tourism, especially in the mountainous areas of Maramureş County, the Western part of Suceava County, Zakarpattia Oblast, Ivano-Frankivsk Oblast and the Western part of the Chernivtsi Oblast.

Moreover, there is also a notable touristic advantage given by the protected area of the Danube Delta, renowned at international level.

The varied relief, the geographical positioning, the varied flora and fauna, and the cultural heritage of the area are key components that can form the base for developing the tourism infrastructure and services. The area benefits from over 1070 natural protected areas of national and international importance and numerous historic sites. These are important points of attraction for national and international tourists, as proven by the number of overnight stays.

In 2012, in the core eligible area there were a number of 1309 hotel and similar facilities, out of which 695 were located in the Romanian counties, and 614 in the Ukrainian oblasts. If we compare these numbers at territorial level, compared to area and population, than the number of hotels and similar facilities in the four Ukrainian oblasts is fairly small. These hotels and similar facilities registered 1098417 overnight stays in the Romanian counties and 721600 in the Ukrainian oblasts. The difference can be attributed to the EU and non-EU status of the two countries, and the reduced accessibility in the area due to limited or underdeveloped transport modes and networks.

Culture and tourism are two sectors with a significant growth potential due to the **specific advantages** of the core eligible area: the mountainous regions in the North and the Danube Delta in the South. The low level of investments in both culture and tourism diminishes this potential. The latter is also affected by the low accessibility of the area, which makes the development of touristic projects; and the lack of public utilities in rural areas, which limit the type of tourism that can be practiced in the area.

Strengths		Weaknesses		Opportunities		Threats	
7. Education, Culture and Society							
S71	Strong and diverse cultural heritage and long and positive tradition of multi-ethnic cohabitation	W71	High level ratio of early school leaving	O71	Other international donors actively supporting this area (ROP, HCOP, UNICEF, UNDP, USAID, Youth in Action)	T71	Past contradictory discussions regarding minorities rights.
S72	Good culture infrastructure: museums, cinemas, libraries, etc	W72	Poor accessibility to educational infrastructure in rural areas	O72	Shared cultural background to support exchange experience and joint initiatives		
S73	Good potential for cultural tourism	W73	Un-balanced distribution of culture institutions within eligible area of the programme on both Romanian and Ukrainian sides				

Conclusion: The eligible area is well known as a region with strong education and cultural heritage and a long positive tradition of multi-ethnic and multi-cultural cohabitation. The main weakness is the high ratio of early school leaving, especially on Ukrainian side. The cultural assets can be easily used to develop the tourism and so to use also the natural potential for this sector.

There are clear signs of concentration in the area, as both the educational structures and the number of students confirm it. The lack of access to educational infrastructure is one of the key factors for students moving away to other regions or countries for continuing their studies. Correlating this accessibility with the number of unemployed population according to education level emphasizes the limitations this brings in terms of labour market opportunities, and this direction should be prioritized in developing cross-border educational programmes.

Working towards developing connectivity links and the modernization of the tourism infrastructure can bring a significant increase in the overall competitiveness of the area. In addition, advantage should be taken of the cultural similarities, as the basis for the development of tourist attractions involving cross-border cooperatio

G. Public Administration and Governance

The national territory of Romania is divided in 4 macro-regions corresponding to NUTS level I and 8 development regions, corresponding to NUTS level II. These regions are not administrative regions, and hold no responsibilities in this respect, their role being mostly statistical in managing EU funding.

The Romanian administrative-territorial system is structured on several levels. From top to bottom, Romania is divided in 42 counties, including Bucharest Municipality; 320 towns and municipalities, 2.861 communes (including one or several villages) and 12.957 villages. The commune is the basic administrative-territorial unit.

The Romanian eligible area part of the programme is formed out of 5 counties Maramureş, Satu-Mare, Botoşani, Suceava and Tulcea. The counties are further divided into 35 towns, 12 municipalities, and 337 communes summing together 1.279 villages.

The Ukrainian territory is structured in 26 main administrative units: 24 oblasts, the Autonomous Republic of Crimea, and two cities with special status Kiev and Sevastopol. The eligible Ukrainian territory is formed out of the four oblasts of Zakarpattia, Ivano-Frankivsk, Odessa, and Chernivtsi. Below oblast level, the territory is divided into districts (raions). Furthermore the Ukrainian administrative-territorial system is split into: cities; cities with special status, republican, and regional importance; city districts, urban type settlements, village councils and rural localities. The four oblasts composing the Ukrainian part of the core eligible area are divided into 64 districts, 56 cities, 84 urban type settlements, 1.475 village councils and 2.866 rural localities.

Strengths		Weaknesses		Opportunities		Threats	
6. Public Administration and Governance							
S81	Good experience in working with EU programs, especially with the previous JOP, at both tiers of public administration, central and local	W81	Different administrative structures: two tiers in Romania, three tiers in Ukraine and based on this different function assignment for these tiers.	O81	EU structural programmes on Romanian side (ACOP)	T81	Future decentralization reforms can generate legal instability and lack of predictability
S82	Improved capacity of public administration (both central and local) in project management given the experience accumulated during 2007-2013 programming cycle	W82	For Romanian LG units potential lack of interest for the new JOP, due to the existence of other important EU and national investment programmes with possible similar eligible policy areas (ie transport infrastructure)	O82	New association agreement between EU and Ukraine	T82	Political instability and international conflicts or tensions can divert the focus from implementing the CBC OPs
		W83	For all LGs (but for different reasons in Romania and Ukraine) un-flexible budgetary framework, which limits investment capabilities	O83	Other international donors programs in Ukraine	T83	Differences in legal framework between the two countries
		W84	Long distance to Romanian Consulate for Ukrainian population from Zakarpattia affecting easy people and business environment contacts on both sides of the border	O84	High focus of international community to support Ukraine in political stability and economic development		

Conclusion: The final success of the Programme is dependent on the administrative capacity and on the quality of the public governance. There are some problems in this sector (potential lack of interest of local governance from the Romanian side together with an un-flexible budgetary framework). At the same time there are numerous opportunities especially related to high interest of the international community to support the governance reforms in Ukraine. A potential threat could be represented by the organizational changes that might appear, especially with reference to the decentralization process, changing dramatically the function assignment for Ukrainian regions and smaller local governance, hence, indirectly causing delays in programme implementation.

The different administrative structure of the Romanian and Ukrainian administrative systems poses additional risks with respect to the type of responsibilities assigned as well as the decision-making powers of various administrative units.

3.2.2. PRELIMINARY CONSULTATIONS

The preliminary consultations with the Programme stakeholders included interviews with local, regional and national authorities and focus-groups with civil society organisations, Universities, Commerce, Industry & Agricultural Chambers and other relevant stakeholders.

For each type of stakeholder a specific interview guide was drafted (based on a semi-structured questionnaire). The approach to consultations was to identify the central tendency of the distribution of the choices expressed by the interview subjects.

In *Romania*, the respondents were deputy-mayors, deputy-presidents of the county councils, public administrators, or directors of development of local institutions. The representatives of the local authorities showed interest in the consultation process and several persons attended the meeting/interview simultaneously. Therefore, the interviewed representatives were asked to jointly decide the Thematic Objectives to be selected, and the registered answer represented the position of the institution. All the counties were involved in consultations at the level of county and municipal councils. Focus groups with relevant programme stakeholders representing civil society were organised in Tulcea, Botoşani, Suceava, Maramureş and Satu Mare. Relevant stakeholders participated at the focus-groups (NGOs, Commerce, Industry & Agricultural Chambers, Universities, as well as other participants from local institutions) totalising 35 organisations.

In *Ukraine*, respondents were representatives of central institutions (ministries and representatives of city and oblast authorities, vice-governors and heads of the respective CBC departments at city and oblast administration. Interviews were carried out with Oblast administration representatives (Chernivtsi, Uzhgorod, Ivano-Frankivsk,) and City Councils representatives (Chernivtsi). The consultations with the local stakeholders occurred on June 2014 in Chernivtsi, Ivano-Frankivsk and Uzhgorod respectively. The consultations with the local stakeholders included both interviews and interaction with the focus groups. In Ukraine, 3 focus-groups and on-line interviews (for Odessa region) and face-to-face interviews were organised targeting 18 NGOs and universities.

An on-line survey was sent to potential eligible applicant stakeholders from the programme area. The survey questionnaire was developed using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP. (Respondents were asked to select their own country, region and the programme they express their opinions on). We totalised 82 answers that were received from both countries.

Overall results of preliminary consultations indicated that the identified stakeholders prefer the following Thematic Objectives to be at the core of the future Programme Romania-Ukraine 2014-2020:

- TO 2. Support to education, research, technological development and innovation
- TO 3. Promotion of local culture and preservation of historical heritage
- TO 6. Environmental protection, climate change adaptation
- TO 7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO 8. Common challenges in the field of safety and security

3.2.3. COHERENCE ANALYSIS

According to the programming regulations for the 2014-2020 period, the ENI programmes must deliver real cross-border added value and not cover elements that are already funded or could more suitably be funded from other ENI or EU programmes. Coherence and complementarity between the ENI programmes and the national ENP Action Plans, ENI multi-country strategies and Single Support Frameworks (and relevant EU-Russia agreements) and other relevant EU instruments are to be ensured through the programming process. Reaching the overall aims of the assistance EU is providing should be achieved through coherence and complementarity between the instruments for external action, as well as the creation of synergies between the ENI, other instruments for external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under those instruments.

Based on ENI CBC Programming Document 2014-2020, the present coherence analysis is rating three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objective with the programme).

Relevant programming documents such as strategies, actions, plans, agreements were analysed and interviews were conducted with the representatives of relevant institutions from Romania and Ukraine including:

Management authorities of operational funds in Romania of:

- Human Capital Operational Programme (MEF),
- Major Infrastructure Operational Programme (MEF),
- Regional Operational Programme (MRDPA),
- Competitiveness Operational Programme (MEF),
- Administrative Capacity Operational Programme (MFE) ,
- The National Programme for Rural Development (MARD)

Major donor agencies active in Republic of Ukraine:

- Swedish International Development Cooperation Agency (SIDA)
- European Delegation in Ukraine
- United States Agency for International Development (USAID)
- United Nations Development Programme (UNDP)

Coherence with national strategies and EU strategies

Fourteen national strategic documents with potential impact on the eligible area were analysed, five for Romania and six for Ukraine. However, given the difficult context in Ukraine at the time of elaboration of the programme – with open conflict in the eastern part of the country and new political power in place – the relevance of the policy documents approved in the previous years may be questionable.

Romania

The Partnership Agreement of Romania

The Partnership Agreement (PA) of Romania-EU (June 2014) provides the strategic focus for the necessary reforms and investment to be carried out in the 2014-2020 period. It provides the required

alignment with the EU strategy of smart, sustainable and inclusive growth. The indicative allocation of funds is pursuant to the treaty-based objectives, including economic, social and territorial cohesion.

The PA objectives are totally coherent and convergent with ENI CBC Thematic Objectives due to the fact that both documents are converging in EU 2020 strategy. The PA is the main strategic document, covering needs and investments totalising approximately 40 billion Euros.

National Reform Program for Romania

This strategic document¹ is setting the framework for the main priorities and reforms to be applied on short and medium term for Romania to meet the objectives of the Europe 2020 Strategy. The NRP includes particular measures in various policy areas targeted to sustain growth and create jobs, and meet the objectives of Europe 2020. Focused on the Romania's most urgent measures, the National Reform Program (NRP) is paying special attention to governance issues and macroeconomic stability. It is aiming to boost competitiveness, productivity and growth, social cohesion, territorial and economic convergence for reducing disparities in terms of economic development to other member states of the European Union. Generally, ENI CBC Thematic Objectives are converging with NPR measures, with the exception of two of them, *TO3 Promotion of local culture and preservation of historical heritage* and *TO10 Promotion of border management and border security*, that are not essential to the NRP.

North-West Regional Development Plan 2014-2020²

This strategic document has four main development objectives and each objective is attributed several priorities, as follows:

- Objective 1. Increasing the rate of employment and income. The priorities for this first objective are (1) Improving the competitiveness of SMEs especially within smart specialization sectors; (2) Encouraging Research & Development activities through economic activities which hold a potential for smart specialization and consolidating R&D capacities; (3) Increasing the competitiveness of the regional economy by supporting the transition through a low-carbon economy, resource efficiency and climate changes;
- Objective 2. Increasing accessibility and mobility of people, goods and information. For this second objectives the priorities are (1) Developing a sustainable transport system and ensuring access and integration of major European and international transportation networks; (2) Improving access to ICT, for both, private and public sectors;
- Objective 3. Improving quality of life in the region. This objective is focused on large range of priorities like (1) Supporting an integrated sustainable urban development; (2) Promoting employment and supporting labour mobility; (3) Improving access and infrastructure development for education and training, health and social assistance; (4) Sustainable Tourism Development; (5) Support for Integrated Sustainable Rural Development; (6) Promoting Social Inclusion and Combating Poverty and (7) Protection and conservation of the natural environment.
- Objective 4. Increasing the efficiency and quality of services provided by public administration within the N-W Region is organized in two main directions: (1) 1. Investment in institutional capacity for ensuring effective management of public policies and transparency, integrity and accountability and (2) Capacity building of stakeholders operating in the fields of employment, education, health and social policies.

¹ The 2014 NPR being approved in April 2014

² N-W Regional Development Plan, draft version April 2014

The North-West Regional Development Plan 2014-2020 is coordinated with the EU defined thematic objectives and EU 2020 targets., as showed in the summary table in the end of this section.

South-East Regional Development Strategy 2014-2020

The strategy (draft version June 2014) identified ten development priorities for the SE Region as follow: (1) Integrated sustainable urban development, (2) Development of regional transport infrastructure, (3) Improving the competitiveness of the regional economy, in the context of promoting smart specialization, (4) Improving the quality of tourism at regional level, (5) Conservation and protection of environment, (6) Improving energy efficiency and using renewable resources, (7) Improving quality in education, health and social inclusion, (8) Recovery superior resources in rural areas and upgrading of the rural economy; (9) Improving human resources at the regional level in the context of smart regional specialization, and (10) Promoting cross-border and interregional cooperation.

Even if these development priorities are formulated differently than the objectives of the ENI programmes, the measures included in the SE Regional Development Plan are strongly convergent with ENI CBC Thematic Objectives.

Ukraine

State Strategy of Regional Development for the period until 2020

In the current 2014 context, the Strategy points out new risks and challenges that emerged in 2014 due to the external influence of Russian Federation regarding Crimea and Sevastopol and Eastern regions of Ukraine. It is also emphasized that the document has been elaborated in accordance with the European standards and in compliance with the EU's budget cycles. The document takes into account such modern trends as urbanization, openness to movement of labor force and limitations in access to resources (particularly water resources).

The Strategy defines the goals of the state's regional policies and key targets of regional authorities and structures of self-governance. The UA Government declares that it shares EU's approach towards avoiding the increase of the regional disproportions however admits limitation in resources necessary for the efficient efforts in this direction.

The key goals of the Strategy are the raise of the competitiveness of the regions, good governance and decentralization of power and enhanced coordination in such spheres as transport and infrastructure, economic development and investments, support to entrepreneurship, labor market, education and science and innovations.

The raise of competitiveness of the regions in accordance with the Strategy can be reached by enhanced access to the regions including the development of transport networks, applying new technologies, ensuring environmental protection and enhanced economic activities in the country. The Strategy also points out the necessity of the efficient interaction with the external mechanisms of support (e.g. ENPI). One of the important objectives foreseen by the Strategy is diversification of sources of energy supplies, increase of energy efficiency, modernization of industries aimed at enhancing of energy efficiency, substituting gas by other energy resources gained from renewable sources of energy and alternative types of fuel.

Good governance and efficient state policies in the field of regional development can be reached by decentralization of power and enhanced coordination of activities between central authorities and self-governance bodies.

Additional priority is given to the development of border security and efficient border management in the regions bordering Russia, although the Strategy also mentions plans for the improvement of the ecological situation in the bordering regions, development of near-border infrastructure and enhanced cooperation with the local communities of the bordering states.

Most of the TOs are tackled and convergent with the Ukrainian State Strategy of Regional Development for the period until 2020.

The State Program of the development of trans-border cooperation for 2011-2015

Cross-border cooperation in Ukraine is connected with the significant disparities of socio-economic development of the border regions, the level of employment for the territories of Ukraine and the border regions of neighbouring countries, leading to social instability among the subjects of cross-border cooperation. Cross-border cooperation is one of the tools to accelerate the process of approaching the standard of living for the average border regions and to ensure the free movement of people, goods and capital across borders. The feature of cross-border cooperation between Ukraine is that it occurs at the border of Ukraine with the European Union and on the borders with Russia, Belarus and Moldova. The purpose of this program is to promote socio-economic, scientific-technical, environmental, and cultural development of cross-border cooperation.

The main objectives of Ukraine towards CBC cooperation are: (1) promote economic, social and cultural development of border regions and promoting comprehensive cross-border cooperation with neighbouring countries at the national, regional and local level; (2) ensure the improvement of living standards and social development of the border regions; (3) activation of foreign economic activity of the regions; (4) create conditions for the establishment and operation of joint ventures and the formation of cross-border economic clusters; (5) promotion of small and medium enterprises; (6) ensuring environmental protection and ecological safety; (7) infrastructure of border regions and to create conditions for attracting investments.

This program is most convergent with the TO1, TO3, TO6 and TO10.

The Strategy of Economic and Social Development of the Territories of Ivano-Frankivsk Oblast until 2015

The overall objective defined by Ivano-Frankivsk oblast council is minimization of interregional differences and social disproportions. In this regard in accordance with the recommendations of the Ministry of Economics and with the consideration of the experience of the EU countries, CEE countries and CIS the respective strategy was elaborated. The Strategy is grounded on the fact that the region is a self-sufficient and ecologically clean part of Ukraine with its own natural resources, stable growth of the level of welfare and high social and spiritual level of life.

Within the given circumstances the strategic goal of economic and social development of the oblast is stable growth of the welfare of the region. There are few strategic directions of economic and social development defined: (1) Stable growth of the economics, (2) The development of human resources. (3) Protection of the environment and ecological safety.

For the sustainable growth of the economics of the region it is planned to create the favorable conditions for the development of big enterprises with the innovative approach and the respective priority dimensions are touristic and recreational complex, agricultural enterprises, forestry and woodworking industry, the development of oblast infrastructure (including transport infrastructure, logistics, telecommunications), selective development of some clusters: energy, chemical industries etc. Besides the Strategy foresees SME development and the development of human resources in particular what regards to the development of education and science of innovative type, investments into infrastructure of healthcare institutions and cultural institutions. The Strategy also points out the necessity of selective support of regional innovative-investment scientific and analytical consultancy centers, techno-parks and business incubators. Another important priority is the protection of the environment and ecological security. With regard to this objective the priority directions are systematic counterweighing of the problem of waste, systematic efforts aimed at prevention of natural disasters including floods.

One of the strategic directions defined in the document almost coincides with the TO6 - Environmental protection, climate change adaptation, whereas two other indirectly refer to TO1 - Business and SME development and TO 4 - Promotion of social inclusion and fight against poverty. However, if we go into details then it's getting clear that although SME development is among the top priorities the document also contains direct references to TO2 - Support to education, research, technological development and innovation.

The Program of Economic and Social Development of Chernivtsi Oblast for 2014

The document directly refers to the necessity of cross-border cooperation. In this regard the priorities are the equipment of border crossing checkpoints, participation in CBC Programmes financed by the EU, continuation of cooperation with the neighboring regions of Romania and the Republic of Moldova (within the framework of "Upper Prut" Euro-region), participation in the realization of the EU Strategy for the Danube Region. What relates to the development of transport infrastructure, the document foresees the development of the modern network of the automobile roads and the development of oblasts' transit potential as well as providing of the security of passengers and goods.

In the field of tourist and recreational and touristic business green tourism is among the priorities alongside with shaping of the attractive touristic image of the region.

Separate section of the document is devoted to the issue of preventing the floods, including the measures for the restoration and building of the flood-preventing objects, cooperation with Romania and the Republic of Moldova regarding the safety of Dniester, Prut and Siret rivers.

In the field of housing the priority is given to renovation of water waste management and energy saving technologies.

The document directly points out that the outcome it expects from cross-border cooperation patterns is the security of the borders, which corresponds with TO 10 - Promotion of border management, and border security. Besides the document also focuses on the necessity to improve the existing transport infrastructure and this goal corresponds with the TO 7 - Improvement of accessibility to the regions, development of transport and communication. Sensitivity of the region in terms of ecological security and focus on trans-border cooperation in terms of flood prevention as well as focus on the necessity to improve water waste management correspond with TO 6 - Environmental protection, climate change adaptation. Some of the mentioned in the document objectives also relate with TO 9 - Promotion of energy cooperation.

The Strategy of Economic and Social Development of Odessa oblast for the Period until 2020

The foreseen plans of social and economic development of Odessa oblast contains a number of strategic objectives accompanied with the priorities that are to be followed for fulfilling the objectives. Strategic objective “Renovation of industrial potential” foresees support to small and medium business. Strategic objective “Introduction of innovative development of enterprises” can be reached by creating conditions for applying innovative approaches at the enterprises, restoration of research-enterprise centers/institutes, increase of innovative activities of the enterprises and creation of conditions for the development of SME. There are also strategic objectives which aim at SME development on the industrial sector which can be in accordance with the document reached by the support to the sustainable development of small business, support to the international business partnership and support to the cluster approach to the development of the economics of the region. As mentioned by the document strategic objective: the development of highly productive agricultural sector can be also reached by the support to small and medium enterprises in the agricultural sector. No less important strategic objective is the support and modernization of transport infrastructure. Within its framework creation of new highways and automobile roads of general usage in accordance with the regional and touristic priorities, creation of conditions for the comfortable and secure movement of passengers are foreseen.

Taking into account specifics of the location of the oblast the document also contains strategic objective modernization of seaports, which goes alongside with the development of air and sea routes. Location on the seaside causes also strategic objective of the development of touristic and recreational spheres which is supposed to be accompanied by ecological initiatives, development of SME in the touristic sphere. Separate passages are devoted to the development of modern high quality education and science, increase of access to quality and availability of medical services, social protection and social services to the population, the development of culture and protection of cultural heritage objects, providing of ecologically-favorable conditions and the development of water waste management and taking measures for the ecological safety of the population.

Given the attention on SME development in different spheres it is clear that the number one priority for the oblast is the complex of measures which correlates with TO1 - Business and SME development. Another top priority foreseen by the document corresponds with TO7-Improvement of accessibility to the regions, development of transport and communication. Less highlighted although still present in the document are the measures that correspond with TO 3-Promotion of local culture and preservation of historical heritage, TO4-Promotion of social inclusion and TO 6-Environmental protection, climate change adaptation.

The Program of Economic and Social Development of Zakarpatska Oblast - Key Directions of Development for 2014 and 2015

While focusing on the necessity of the reforms in the industrial sector the document focuses on the necessity to apply energy-saving and resource saving technologies, usage of the alternative sources of energy. Among the other priorities there is initiation of long-term innovative infrastructure projects.

In the field of transport and communications the documents puts the emphasis on the improvement of railway connection and improvement of bus network, improvement of transportation of goods and passengers by automobile transport. It is noteworthy that the oblast is the only one out of four target regions mentions the necessity of access to the Internet and mobile connection among the priorities.

Another strategic task for 2014-2015 is the increase of energy efficiency and energy saving which includes modernization of gas networks and stimulation of autonomous gas heating. Innovative activities are emphasized among the priorities and focus is on the development of industrial parks with the logistical centers in cooperation with the respective structures of the bordering regions.

Another priority for the oblast is creation of system of usage of hydro resources of the Carpathian Mountains with the consideration of flood prevention measures. The document also refers to “Drinking water of Transcarpathia” which defines such priority as improvement of the efficiency of water supply and water waste management, reconstruction of systems of water supply and water waste, applying new technologies for water supply and water waste management.

In the paragraph devoted to the incomes of the population and salaries it is mentioned that social policy in the oblast will be grounded on the active interventions at the labor market, providing social services to unemployed persons, providing access to labor market for the disabled persons.

In the field of culture and informational space the document foresees supporting traditional skills for local economic development.

Environmental protection also belongs to the priorities of oblast’s development. In particular that regards to the protection of civil population from natural disasters. Reaching this goal is expected by enhanced cross-border cooperation grounded on improved informational infrastructure, trans border cooperation in all fields of people’s life, enhanced cross-border activities in the field of monitoring and management of extraordinary situations in the bordering regions and in the field of science, culture, environmental protection, IT and healthcare.

The priorities of oblast first and foremost focus at energy-saving and alternative energy sources that correspond with TO9 - Promotion of energy cooperation. There is also a strong emphasize on the objectives which correlate with TO2 - Support to education, research, technological development and innovation and TO7 - Improvement of accessibility to the regions, development of transport and communication. Likewise in other flood sensitive oblasts the document also defines goals and priorities which together with the foreseen by the document measures on water waste and water supply management go in compliance with TO6 - Environmental protection, climate change adaptation. To less extent but still the document also highlights some measures that correspond with TO4 - Promotion of social inclusion and TO3 - Promotion of local culture and preservation of historical heritage.

Coherence with EU policies

Europe 2020

Europe 2020 is the EU’s ten-year growth and jobs strategy launched in 2010. It aims to create within the EU the conditions for economic growth:

- Smart, through more effective investments in education, research and innovation;
- Sustainable, thanks to a decisive move towards a low-carbon economy;
- Inclusive, with a strong emphasis on job creation and poverty reduction.

The EU 2020 targets are focused on (1) Employment, (2) Research and Development, (3) Climate change and energy sustainability, (4) Education and (5) Fighting poverty and social exclusion.

Danube Strategy

A macro-regional strategy to boost the development of the Danube Region was proposed by the European Commission in 2010 and endorsed by the European Council on 13 April 2011. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region, including 14 countries among which Romania and Ukraine. The Danube Region Strategy addresses a wide range of issues, divided in 17 priority areas.

The strategy is focused on (1) Connecting the Danube Region, (2) improvement of mobility and multimodality (3); Inland Waterways; (4) Road, rail and air links; (5) Encouraging more sustainable energy; (6) To promote culture and tourism, people to people contacts; (7) Protecting the Environment in the Danube Region; (8) To restore and maintain the quality of waters; (9) To manage environmental risks; (10) To preserve biodiversity, landscapes and the quality of air and soils; (11) Building Prosperity in the Danube Region; (12) To develop the knowledge society through research, education and information technologies; (13) To support the competitiveness of enterprises, including cluster development; (14) To invest in people and skills; (15) Strengthening the Danube Region; (16) To step up institutional capacity and cooperation (17) To work together to promote security and tackle organised and serious crime.

Most of the TOs of the ENI CBC - except for social inclusion and local governance - are also well represented in this strategy. Given the cross-countries and regional dimension of the Danube Strategy, a more integrated approach to common support of complementary measures is recommended.

Eastern Partnership

Representing the Eastern dimension of the European Neighbourhood Policy, this initiative was launched at the Prague summit in 2009 and was reaffirmed in 2011 and 2013. It aims to deepen and strengthen relations between the European Union and its six Eastern neighbours, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP is focused on several Flagship Initiatives as Integrated Border Management Programme; Small and Medium-size Enterprise (SME); Regional energy markets and energy efficiency; Diversification of energy supply; Prevention of, preparedness for, and response to natural and man-made disasters; Good environmental governance.

Assessment of TOs' coherence with strategies

The table below is presenting the coherence and convergence of the ENI Thematic Objectives with the most important National, Regional and European strategy document.

Legend	Criteria	Rate
	Mostly convergent priorities	2
	Partially convergent priorities	1
	Not convergent priorities	0

	Romania					Ukraine						European Union			TOTAL
Thematic objective/ Strategic document	N-W Regional Develop. Plan 14-20	N-E Regional Develop. Plan 14-20	S-E Regional Develop. Plan 14-20	Partnership Agreement RO 14-20	National Reform Program 2014	State Strategy for the Regional Develop. until 2020	State Program for CBC for 2011- 2015	Strategy: Economic and Social Develop. of Ivano- Frankivsk Oblast until 2015	Program: Economic and Social Develop. Chernivtsi Oblast for 2014	Strategy: Economic and Social Develop. of Odessa Oblast for the Period until 2020	Program: Ec. and Soc. Develop. Zakarpatska Oblast - Directions for 14- 15	EU 2020	Danube Strategy	EaP	
TO 1. Business and SME development	2	2	2	2	2	2	2	1	1	1	0	2	2	2	23
TO 2. Support to education, research, technological development & innovation	2	2	1	2	2	2	0	2	0	0	2	2	2	0	19
TO 3. Promotion of local culture/ preservation of historical heritage	0	0	2	2	0	0	1	0	0	1	1	0	2	0	10
TO 4. Promotion of social inclusion and fight against poverty	1	1	2	2	2	1	1	1	0	1	1	2	0	0	14
TO 5. Support to local & regional good governance	0	0	1	2	2	2	0	0	0	0	0	0	0	0	7
TO 6. Environmental protection, climate change adaptation	1	1	2	2	2	1	2	1	1	1	2	2	2	2	22
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	1	1	2	2	2	2	1	0	2	2	2	0	2	2	21
TO 8. Common challenges in the field of safety and security	2	2	2	2	2	2	1	0	1	0	0	1	2	2	19
TO 9. Promotion of energy cooperation	1	1	1	2	2	2	0	0	1	0	2	2	2	2	18
TO 10. Promotion of border management and border security	0	0	1	2	0	2	2	0	2	0	1	0	2	2	14

Cross-border cooperation policy aims to be coherent with the objectives of existing and future macro-regional strategies. According to the analysis summarized in the table above, taking into account the alignment of TOs with national, regional and EU level strategic documents, the Romania- Ukraine CBC Programme for 2014-2020 could focus on the following TOs:

- TO1. Business and SME development
- TO2. Support to education, research, technological development & innovation
- TO6. Environmental protection, climate change adaptation
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO8. Common challenges in the field of safety and security
- TO9. Promotion of energy cooperation

Alignment with EU financial instruments and other international donors

Coherence with EU Operational Programmes in Romania

As identified in the Partnership Agreement, in order to reach the global objective of reducing the economic and social development disparities between Romania and other EU Member States, the funding priorities for the use of European Structural and Investment Funds in the 2014-2020 period will be focused on tackling the following five development challenges:

- The competitiveness and local development challenge
- The people and society challenge
- The infrastructure challenge
- The resources challenge
- The administration and government challenge

The structural and cohesion funds for the 2014-2020 programming period will be managed through nine operational programmes, including Territorial Cooperation: Human Capital Operational Programme, Major Infrastructure Operational Programme, Regional Operational Programme, Competitiveness Operational Programme, Administrative Capacity Operational Programme, Technical Assistance Operational Programme and the National Programme for Rural Development, Fishery Operational Programme³.

Human Capital Operational Programme (HCOP) – total budget 4,42 billion EUR

The HC OP strategy aims to integrate human resources development needs in all programs and policies across Romania. It underlines, first and foremost, valuing human capital as a critical resource for sustainable development in the future.

The OP Human Capital focuses on employment, social inclusion and education, and it will function as a means of stimulating economic growth and cohesion, whilst supporting the objectives set out in relation to other challenges in development - competitiveness, infrastructure, management and governance. It is therefore expected for the programme to provide an important contribution to the objectives assumed by Romania in the Europe 2020 strategy for smart, sustainable and inclusive growth.

OP Human Capital will support inclusive growth by investing in:

³ Given their particularities of the programmes, the current analysis does not include Technical Assistance Operational Programme and Fishery Operational Programme.

- Encouraging employment and labour mobility, especially among young people and people outside the labour market;
- Promoting social inclusion and combating poverty
- Supporting education, skills development and encouraging lifelong learning

Operational Programme Administrative Capacity (OPAC) - total budget 0, 55 billion EUR

The Operational Programme Administrative Capacity 2014 - 2020 aims to strengthen the administrative capacity of public institutions and authorities to support a modern and competitive economy, by addressing two of the above mentioned challenges in the Partnership Agreement- "administration and governance" and "People and Society".

The objective of OP Administrative Capacity is to help create a modern public administration, able to facilitate socio-economic development of the country through public services, investments and quality regulations, thus contributing to achieving the Europe 2020 goals. To fulfil this role, the public administration needs skilled and well-managed human resources, as well as an efficient and transparent management of public expenditure, an adequate administrative institutional structure, as well as clear, simple and predictable operating procedures. OP Administrative Capacity will focus investments in:

- Development of strategic planning, Programme-based budgets and coordination/ cooperation/ consultation practices in central public administration; the development and implementation of modern policies and human resource management tools, as well as the effectiveness of the judicial system;
- High-quality public services for citizens and the business environment at the local level; increased transparency, integrity and accountability of public authorities and institutions, and improving access and quality of services provided by the judiciary, including by ensuring greater transparency and integrity.

Operational Programme Large Infrastructure (OPLI) total budget 9, 41 billion EUR

The funding priorities established by OP Large Infrastructure contribute to the overall objective of the Partnership Agreement to reduce economic and social disparities between Romania and the EU Member States by addressing two of the five challenges identified in national development: infrastructure and resources. Thus, the global objective of the Programme is the development of environment, energy and transport infrastructure, as well as risk prevention, at European standards, in order to create conditions for a sustainable economic growth whilst protecting and efficiently using natural resources. The Programme is focused on addressing the development needs in four sectors (Transport infrastructure, Environment protection and adaptation to climate change, Infrastructure in Bucuresti-Ilfov region, clean energy and energy efficiency) and it will fund four of the 11 thematic objectives set by EU Regulation. 1303/2013:

- Promoting sustainable transport and removing bottlenecks in major networks' infrastructure;
- Protecting and preserving the environment and promoting efficient use of resources;
- Promoting adaptation to climate change, risk prevention and management;
- Supporting the shift towards a low-carbon economy in all sectors.

Regional Operational Programme (ROP) - total budget 6.7 billion EUR

The Regional Operational Programme's overall objective for 2014-2020 is enhancing economic competitiveness and improving living conditions of local and regional communities by supporting business development and infrastructural conditions and services to ensure sustainable development of the regions, which will be thus able to manage resources efficiently, as well as to exploit their potential for innovation and assimilation of technological progress.

To achieve the overall objective of ROP 2014-2020, the financial allocation will be based on the level of development of the regions and it will be focused on the following thematic priorities:

- Connected infrastructure;
- Human capital;
- Innovation, Research & Development;
- Agglomeration processes / agglomeration economies, taking into account environmental issues.

Operational Programme Competitiveness (OPC) - total budget 1.33 billion EUR

OP Competitiveness is primarily responsible for the development challenge of Competitiveness and Local development, as described in the Partnership Agreement. Complementary, it contributes to achieving objectives in terms of three other development challenges, including: People and society, Infrastructure and Administration and Governance, positioning itself as a factor to allow horizontal interventions in the economy and society.

Through its interventions, the Programme aims to support smart economic growth and a knowledge and innovation-based economy, by investing in:

- Improving access, quality and use of information and communication technologies;
- Strengthening research, technological development and innovation.

The National Programme for Rural Development (NPRD) - total budget 9.36 billion EUR

The National Programme for Rural Development responds to three of the development challenges identified in the Partnership Agreement: Competitiveness and local development, People and society, Resources. It supports the strategic development of rural areas through:

- Restructuring and increasing farm viability
- Sustainable management of natural resources and combating climate change
- Diversification of economic activities, creating jobs, improving infrastructure and services to improve the quality of life in rural areas

International donors in Ukraine

European Union

The EU is seeking an increasingly close relationship with Ukraine that goes beyond bilateral cooperation, encompassing gradual political association and economic integration. Ukraine is an important country both within the European Neighbourhood Policy and the Eastern Partnership. The principal objective of EU-Ukraine cooperation is to bring Ukraine closer to the EU and foster political relations as well as economic integration. EU assistance to Ukraine is delivered through bilateral and regional Annual Action Programmes (AAPs). The new European Neighbourhood Instrument (ENI) is the main EU instrument in the next financial period, 2014-2020.

The European Commission announced in March 2014 a large support package for Ukraine, to help stabilise the economic and financial situation of the country. All the measures combined could bring overall support of at least 11 billion Euros over the next seven years from the EU budget and the international financial institutions, consisting of:

- 3 billion Euros from the EU budget in the coming years;
- 1.6 billion Euros in macro financial assistance loans (MFA) and an assistance package of grants of 1.4 billion Euros;

- Up to 8 billion Euros from the European Investment Bank and the European Bank for Reconstruction and Development;
- Potential 3.5 billion Euros leveraged through the Neighbourhood Investment Facility

One of the elements of the package is a new Macro-Financial Assistance (MFA) programme in the amount of up to 1 billion Euros. The proposed EU MFA is intended to help Ukraine cover part of its urgent external financing needs in the context of the stabilisation and reform programme under preparation, reducing in this way the economy's short-term balance of payments and fiscal vulnerabilities. The proposed assistance would support the urgent fiscal consolidation and external stabilisation and encourage the implementation by the authorities of structural reforms aimed at improving the overall macroeconomic management, strengthening economic governance and transparency and improving conditions for sustainable growth. The proposed MFA is in line with the aims of the Eastern Partnership and the orientations of the new European Neighbourhood Policy (ENP).

On 29 April 2014, the European Commission has adopted a new support for Ukraine's transition worth 365 million Euros, which includes two actions:

- State Building Contract (355 million Euros)- The general objective is to support the government of Ukraine in addressing short-term economic problems and preparing for in-depth reform in the context of political association and economic integration with the EU on the basis of the Association Agreement/Deep Comprehensive Free Trade Areas through support to improved governance, the fight against corruption, judiciary reform and public administration reform;
- Support to Civil Society (10 million Euros) - Will accompany and complement the support provided to Ukraine under the State Building Contract, to enhance the role of civil society; promoting and monitoring democratic reforms and inclusive socio-economic development in Ukraine.
- In addition to the ENI instrument, Ukraine is also eligible for funding under the thematic programmes, notably the European Instrument for Democracy and Human Rights (EIDHR), Instrument for Stability, Instrument for Nuclear Safety Cooperation as well as the Development Cooperation Instrument (DCI). Thematic Instruments provide financial support to civil society and a broader set of non-state actors and local authorities in Ukraine. Since 2011, the civil society organisations also benefit from the Neighbourhood Civil Society Facility (CSF).

United Nations Development Programme (UNDP)

UNDP supports Ukraine in achieving the Millennium Development Goals and the fulfilment of the European integration agenda. The key focus areas are: eliminating poverty, developing people's capacity, achieving equitable results of public policies, sustaining the environment, and advancing democratic governance. UNDP Ukraine partners with a number of donors who provide additional funding for three of their flagship programmes: Democratic Governance and Local Development; Millennium Development Goals (MDGs), Prosperity and Poverty Reduction; and Environment and Energy Efficiency.

Swedish International Development Assistance (SIDA)

Sweden's development assistance with Ukraine is focused on supporting the EU integration process, where an Association Agreement, including a free trade component with the EU, is one step on the way. The support is concentrated on democracy/human rights, environment and civil society. The Swedish support is also about cooperation between Swedish and Ukrainian authorities and organisations, this being a complement to other donors' support. Sweden has chosen to proceed with project support and core support to civil society, helping the country to bring about a better public financial management, so that the state can use its resources more effectively and reduce the risks of corruption.

The project portfolio of SIDA within Ukraine has a total value of 123 million Euros and the annual budget is estimated to be around 23 million Euros. In 2013, the main domains in which SIDA financed projects in Ukraine were the following: (1) Energy Efficiency – 31%; (2) Environment and climate changes – 22% (3) Democratic Governance and Human Rights: decentralization, gender based budgeting, e-government (Ivano-Frankivsk), building capacity – 23% (4) Civil Society Core Program – 13% (5) Economic integration with EU - market development 11%.

The Swedish Government has recently decided to continue its commitment for continued support to Eastern Partnership countries through “Results Strategy for Reform Cooperation with Eastern Europe, Western Balkans and Turkey 2014-2020”. The main aim for the results strategy is to assist these countries forge closer links with the EU. The strategy is not based on sectors but rather it outlines a set of results of reforms, which are crucial for long-term EU-integration that Sweden would like to contribute to.

The results strategy includes three main results areas for cooperation with Ukraine:

- Enhanced economic integration with the EU and development of market economy;
- Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law;
- A better environment reduced climate change and enhanced resilience to environmental impact and climate change a set of expected results within all results areas.

United States Agency for International Development (USAID)

Ukraine holds an important place in the United States Government’s efforts to help the countries of the former Soviet Union to establish democratic institutions and free market economics and integrate with global markets. USAID’s overarching goal for Ukraine is a stable, democratic and prosperous country. Within the Country Development Cooperation Strategy for Ukraine 2012-2016, USAID formulated the following goal for the program over the plan period: A More Stable, Democratic and Prosperous Ukraine. In order to achieve this goal, the Mission has set three Development Objectives:

- More Participatory, Transparent and Accountable Governance Processes;
- Broad-Based, Resilient Economic Development as a Means to Sustain Ukrainian Democracy;
- Improved Health Status in Focus areas and Target Groups.

The Financial Year 2015 Economic Support Fund advances U.S. interests by helping countries meet short- and long- term political, economic, and security needs. The FY 2015 ESF request for Ukraine is estimated to be **57 million Euros** and will help to promote democratic and economic reforms to support Ukraine and the aspirations of its people for Euro-Atlantic integration.

German Society for International Cooperation (GIZ - Gesellschaft für Internationale Zusammenarbeit)

German Society for International Cooperation has been working on behalf of the German Government to support Ukraine in its transition process since 1993. The German Government has reiterated its support for Ukraine in implementing the ENP Action Plan. Cooperation is designed to bring Ukraine closer to the EU and to result in tangible improvements to the political, social, economic and ecological situation, based on a commitment to sustainable development. Germany’s international cooperation with Ukraine focuses on three priority areas:

- sustainable economic development;
- energy efficiency;
- the HIV/AIDS response.

Between 2007 and 2014, GIZ implemented projects and programmes which addressed a series of issues focusing on economic development and employment, environment and climate change, governance and democracy, social development and sustainable infrastructure.

Other relevant EU policies and programmes

ENI Black Sea Basin programme 2014-2020

The wider Black Sea Basin ENI programme will contribute to the improvement of the welfare of the people in the Black Sea Basin regions through sustainable growth and joint environmental protection. More specifically, the programme will contribute to two of ENI CBC overarching strategic objectives:

- Promote economic and social development in regions on both sides of common borders
- Address common challenges in environment, public health, safety and security

The strategy of the Black Sea Basin ENI programme is focused on the following objectives and priorities:

Objective1. Promote business and entrepreneurship within the Black Sea Basin

- Priority 1.1 – Jointly promote business and entrepreneurship in the tourism and cultural sectors
- Priority 1.2 – Strengthen cross-border trade opportunities and modernisation of the agricultural and connected sectors

Objective2. Promote coordination of environmental protection and joint reduction of marine litter⁴ in the Black Sea Basin

- Priority 2.1 – Improve joint environmental monitoring
- Priority 2.2 - Promote common awareness-raising and joint actions against river and marine litter.

Horizon 2020

Horizon 2020 is the financial instrument implementing the [Innovation Union](#), a [Europe 2020](#) flagship initiative aimed at securing Europe's global competitiveness and is the biggest EU Research and Innovation Programme ever with approximately 80 billion Euros of funding available over 7 years (2014 to 2020). By coupling research and innovation, Horizon 2020 is helping to achieve this with its emphasis on excellent science, industrial leadership and tackling societal challenges. The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. Horizon 2020 promises to drive breakthroughs, discoveries and innovation by taking great ideas from **lab to market**. The EU Framework Programme for Research and Innovation will be complemented by further measures to complete and further develop the [European Research Area](#). These measures will aim at breaking down barriers to create a genuine single market for knowledge, research and innovation.

Horizon 2020 Programme sections:

- Excellent science;
- Industrial Leadership ;
- Societal Challenges ;
- Spreading Excellence and Widening Participation ;

⁴ Marine litter is any persistent, manufactured or processed solid material discarded, disposed of or abandoned in the marine and coastal environment. Marine litter consists of items that have been made or used by people and deliberately discarded into the sea or rivers or on beaches; brought indirectly to the sea with rivers, sewage, storm water or winds; accidentally lost, including material lost at sea in bad weather (fishing gear, cargo); or deliberately left by people on beaches and shores. Also known as marine debris.

- Science with and for Society;
- European Institute of Innovation and Technology;
- Euratom.

Ukraine falls into the category of automatically eligible non-EU applicant, which provides access for funding under the Horizon 2020 budget, except where the country is explicitly excluded from the call for proposals.

Assessment of TOs' coherence with programmes and donors

The coherence analysis with respect to the alignment of TOs with other existing funding opportunities for the eligible area focused on two criteria; (1) potential *overlaps* (to be avoided) and (2) *effectiveness & complementarity* between the ENI CBC TOs and other relevant sources of funding on medium term.

Criteria	Scale	Rate
Overlapping	Significant overlapping	(-2)
	Partial overlapping	(-1)
	Not overlapping	(0)
Effectiveness & Complementarity (of the thematic objective with the programme)	Significant effective and complementary	(+2)
	Partial effective and complementary	(+1)
	Not effective and complementary	(0)

Coherence table for Romania financing Programmes (below)

Thematic objective/ Programme	LIOP	ROP	HCOP	OPAC	COP	NPRD	CBC BS	T
TO 1. Business and SME development	0	-2	-1	0	-2	-2	-2	-9
TO 2. Support to education, research, technological development & innovation	0	-1	-2	-1	-1	-1	0	-6
TO 3. Promotion of local culture and preservation of historical heritage	0	-1	0	0	0	-1	0	-2
TO 4. Promotion of social inclusion and fight against poverty	0	-1	-2	0	-1	-1	0	-5
TO 5. Support to local & regional	0	0	0	-1	0	0	0	-1

good governance								
TO 6. Environmental protection, climate change adaptation	-2	-1	0	0	0	-1	-2	-6
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-2	-1	0	0	-1	-1	0	-5
TO 8. Common challenges in the field of safety and security	0	-1	0	0	0	0	0	-1
TO 9. Promotion of energy cooperation	-2	0	0	0	0	0	0	-2
TO 10. Promotion of border management and border security	-1	0	0	0	0	0	0	-1

Coherence table for Ukraine (below)

Thematic objective/ Programme	EU	USAID	UNDP	SIDA	GIZ	CBC BS	T
TO 1. Business and SME development	-1	-2	-1	-2	-2	-2	-10
TO 2. Support to education, research, technological development & innovation	0	-1	0	0	0	0	-1
TO 3. Promotion of local culture and preservation of historical heritage	0	0	0	0	0	0	0
TO 4. Promotion of social inclusion and fight against poverty	-1	-1	-1	-0	0	0	-3
TO 5. Support to local & regional good governance	-2	-2	-2	-2	-2	0	-10
TO 6. Environmental protection, climate change adaptation	-1	-2	-1	-2	-1	-2	-9
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-2	0	0	0	0	0	-2
TO 8. Common challenges in the field of safety and security	0	-1	0	-1	-1	0	-3
TO 9. Promotion of energy cooperation	-2	0	-1	-2	-2	0	-7

TO 10. Promotion of border management and border security	-2	0	-2	0	0	0	-4
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The overall results generated by the above-presented analyses are illustrated in the table below.

Thematic objective/ Programme	Financing programmes		Strategies	Total
	RO	UA		
TO 1. Business and SME development	-9	-10	18	-1
TO 2. Support to education, research, technological development & innovation	-6	-1	13	6
TO 3. Promotion of local culture and preservation of historical heritage	-2	0	7	5
TO 4. Promotion of social inclusion and fight against poverty	-5	-3	11	3
TO 5. Support to local & regional good governance	-1	-10	7	-4
TO 6. Environmental protection, climate change adaptation	-6	-9	16	1
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-5	-2	14	7
TO 8. Common challenges in the field of safety and security	-1	-3	14	10
TO 9. Promotion of energy cooperation	-2	-7	13	4
TO 10. Promotion of border management and border security	-1	-4	9	5

In conclusion, the objectives that best satisfy the defined criteria are TO2, TO3, TO7, TO8 and TO10.

3.2.4. MULTI CRITERIA ANALYSIS

In order to ensure the correspondence of the programme strategy with the specific requirements of the ENI regulations a multi-criteria analysis was used. Each thematic objective was scored against all criteria and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 objectives.

The main steps followed for Multi-criteria analysis of the thematic objectives are briefly presented below:

1. Setting the five criteria used in analysis and agreeing on their relative weight- the analysis concentrated on the previous analyses and consultations in order to use trusted and documented information available.
2. Definitions of the designated criteria:

C1 - Cross-border impact refers to the impact of the potential initiatives to be promoted under the respective CBC Thematic Objective on both sides of the border. Given the specificity of ENI CBC interventions, the weighting of this criterion is set at 30%.

C2 - Capacities for project management denotes the capabilities of potential beneficiaries active in different thematic areas to manage, co-finance and apply programme procedures (based on the legislation of the country in which the project is implemented and track record of the respective organizations in the eligible area). This criterion is allocated a 20% weight.

C3 – Relevance for overall financial allocation of the Programme - Limitations of the financial allocation represent the capability of the financial allocation of the program to support costly/large scale interventions. (Even if such large interventions could be needed across the eligible area the limited budgetary allocation cannot support these under the Ro-Ua programme). The weight is set at 20%.

C4 - Coherence with strategies & programmes represents the correspondence of the TOs with the relevant policy documents and other financing instruments available for the eligible area in the 2014-2020 programming period in order to identify those thematic objectives that can be best addressed through the Ro-Ua Programme. The weighting is, as in previous 2 criteria, is set at 20%.

C5 – Current regional context - This criterion takes into account the recent developments in the region that were not envisaged at the moment of preparation of the programming documents and intends to provide a priority for the TO that are of most urgency. Weighting is at 10%.

3. Setting the hierarchy of the objectives – Overall calculation of scores and generating the Priority Objective List. Each criteria was scored on a scale from 1 (lowest score) to 5 (highest score) and weighted as explained above.

TO	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	
	Cross-border impact	0,3	Capacities for project management	0,2	Relevance for overall financial allocation	0,2	Coherence with strategies & programmes	0,2	Current Regional context	0,1	
TO1	3		3		4		2		3		3
TO2	5		4		5		5		4		4,7
TO3	3		4		5		4		3		3,8
TO4	2		4		4		3		2		3
TO5	3		4		5		1		3		3,2
TO6	3		4		3		4		3		3,4

TO7	5		5		3		5		4		4,5
TO8	5		5		3		5		5		4,6
TO9	3		2		2		3		5		2,8
TO10	2		3		3		4		4		3

The Thematic Objectives with best rates (TO2, TO3, TO7, TO8) have the potential to ensure a *stronger cross-border impact* due to the fact that the projects and activities that could be financed under these TOs require better coordinated actions, joined planning of public administration beneficiaries from both countries, hence taking full advantage of the particularities and communalities of the regions on both sides of the border. These five thematic objectives (together with TO 4, 5 and 6) benefit also from *better project management capacities* developed in the EU Programming period 2007-2013 (for Romania). Also, in the previous CBC Phare and RO-UA-MD 2007-2013 Programme were implemented projects at the local level which helped cross-border contacts and management capacities.

Also, the same TOs score higher and medium rates at *coherence with strategies & programmes* criterion, being well-correlated with relevant policy documents in the core eligible area and better anchored in the *regional context*, therefore better suited to answer to the identified development needs. In the same time they score medium rates at the *relevance for overall financial allocation of the Programme* criterion (except TO 5) since the Programme allocation is not substantial enough to cover numerous projects, in order to answer to all the development needs the region reveal. These TOs top-rank on the final criterion, *Current Regional Context*, proving suitability to the actual conditions and developments in the region.

Lower rated Thematic Objectives (TO1, TO4, TO5, TO6, TO9, TO10) scored lower or average at the *cross-border impact* criterion as the types of interventions that could be supported are not necessarily guided by the top strategic priorities, hence not generating strategic-level impact. However, there are significant *project management capacities* of organisations active in these thematic areas (some of them developed in the previous Programme). These objectives ranked higher at the *relevance for overall financial allocation of the Programme* criterion (except TO9), because they can support more small scale projects to be initiated by more diverse types of beneficiaries. Also, they score fewer points at the *coherence with strategies & programmes* and *current regional context* criteria (also, except TO9) due to the fact that they are not top priorities in the relevant policy documents across the eligible area.

3.2.5. PAST EXPERIENCE ANALYSIS

Following analysis of the Joint Operational Programme Romania – Ukraine – Republic of Moldova 2007-2013 implementation reports, findings, conclusions and recommendations stemming from the mid-term review on the ENPI programmes which was delivered to the European Commission in 2012, conclusions of audit/ verification missions undertaken and last, but not least, on the opinions expressed by various stakeholders during the consultation phase, a range of lessons learnt from 2007-2013 programming period must be taken into account.

In what concerns projects' generation, it must be acknowledged that proper consideration should be given to support building up and/or development of effective **cross border partnerships** since they are the cornerstone on which genuine and successful projects are based on. This is where the programme may

call on various modalities aimed to facilitate and better connect partners from across the borders and which proved to be efficient in the past or may be now substantially improved/ diversified. Going further, the programme must look after and request an **effective involvement of partners** residing on both sides of the border during the entire projects' lifespan, whether by awarding incentives during evaluation stage to those which adequately respond to it, or by setting mandatory requirements in the Guidelines for applicants.

On the other hand, as the previous 2007-2013 monitoring experience shows, large partnerships proved to be hardly manageable since cross border projects require close cooperation, attentive coordination and joint efforts towards the common targets. It is for the programme to decide on the **maximum number of partners** which may effectively act together to implement these projects.

Taking into account cross border specificities, it is a fact that good quality applications cannot be prepared from scratch only during the call for proposals period, but they need to be thoroughly designed quite some time before the actual start date of the call. Having this in mind, it is important for the programme to specifically address the **capacity building component** even in between of the call for proposals by means of structured thematic trainings covering as much as possible the programme eligible area, and with a special focus in the partner country. This is a point where adequate **coordination across** different projects and/or programmes financed by the European Union might be a solution since cooperation may bring added-value and streamline the programme's efforts in this respect.

It is worth pointing that high call has been noticed, not only from the programme stakeholders' side as this is also strongly required by the related EU regulations, for simplification, accuracy and transparency in what concerns the programme actions. One of the starting points to address these requirements is to upgrade and improve the **application template(s)**. On one hand, such template(s) should be able to integrate and meaningfully substantiate whatever project idea, facilitate and focus evaluation and further, support implementation and monitoring, on the other hand. Number and type of documents to be annexed to the application form should also be limited to what is necessary and relevant for e.g. assessing the project eligibility and, in any case, should not be an additional burden to its promoters.

Regarding the assessment of applications great need has been expressed to accelerate the process, so that projects remain relevant and to keep the initial design in terms of accuracy, reality and feasibility. The **two stages evaluation** (Concept Note and, if pre-selected, Full Application) has been proved as beneficial as shortened significantly the evaluation duration while was less burdensome and costly, both for the programme structures and for the applicants (especially for those rejected at the end of the 1st stage). However, existing discrepancies between the documentation submitted by some applicants in each of the two stages conducted to difficulties in evaluation and contracting of projects. Consequently, in order to accelerate the evaluation process, the Programme shall find the appropriate instruments for getting the evaluation process more effective, including by involving a consistent number of independent assessors, It also became evidence that large selection committees are not-functional since is extremely difficult to convene them and find a timeline which is suitable for everyone. This approach was also abandoned in the second call for proposals, when the programme took the decision to set **smaller and more flexible selection committees** (one committee per priority, one evaluator per country per committee). Finding the right balance between the need of representation at country level, and the urge to have evaluators above conflict of interest, adequately qualified in the respective fields of interest, committed to comply with the evaluation schedule and delivering good quality assessments, is a real challenge that must be attentively addressed by the programme.

High number of complaints following evaluation was another sensitive issue during the previous programming period. Grounds lie, mainly, within the huge amount of proposals received requiring much

more funds than the ones available for the call on one hand, and on insufficient information provided to the applicants as regards the reasons for rejection or the score awarded. The programme shall consider limiting the number of applications which may be submitted by the same applicant within a call for proposal and to improve the communication with the applicants during the evaluation process.

It is recommendable programme to continue with the formal programme approach of setting a **complaints procedure** within the Guidelines for grant and by indicating clear **reasons for rejecting** a proposal. Moreover, an **Assessment Manual** published on the programme website may allow anyone interested to go into details with the way scores are awarded for the given evaluation criteria. Selected applicants should always be aware about how contracting is to be conducted by the programme bodies. Preparing and making available the **Guidelines for the selected applicants** prior to the start of this stage has clarified the process and cut off potential complaints related to timing, type of documents, and roles that each body has to play.

Nevertheless, the stage proved to be time-consuming due to the large number of documents required by the programme, unavailability and/or non-compliance of the documents submitted, while poor coordination between project partners during the process led to recurrent postponements and delays. “White spots” in what concerns specific provisions of the national legislation impacted directly on the ability of organizations to meet the deadlines and programme’s requests. Each issue can be solved or improved if is addressed in a practical way and is accompanied by a **stronger commitment of the selected applicants** (support of the National Authorities may prove beneficial in this respect), as well as prior knowledge of the related legal aspects.

In the new RO-UA Programme, the Guidelines for Grant Applicants will provide extensive information regarding the contracting phases and the deadlines for submitting the documents (especially complex ones) will be set through a careful assessment by the JTS/ MA as regards the beneficiaries needs.

The communication plan will include more activities related to project results’ dissemination: publications, events, dedicated section on Programme website so that to allow the access of potential beneficiaries to models of good practices.

3.2.6. SUMMARY OF STRATEGY IDENTIFICATION

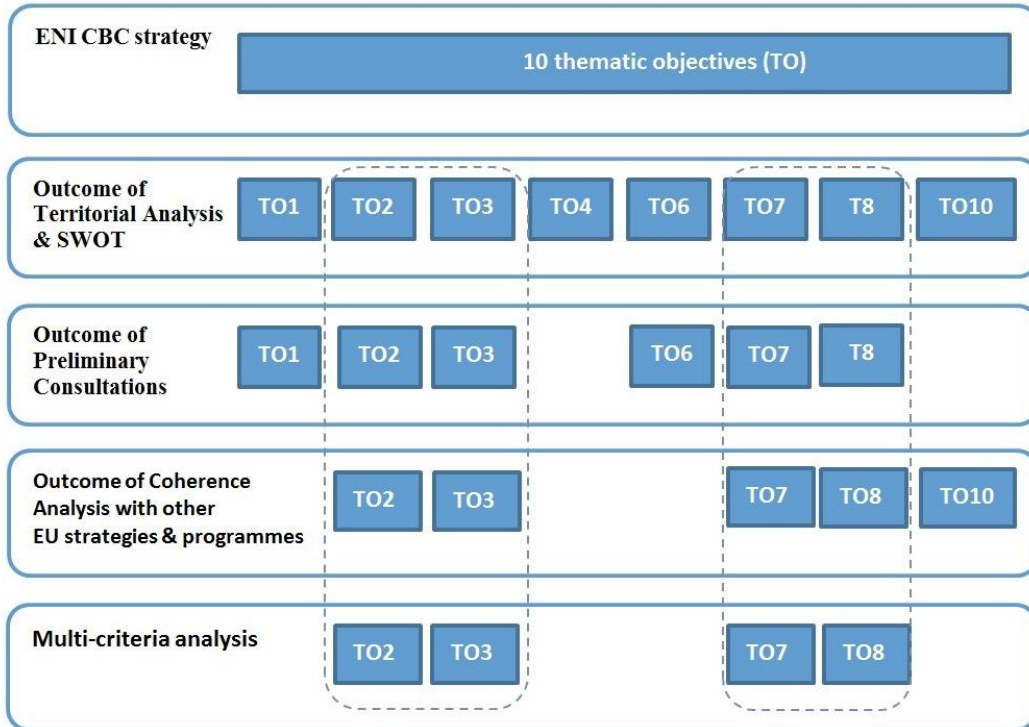
Four TOs resulted from the strategy analyses (territorial, SWOT, coherence and multi-criteria) and from preliminary consultations:

TO2 - Support to education, research, technological development & innovation;

TO3 - Promotion of local culture and preservation of historical heritage

TO7 - Improvement of accessibility to the regions, development of transport and communication networks and systems;

TO8 - Common challenges in the field of safety and security;



According to ENI CBC programming regulations, a *maximum number of four TOs* are allowed to be financed under the ENI Programmes.

3.3. RISK ANALYSIS AND MITIGATION MEASURES

No.	Identified risk	Probability	Impact	Mitigation	Responsible body
1.	The management and control system is not fully functional when Programme starts	Medium	High	-Preparation of internal procedures of MA and JTS/BOs, NAs and Country Control Points -Strong commitment of the National Authorities for preparing and put in force the necessary legal framework for carrying out their tasks.	MA, JTS/Offices/ NAs, CCPs
2.	The prerequisites (adequate processes, skills and overall management) of an efficient evaluation are not meet	Medium	High	-Development of an efficient and transparent evaluation and selection methodology -Selection of a pool of independent assessors in due time for being ready for evaluation when needed. -Strong commitment of the NAs for quick reaction during the evaluation when their support is needed.	JMC, MA, NAs
3.	Delays in the process of verification of progress reports and requests for payment	Low	Medium	Allocation of sufficient personnel for checking the documentation Development of efficient procedures	MA, JTS, national controllers/a auditors
4.	Drawbacks within the project implementation due to inefficient communication operations with beneficiaries	Low	Medium	-Setting up a system of coherent communication and working procedures, with specific division of tasks between MA and JTS or JTS and JTS Offices as regards the communication with projects beneficiaries, with the aim to develop a <i>partnership approach</i> between Programme management structures and beneficiaries	MA, JTS, JTSBO
5.	Low visibility of the Programme and projects	Medium	Medium	-Adaptation of the Programme communication strategy/ plan according to the needs -Elaboration and implementation of annual communication plans -Specific provision within the grant contract as regards the obligation of the beneficiaries to have a communication strategy/ plan	MA, JTS
6.	Poor quality of audit reports provided by independent auditors	High	High	-Setting clear and relevant selection criteria for selecting the pool of auditors	MA, JTS, NA UA

				-Foreseeing sanctions within the individual agreements between NA and each audit firm for those cases of improper performance of the verifications; Training delivery to the auditors included in the pool -Communication between MA and AN concerning the quality of the performance of the selected auditors.	
7.	Instable internal and external political context and/ or regional conflicts	High	High	<i>Independent from Programme management structures' capacity for action</i>	
8.	Lack of knowledge of the beneficiaries concerned, of legislation and management techniques on either side of the border	Medium	Medium	-Development of coherent and exhaustive project implementation procedures, including also indication on financial and procurement regulation at national level in each country -Targeted training to projects' beneficiaries on Programme's implementing rules	MA, JTS, NA,
9	Overlaps with other programmes	Low	Low	-Setting clear selection criteria for projects -Selection of projects that are fully relevant to the Programme's priorities and objectives, with a focus on cross-border impact	JMC, MA, JTS,
10.	Difficulties encountered by potential applicants in finding reliable cross-border partners	Low	Low	Development of support instruments (such as partners search web applications, partnership events, info-days, workshops)	MA, JTS
11.	Difficulties for projects beneficiaries to ensure co-financing or to finance ineligible costs related to their projects	Medium	Medium	Setting up clear eligibility rules related to financial capacity in the Guidelines for grant applicants Providing training for beneficiaries, explaining the rules for project implementation, for eligibility of the expenditures and actions	JMC, MA, JTS, Regional and central authorities, NA
12.	Non-efficient use of EU public funds: irregularities, including frauds and corruption acts	Medium	High	Developing of an effective audit and control system and providing specific training to selected auditor and national controller regarding their responsibilities Development of risk analyses and monitoring of projects' progress accordingly Financial corrections to projects that do not comply to the rules	MA, JTS, AA, NA, FLC/ auditors

3.4. PROGRAMME INDICATORS

The below table is describing the expected results for each priority, and the corresponding result indicators, with a baseline value and a target value and the output indicators for each priority, including the quantified target value, which are expected to contribute to the results;

The report on the proposed indicators is in the ANNEX II of the Programme. The report includes the methodology followed for the selection of the indicators, definitions of indicators, source for the data collection and indications on measurements and substantiation for setting the proposed targets.

Indicator coding system: e.g. C OI XXX, OI XXX, RI XXX

C OI – Common Output Indicator

OI – Output Indicator

RI – Result Indicator

XX – Priority Number (First two digits)

X – Indicator Number (Last digit)

NA – Not Applicable

TBD- to be decided

	ID	Indicator Name	Measuring Unit	Baseline Year	Baseline	Indicator target value	Sources	Frequency of measuring
Objective 1	Priority 1.1	COI 111	Number of organisations using programme support for cooperation in education, R&D and innovation	Institutions	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 112	No of people benefitting from all types of activities that received funding within the CBC programme	Students	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 115	Number of implemented actions in support of disadvantaged groups	Actions	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		RI113	Early school leaving rate	Percentage of students dropping out of school	2012	TBD	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine	
	Priority 1.2	COI 121	Number of organisations using programme support for cooperation in education, R&D and innovation	Business development organizations	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 121	Number of innovative outcomes in the eligible area	Innovative outcomes	2015		Ex-post Programme evaluation report(s) / State Office for Inventions and Trademarks in Romania / State Intellectual Property Service of Ukraine	2023
Objective 2	Priority 2.1	COI 211	Number of organizations using programme support for promoting local culture and preserving historical heritage	Institutions	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		COI 212	Number of improved cultural and historical sites	Cultural and historical sites	NA	NA	Database of projects/ Projects' reports	2018, 2021, 2023
		RI	Number of overnight stays in the	Overnight stays	2012	1,820,017	Ex-post Programme evaluation report(s) / National Institute of	2023

		121	eligible area					Statistics in Romania / State Statistics Service of Ukraine.	
Objective 3	Priority 3.1	COI 311	Total length of reconstructed or upgraded roads	KM	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		OI 313	Number of joint actions for improvement of cross-border infrastructure developed	Number of joint strategies	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		COI 314	Number of additional ICT based tools developed supporting cross-border cooperation	ICT based tools	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		RI 311	Cross border traffic volume (by, road, water)	Crossings	2013	2.554.671		Romanian Border Police. Border Police of Ukraine	2023
		RI 312	Connectivity rate in the eligible area	Percentage (units connected out of total number of units)	2012	42%		Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine.	2023
Objective 4	Priority 4.1	COI 411	Population covered by improved health services as a direct consequence of programme support	Inhabitants	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		OI 412	Number of medical service infrastructure units improved	Medical services infrastructure units	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		RI 411	Number of new cases of illness	Cases of illness (thousands)	2013	5500		Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine	2023
	Priority 4.2	COI 421	Population benefiting from flood protection measures as a direct consequence of programme support	Persons	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		OI 422	Number of joint actions in the field of emergency situations	Documents (e.g. Strategies, Plans)	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023

		RI 421	Increase in share of eligible area covered by integrated systems for emergency situations	Increased in Area covered (percentage)	2015	Survey		General Inspectorate for Emergency Situations of Romania. State Emergency Service of Ukraine.	2023
	Priority 4.3	OI 431	Number of modernized facilities of police border and custom services	Facilities	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		RI 432	Increase of the ratio of annual number of persons crossing the border to the number of customs personnel directly employed at the border crossing points	Percentage of increase	2015	Survey		Database of projects/ Projects' reports	2018, 2021, 2023
		OI 431	Number of participants involved in joint capacity building activities (exchanges of experience, study visits, trainings etc)	Participants	NA	NA		Database of projects/ Projects' reports	2018, 2021, 2023
		RI 431	Decrease of intervention time for police operations in the border area	Percentage of decrease	2015	Survey		Ministry of Internal Affairs of Romania. Ministry of Internal Affairs Ukraine.	2023

3.5. CROSS-CUTTING ISSUES

A number of important elements for successful, sustained and inclusive cross-border cooperation will be ensured as horizontal modalities to be deployed across any of the Programme priorities, rather than as separate thematic priorities. These cross – cutting issues are additional to the Programme priorities and objectives being significant to any project activity. Project applicants are to be expected to consider these cross-cutting themes when developing their projects.

ENI CBC regulations⁵ require a description of the ways the following cross-cutting issues will be mainstreamed during programme implementation, where relevant: democracy and human rights, environmental sustainability, gender equality and HIV/AIDS. Integration at project level of the relevant cross-cutting issues described below will be:

- ✓ Assessed during the selection process and included into the criteria for project evaluation;
- ✓ Checked in project reports and during project monitoring visits.

Further guidance on requirements for project selection and reporting will be provided in the programme's Guidelines for Applicants, Implementation Manual or similar documents issued at programme level.

The cross – cutting themes include:

- Democracy, participation and human rights;
- Equal opportunities (promotion of gender equality and opportunities for youth);
- Environment protection.

Democracy, participation and human rights

In regard to democracy and human rights, several aspects are embedded in the Programme strategy as horizontal issues or modalities to be deployed in projects across any of the selected priorities, in particular:

- ✓ 'People-to-people' actions, including enhanced cooperation among NGOs and other civil society groups
- ✓ Capacity-building components for NGOs that will enhance the role of non-state actors and build their capabilities as partners in the public policy process making;
- ✓ Enhanced cooperation among local and regional authorities, promotion of local and regional good governance and capacity-building components for local/regional authorities and agencies that will support public administration reform and decentralization and local government;

The projects shall seek to integrate considerations related to democracy, good governance, participation and human rights. This may also include exchange of good practices, as well as regular and transparent project financial reporting, widely circulated and understandable project results ensuring there is no discrimination against particular target groups whether the project helps to ensure respect for any relevant human rights.

Equal opportunities (promotion of gender equality, and opportunities for youth & elders);

Promotion of gender equality, and equal opportunities for youngsters and elders, is important within the Programme design as a horizontal issue to be deployed in projects across any of the priorities selected. Both men and women shall have equal access to the opportunities and benefits of the programme.

⁵ Art. 4.3 Regulations (EU) N° 897/2014

All projects will have to adequately consider gender related issues – such as equality of opportunity, rights, distribution of benefits, responsibilities for men and women. This may include the integration of a gender perspective when planning activities, considering the likeliness of increased gender equality beyond the project ends.

The programme strives for promoting equal opportunities and preventing any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during its life cycle and in particular in relation to access to funding. It will take into account the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disability.

Also, the projects should address specific needs of young people and ensure participation regardless the age of the target groups. Additionally, all operations funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind.

Environment protection

Environment is crucial for projects under the most of the Thematic Objectives selected, mainly for projects supporting infrastructure construction / rehabilitation / modernization etc.

All projects funded in the frame of the Programme will have to integrate environmental considerations. This notably includes following good environmental practices during implementation, in particular in relation to energy efficiency as well as in relation to the use of water and the production of waste, etc. Projects with a direct negative impact on the environment will not be selected for financing.

Besides the verification of the respect of in-force rules and regulations on the environment and sustainable development, the programme seeks to avoid or reduce environmentally harmful effects of interventions and to deliver results in terms of social, environmental and climate benefits.

The following general principles will be adopted in the selection of applications and the monitoring of operations:

- To direct investments towards the most resource-efficient and sustainable options
- To avoid investments that may have a significant negative environmental or climate impact and to support actions to mitigate any remaining negative effects
- To take a long-term perspective when ‘life-cycle’ costs of alternative options for investment are compared
- To encourage the use of green public procurement

(to be completed with recommendations/suggestions from SEA as relevant).

4. FINANCIAL PLAN

Financial allocation

The total EU allocation for the programme is of 60 million Euro. The co-financing rate for the programme is of 10% of the EU allocation.

- 30% of the EU allocation is allocated by JPC decision to Large Infrastructure Projects selected through a direct award procedure
- 10% of the EU allocation is allocated to Technical Assistance

Thematic Objective	Proposed financial allocation for call for proposals	
	Percentage of total EU contribution	Value
TO2. SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION	6%	3,600,000
TO 3. PROMOTION OF THE LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE	10%	6,000,000.00
TO7. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF TRANSPORT AND COMMON NETWORKS AND SYSTEMS	20%	12,000,000
TO 8. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY	24%	14,400,000.00