Territorial analysis

Interreg NEXT Romania- Ukraine 2021-2027

- June 2021 -

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Acronyms

CBC	Cross Border Cooperation
EC	European Commission
EEA	European Environmental Agency
EEAS	European External Action Service
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
CPR	Common Provision Regulation
EaP	Eastern Partnership
EUSDR	European Union Strategy for the Danube Region
FDI	Foreign Direct Investments
FRONTEX	European Border and Coast Guard Agency
GDP	Gross domestic product
GII	Global Innovation Index
IMF	International Monetary Fund
ILO	International Labour Organization
IOM	International Organization for Migration
ISO	Interreg Specific Objective
MS	Member States
NGO	Non-Governmental Organisation
NUTS	Nomenclature of Units for Territorial Statistics
OECD	Organisation for Economic Cooperation and Development
PO	Policy Objective
R&D	Research and development
ROM	Results-Oriented Monitoring
SMEs	Small and medium enterprises
SRIA	Strategic Research and Innovation Agenda

TEN-T	Trans-European Transport Network
UNDP	United Nations Development Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats (Analysis)
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe (UNECE)
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WHO	World Health Organisation
RO-UA	Romania-Ukraine Joint Operational Programme 2014-2020
RO-UA-MD	Romania-Ukraine-Republic of Moldova Joint Operational Programme 2007-2013

Introduction

This document is focused on the territorial analysis of the eligible area of the Interreg NEXT Romania-Ukraine Programme 2021-2027 and identifies the main challenges that are common to the both sides of the Romania-Ukraine border.

The analysis also considers the current challenges faced by the cooperation area due to the COVID 19 pandemic, which is a disruption in the way life usually flows, including in areas such as project implementation.

The analysis is structured in chapters, following the objectives formulated for the area by the Joint paper on Interreg NEXT Strategic Programming[1] and recommended for further analysis and that have been also approved by the Joint Programming Committee as starting point for the territorial analysis.

- Policy Objective (PO) 2 meaning "A greener low-carbon Europe and its neighbourhood";
- Policy Objective (PO) 3 meaning "A more connected Europe with its neighbourhood";
- Policy Objective (PO) 4 meaning "A more social Europe and its neighbourhood";

Interreg specific objectives (ISO):

- Interreg Specific Objective ISO 1 meaning "A better cooperation governance for Europe and its neighbourhood";
- Interreg Specific Objective ISO 2 meaning "A safer and more secure Europe and its neighbourhood.

The analysis follows the TESIM guidance and is structured in chapters. After the introduction, the first chapter presents the main characteristics of the eligible area in terms of economy, demography, geography. The following chapters follow the 5 Policy Objectives and Interreg Strategic Objectives preselected to be included in the territorial analysis. The structure of the chapters starts with the statistical data and continues with data gathered from consultations and the lessons learnt from the previous programming period. Each chapter is concluded with a SWOT that gives an overview of the field and with preliminary conclusions related to the recommendations regarding that objective.

Methodology

The main purpose of conducting a territorial analysis is to provide an overview of the programme's area, including the current situation in relation to the relevant Policy Objectives and the trends for the near future.

In order to identify the best financing opportunities for the programme, both quantitative and qualitative data was used, using secondary and primary data collection methods.

[1] EC-EEAS (2020), Joint Paper on Interreg NEXT Strategic Programming 2021-2027

Main methods employed:

- Desk research
- Data collection – from primary and secondary sources
- Consultations with programme partners
- Data analysis
- Swot analysis

The quantitative research was based on publicly available data and on data received from the partner countries. In the analysis the most important indicators for the preselected objectives were used, in order to give an accurate image of the current situation. The qualitative research had a two-step approach, interviews with stakeholders and focus groups with experts from relevant financing domains. The qualitative research was useful in creating a more accurate overview of the area, especially in the context of the COVID 19 pandemic.

The main purpose of the consultations under the RO-UA programme was threefold, consisting in:

- Exploring the **actual needs** of the area and partners' orientations regards the cross-border financing across the policy objective (POs) or Interreg Specific Objectives (ISOs). Including the identification of possible Large Infrastructure Projects (LIPs)
- Collecting inputs for **concentration and convergence**, by reducing overlaps in the area and eventually reducing the number of POs
- Identifying **barriers / difficulties** in previous implementation of grant contracts at the beneficiary's level.

The partners' consultation has been the result of combination of a two folded approach, including **interviews** and **focus groups**, addressing priorities, previous practices, challenges and opportunities. The interviews have been an exploratory exercise, paving the ground for the structure of the focus groups. Both interviews and focus groups have been organised online. Identified partners, selected among practitioners and experts from public and private entities in both the concerned countries, were actively involved on **ranking** the Policy Objectives (POs) and, within each of them, the Specific Objectives (SOs). Beyond that, the outcomes of both interviews and focus groups **explored possible initiatives**, identified type of actions and discussed the opportunity of promoting both large infrastructure projects (LIPs) or small-scale projects. The main findings of the research are presented in every chapter.

The main obstacles encountered in conducting the territorial analysis are linked to the availability of comparable data, and also of data available at regional level. Whenever possible, regional data was used, as it gives a better picture of the specificities of border communities, which face very different challenges as compared to the national ones.

Chapter 1 – General characteristics of the programme area

1.1 Cooperation area

The eligible area of the Interreg Next Programme Romania-Ukraine 2021-2027 represents a part of the ENPI cross-border cooperation programme Romania-Ukraine-Republic of Moldova 2007-2013 and continues on the same eligible area as the Romania-Ukraine 2014-2020 Programme.

The eligible area includes:

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

The core eligible area encompasses a total area of 100860 km^2, out of which 32760 km^2 represent the Romanian territory (divided between the 5 counties: Suceava 8,553 km^2, Botoșani 4,986 km^2, Satu-Mare 4,418 km^2, Maramureș 6,304 km^2, Tulcea 8,499 km^2), and 68,100 km^2 represent the Ukrainian territory (divided between the 4 oblasts: Zakarpattia 12800 km2, Ivano-Frankivsk 13,900 km^2, Odessa 33,300 km^2, Chernivtsi 8,100 km^2). In terms of proportionality, the Ukrainian territory is more than double in size compared to the Romanian territory.

The border shared by the two countries represents part of the current 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.

1.2 Territory and demography

A statistical overview of the Romania-Ukraine programme eligible area in terms of territory and population is provided in the table below:

COUNTRY	ELIGIBLE REGIONS	TERRITORY (km^2)	POPULATION (thousands)	URBAN (%)	RURAL (%)	DENSITY (people/ km^2)
UKRAINE[2]	Odessa	33,300	2,377	67%	33%	71
	Zakarpattia	12,800	1,253	37%	63%	97
	Ivano-Frankivsk	13,900	1,368	44%	56%	98
	Chernivtsi	8,100	901	43%	57%	111
ROMANIA	Maramures	6,304	458	57%	43 %	72
	Satu Mare	4,418	331	44.5%	55.5%	75

[2] Source for date related to Ukraine http://2001.ukrcensus.gov.ua/eng/regions/reg_zakar/, https://ukrstat.org/en/operativ/operativ2021/ds/kn/arh_kn2021_e.html

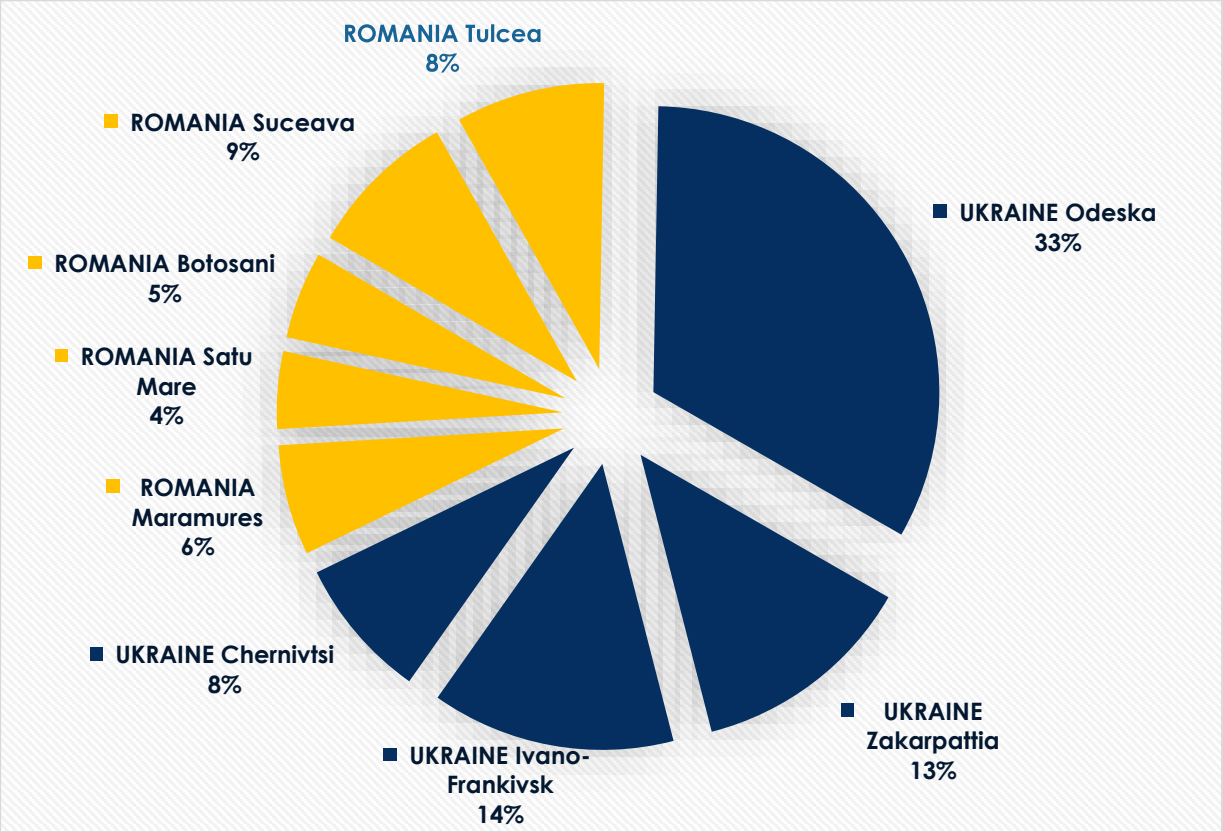
	Botosani	4,986	376	41%	59%	75
	Suceava	8,533	623	41%	59%	73
	Tulcea	8,499	193	47%	53%	23
TOTAL		**100,840**	**7,880**			

Table no. 1 - Overview of the eligible areas[3]

1.2.1 Territory

The Romania-Ukraine Programme eligible area occupies a territory of 100,840 sq. km. and includes a population of 7.9 million people.

Figure no.1 - Share of the eligible territory (%) by county/oblast of total programme area



[3]Source for the territory data: Joint Operational Programme Romania-Ukraine 2014-2020.
National Institute of Statistics, http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table - for Romania;
State Statistical Service - for Ukraine

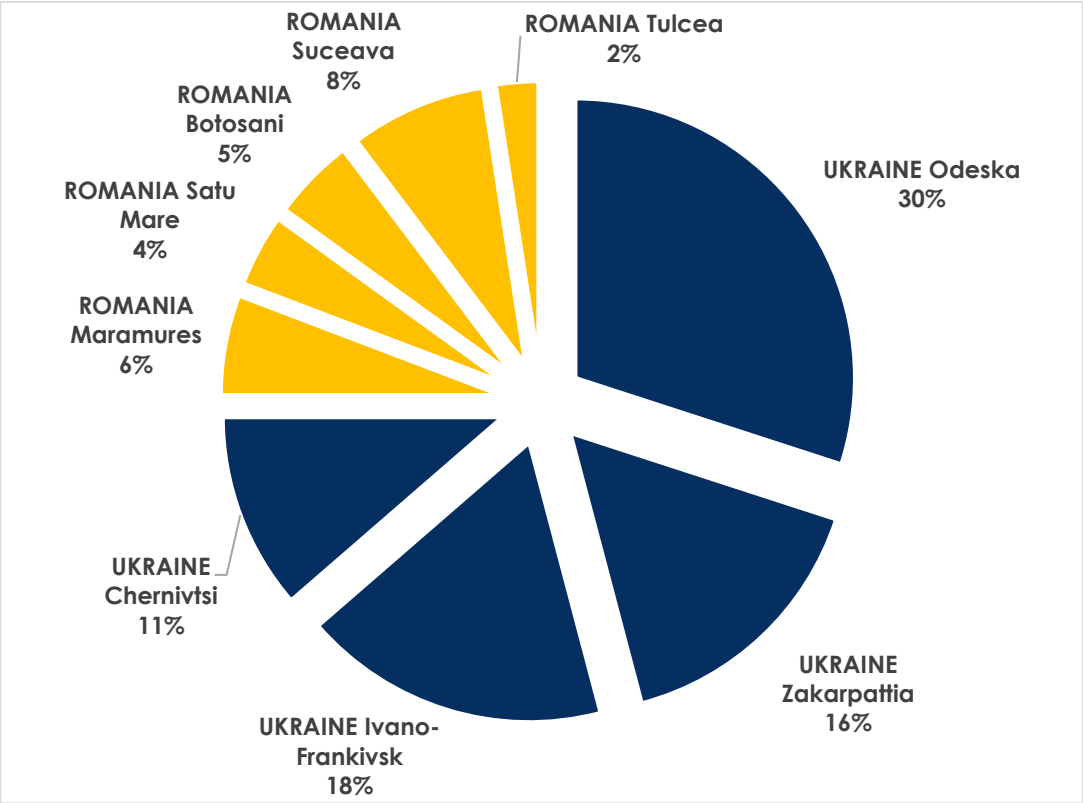


Figure no.2 - Share of the countries' population from the eligible territory (%) of total population of eligible area

1.2.2 Demography

The programme area has a total population of 7.88 million people.

The population density in the eligible area is of approximately 78 people/ km^2 while the EU average population density is of 109 people/ km^2. The average population density for Ukraine at the level of 2013 was of 75 people/ km^2 and the estimated population density for 2020 is of approximately 69 people/ km^2. As for the Romanian national population density, the estimated level for 2020 is of 81 people/ km^2. The population density in the programme eligible area is, therefore, below the national level for Romania and the EU and above the average for Ukraine.

Additionally, there are disparities between regions with Tulcea and Odessa having the lowest population density and Chernivtsi the highest. These significant density differences can be assigned to multiple factors. The most relevant are the geographic and topological similarities that can inhibit the development of urban and rural localities (Tulcea-Odessa – plains and delta; Zakarpattia-Ivano-Frankivsk-Satu-Mare-Maramureș-Suceava – predominantly mountainous) and the social and cultural similarities of these areas.

The overall growth in the eligible area population reveals similar trends for the eligible area and also at national level, with Ukraine having a more accelerated decrease in population, both at

regional and national level. Out of the whole eligible area, the only region with a positive trend remains Suceava county, both in 2013 and 2019 (see figure no. 3 below).

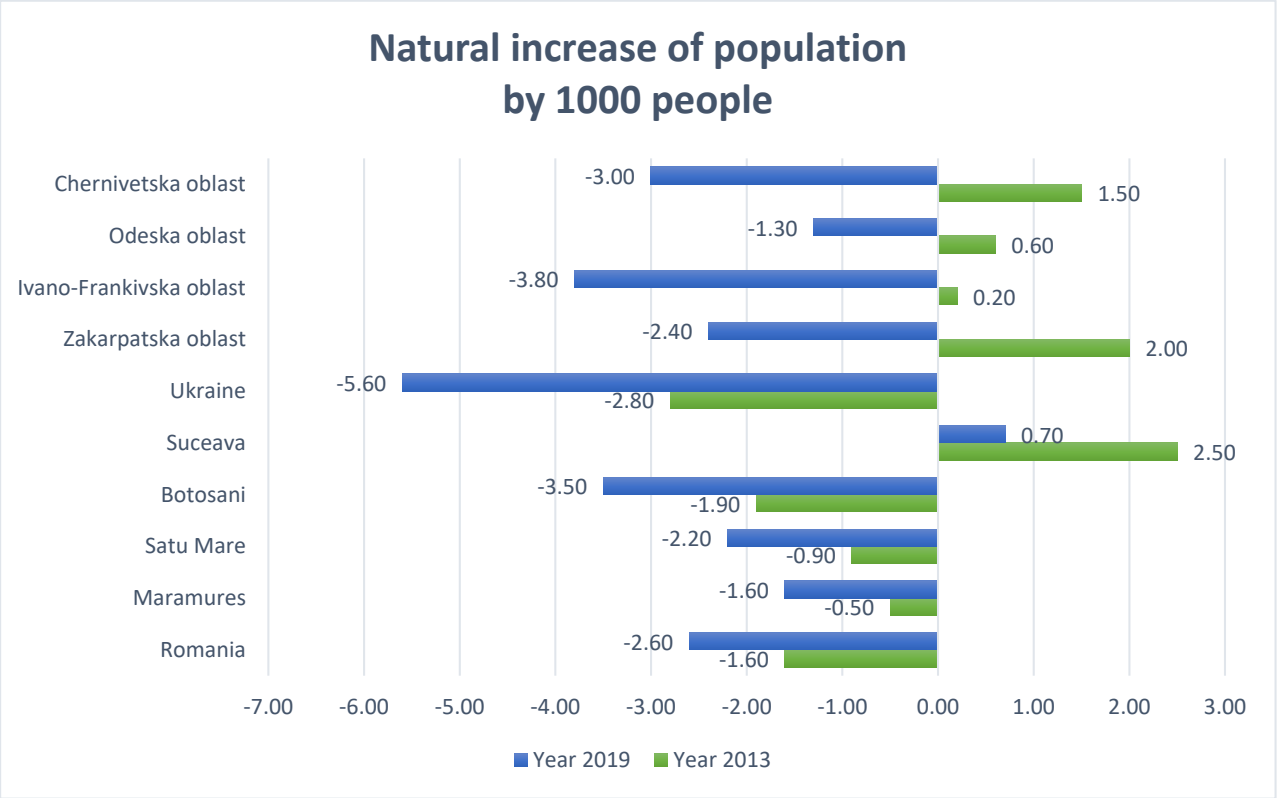


Figure no 3 - Natural increase of population by 1000 people eligible area and national level, 2013 compared to 2019 Romania and Ukraine.

1.2.2.1 Urban and rural population

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 Maramureș, Satu-Mare, Botoșani, 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 and Kiev is the capital. 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). 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.

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 46.15% of the Romanian population is living in urban areas, compared to

48% 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 69%.

This overall statistic is however distorted by oblast and county level differences. Two major anomalies have to be considered. On the Romanian side, the county of Maramureș raises the overall Romanian statistic because of its slightly more prominent urban character, its urban population representing 57.34% of its total population – above the national level - compared to the rest of the Romanian counties, in which the urban population averages at 43%. On the Ukrainian side of the eligible area, Odessa Oblast is responsible for boosting the urban population statistic, as 67% of its total population lives in urban areas – almost equal to the national level – compared to the 41% average of the rest of the Ukrainian area. These anomalies show that in reality the core eligible area is approximately 60% rural in terms of living environments, with notable exceptions in areas where major urban centres developed – e.g. Odessa.

1.2.2.2 Population structure by age

Demographic trends within the programme area reveal disparate dynamics in regard to the population age structure. We can see a slight increase in the younger age cluster for the Ukrainian oblasts, following the general trends for Ukraine compared to the previous period.

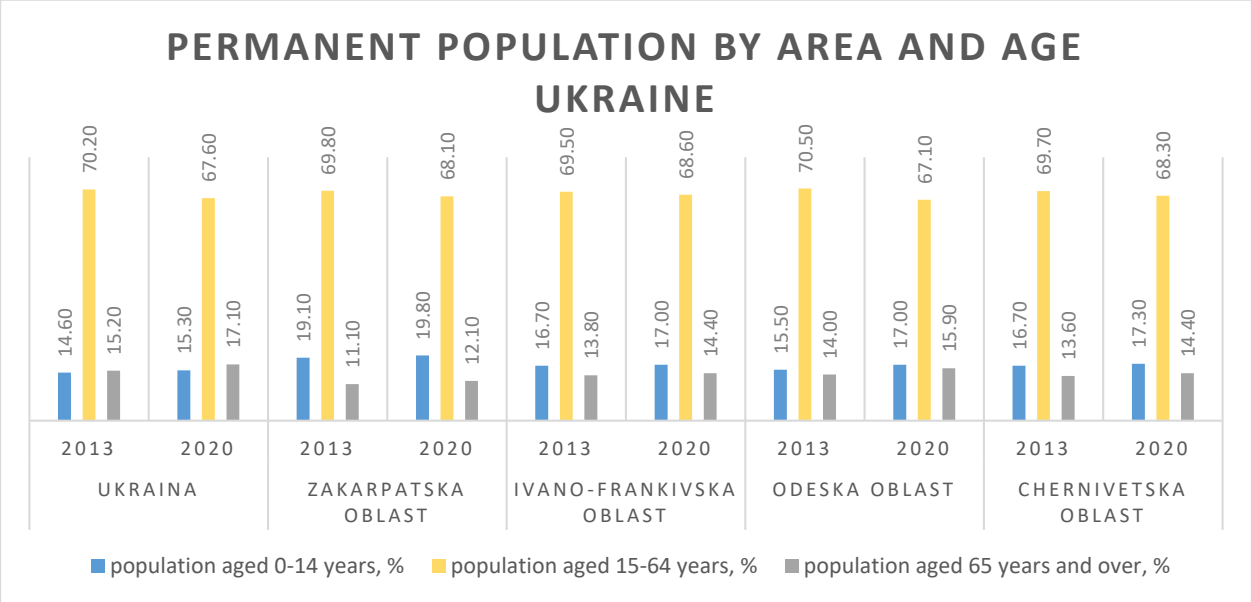


Figure no 4 – Permanent population by area and age, Ukraine.

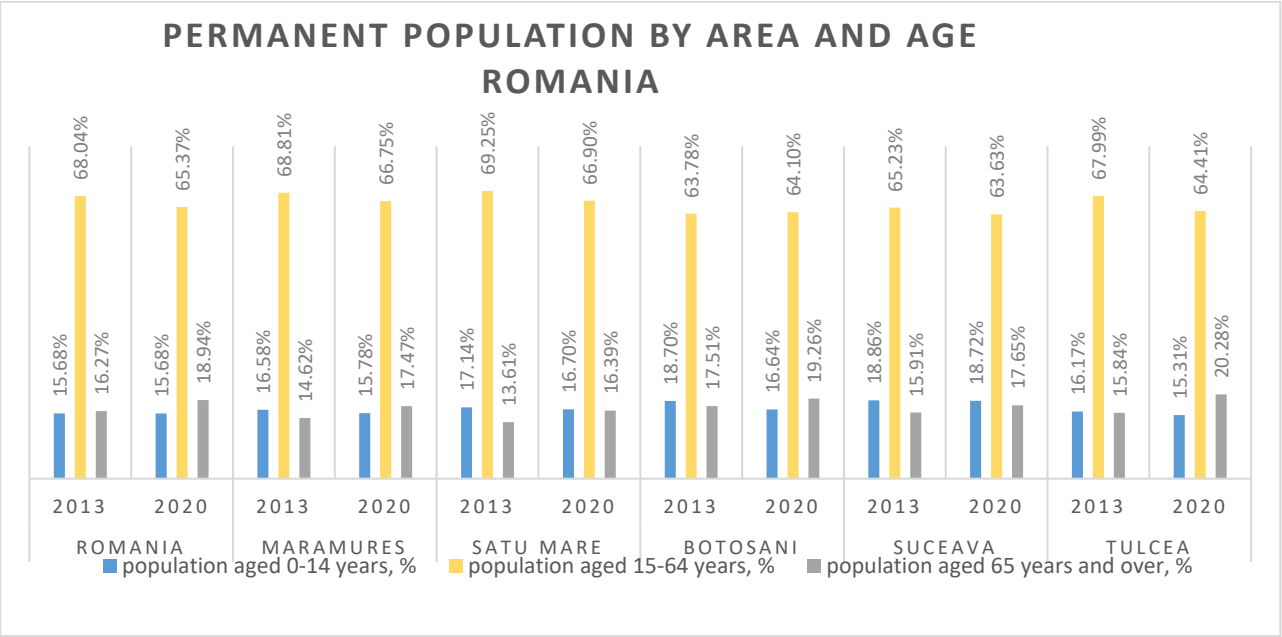


Figure no 5 – Permanent population by area and age, Romania.

The demographic trend for Romania is quite different from Ukraine, with a tendency towards an ageing population, more accentuated than in the previous period.

The age distribution of the population is consistent across the territory, with only small variations at county and oblast level. 68% of the population is aged between 15 and 64 years in Ukraine, and 17% in between 0 and 14 years, with a decreasing trend for the 15-64 years and an increasing trend for the 0-14 years of 2% for both categories, as compared to 2013. For Romania the population aged 15-64 is of about 65%, also with a decreasing trend of 2% as compared to 2013. However, for the 0-14 years' old there is also a decreasing trend of 1% between 2013 and 2020, opposite to what we can see in the Ukrainian side of the eligible area.

The population trends (urbanisation, ageing, migration and labour emigration) represent a cross-cutting issue that needs to be considered when developing public policies (social, sustainable development etc.).

1.3 Economic structure

In the last years, the eligible area enjoyed economic growth in line with the economic growth of the larger area, with the GDP per capita at national and regional level registering a constant increase over the last decade. However, although the general trend is towards economic growth there is a visible difference between Romania and Ukraine in terms of GDP per capita, with an average for Romania (12,920) about three times higher than that in Ukraine (3,659) and a difference of about 3 times between Romania and the average EU GDP. These discrepancies consolidate the idea of the region being among the poorest ones, with the gap widening while crossing the border. Nonetheless, there is a positive tendency towards growth in the area.

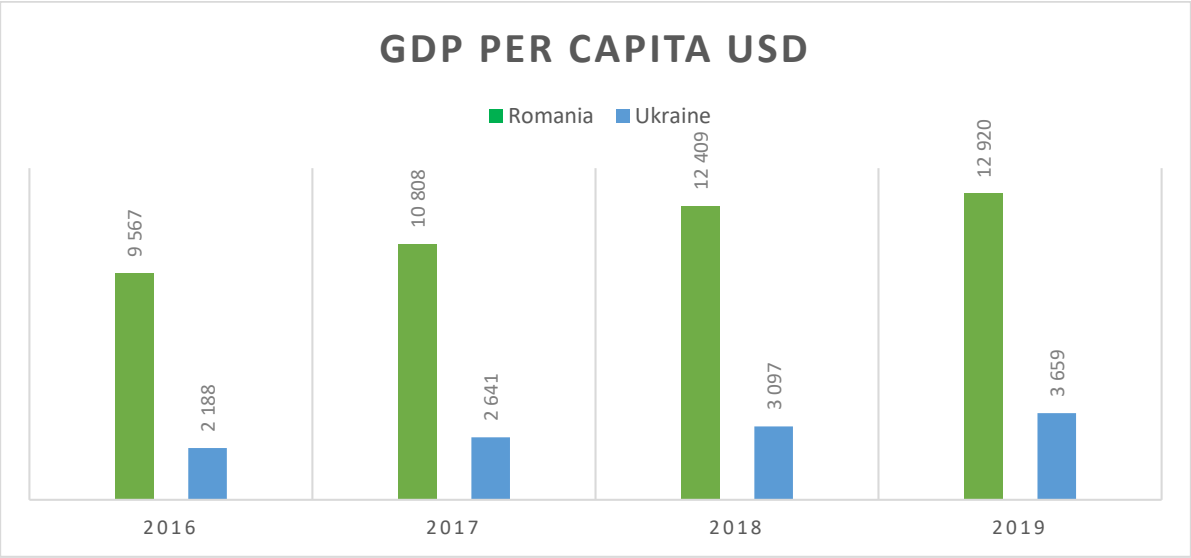


Figure no 6 – GDP per capita, Romania &Ukraine.

Regarding the GDP per capita for the Romanian counties, Tulcea continues to hold, as in the previous period, the highest GDP per capita from the Romanian counties, registering 7,900 Euro compared to around €5,000 for the previous programming period. Botoșani and Suceava Counties still have the smallest GDPs per inhabitant in the Romanian eligible area, at around 5,000 Eur, as compared to 3,000-3,500 in the previous programming period.

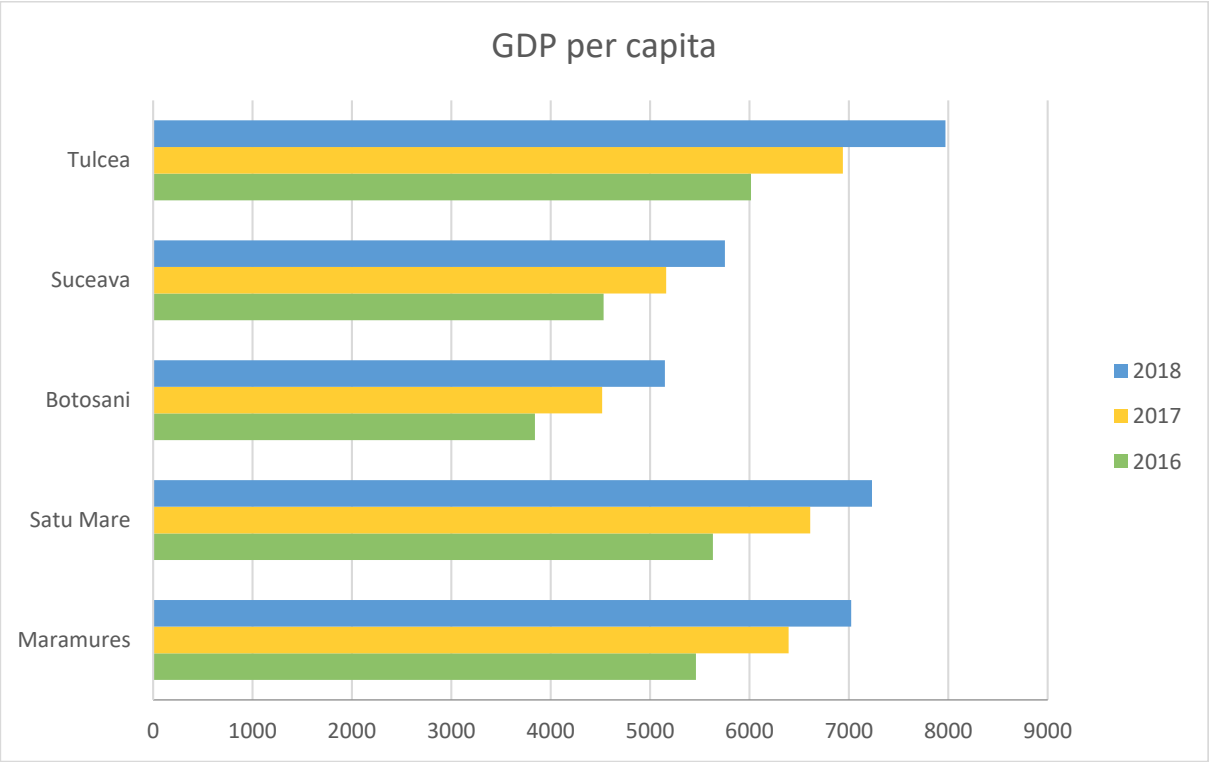


Figure no 7 – GDP per capita, eligible area Romania.

Regarding the economic structure of the two countries, we can note a larger share of the economy relying on agriculture and services in Ukraine than in Romania, while Romania is leading in the industry segment.

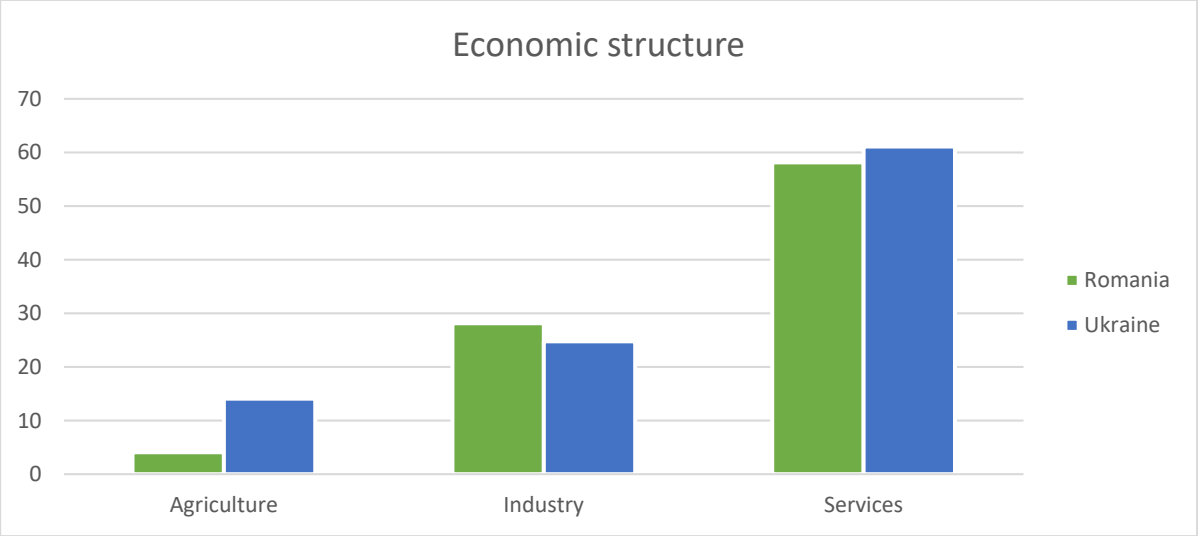


Figure no. 8- Economic structure of the participant countries by sectors in 2019 as percentage[4]

As far as the inflation[5] (consumer price index) is concerned, the rates fluctuate significantly for Ukraine during the last years, but although the inflation rate is double digit we can notice a descendant trend for both countries.

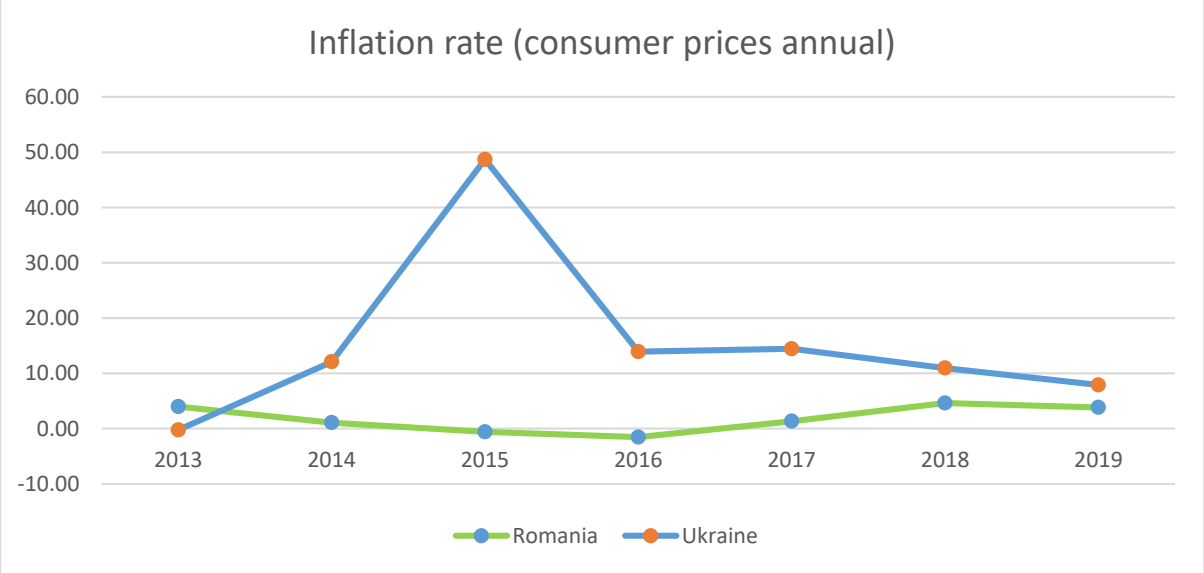


Figure no 9 - Inflation rate (consumer prices annual) for Romania and Ukraine

[4] Source:. For Ukraine the data is available for 2018 on https://www.nordeatrade.com/fi/explore-new-market/ukraine/economical-context

5 Source https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2019&locations=UA-RO&most_recent_year_desc=false&start=2013&view=chart

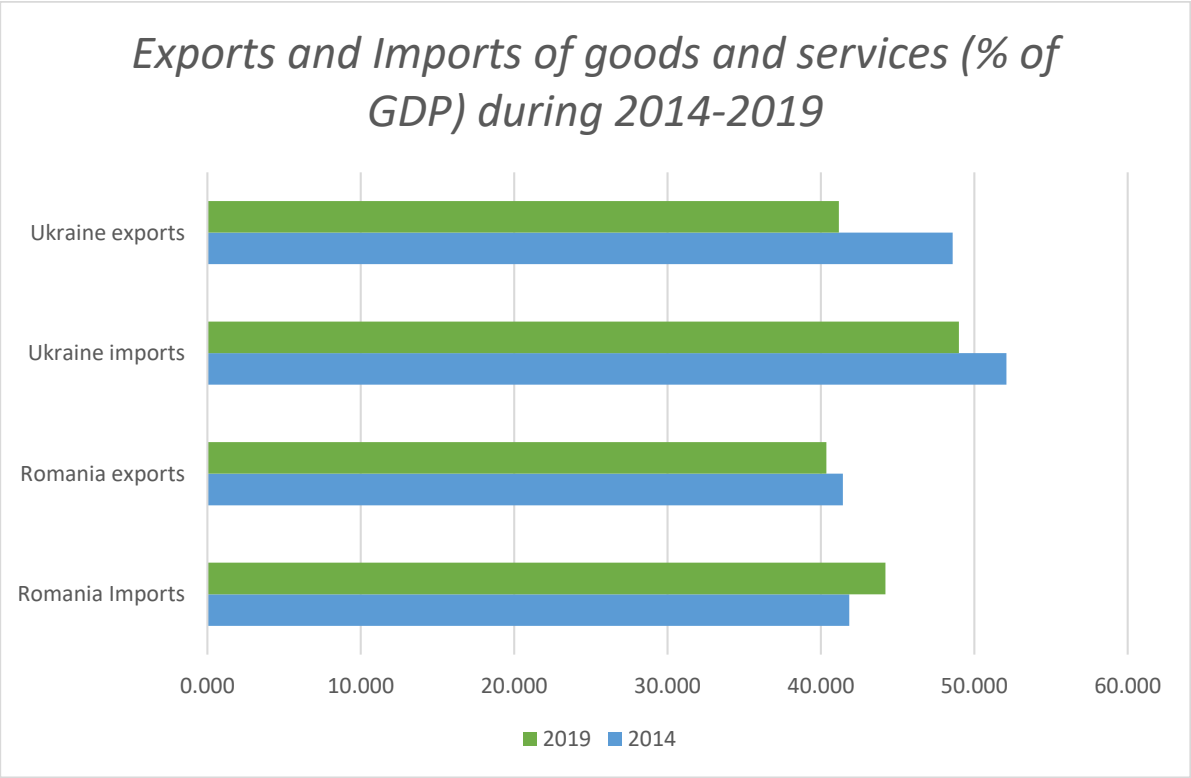


Figure no.10 [6] *Exports and Imports of goods and services (% of GDP) during 2016-2019*

The figure above gives the overall picture on the structure of the economy in the two countries in terms of imports and exports. The most obvious conclusion is that for both countries the trade balance is negative. For Ukraine the level of exports is steadily decreasing over a six-year period. Ukraine mainly exports raw materials and agricultural products and imports petroleum oils, gas, medicaments of mixed and unmixed products, automobiles. The main trading partner is the Russian Federation, followed by EU member states[7]. Romania has a similar structure, with main trading partners located within the EU.

Through its bilateral and regional activities, the EU supports the efforts of the countries of the region to improve their regulatory framework and overall business environment. The EU has been supportive of efforts by regional cooperation organisations aimed at furthering trade liberalisation. It will be important in the period ahead to ensure compatibility with existing commitments, including in the EU and WTO contexts.

1.4 The impact of COVID-19 crisis

Both Romania and Ukraine, together with the rest of the world, faced, during 2020 and 2021, the challenges posed by the COVID 19 pandemic, economic slowdown, overburden of the health system and radical shifts in society as a whole.

According to the World Health Organization, by June 2021 there have been more than 180 million COVID cases worldwide and more than 3.9 million deaths. In order to contain the pandemic most

[6] According to World Bank: https://data.worldbank.org/indicator/BX.GSR.GNFS.CD
[7] https://wits.worldbank.org/CountryProfile/en/Country/UKR/Year/LTST/Summary

governments, including those of Romania and Ukraine, have imposed lockdowns and restrictions on travel, unseen before.

The lockdowns and the need to keep the number of sick people as low as possible have created a strong negative economic impact. Unemployment levels reached worrying figures and governments focused on measures of recovery directed to the most exposed ones. Romanian Government provided a fiscal stimulus of 4.4 percent of GDP in 2020 in response to the COVID-19 crisis. This consisted of financial help to small companies during the lockdown period, negotiated bank loan installment suspension for the population. Extra payments were made to the healthcare system and procurement of equipment was financed for hospitals and for schools as well, as the on-line schooling became the only solution since March 2020 to May 2021 to most categories of students.

The Spring 2021 Economic Forecast[8] projects that the EU economy will expand by 4.2% in 2021 and by 4.4% in 2022. The euro area economy is forecasted to grow by 4.3% this year and 4.4% next year. Growth rates will continue to vary across the EU, but all Member States should see their economies return to pre-crisis levels by the end of 2022.

Public investment, as a proportion of GDP, is set to reach its highest level in more than a decade in 2022. This will be driven by the Recovery and Resilience Facility (RRF), the key instrument at the heart of NextGenerationEU.

According to EC estimates[9] for Romania, the GDP will increase by 5.1% in 2021, respectively by 4.9% in 2022. Regarding inflation, in the case of Romania, in 2021 there will be a slight increase to 2.9%, followed by of a decrease to 2.7% in 2022.

Ukraine has had more than 2 million confirmed COVID cases and more than 50 000 deaths during the pandemic. “The onset of the COVID-19 pandemic in March 2020 had a drastic impact on the industrial sector of Ukraine. Measures taken to slow the spread of COVID-19 hit the country’s small and medium-sized enterprises (SMEs), and the Ukrainian Chamber of Commerce and Industry reports that approximately 700,000 small businesses in the service sector have closed - leading to the loss of between 3.5 to 4 million jobs. This is a particularly concerning figure given that Ukraine's SME sector includes a high proportion of women-led micro-enterprises and female employees”[10].

In response to the economic impact of the COVID 19 pandemic Ukraine together with various international organization have sought to reduce the impact and to find new ways of doing business, such as online platforms for B2B clients, with some success.

In 2019, 45 per cent of working age people enjoyed protection guarantees of their labour rights; the remaining 65 per cent worked unprotected. The latter include the most vulnerable workers of Ukrainian society. Micro, small and medium-sized enterprises (MSMEs) generate 80 per cent of employment and 20 per cent of GDP; and 80 per cent of all MSMEs consist of self-employed individuals against a background where 75 per cent of women who participate in the labour force

[8] https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2351
[9] https://ec.europa.eu/romania/news/20210512_previziuni_economice_primavara_romania_ro
[10] https://www.unido.org/stories/after-covid-19-shock-how-boost-ukraines-economic-recovery

are self-employed. The response to the COVID-19 pandemic triggered an unprecedented economic crisis in Ukraine as lockdown measures involved temporary closure of most businesses, particularly in the service sector, almost halting economic activity altogether except for the key sectors such as transport, food production and sale, agriculture, and pharmaceutical production and sale. The devastating disruption of global supply chains resulted in a sharp drop of business sales, household incomes and jobs. In agriculture, the most affected food supply chains are fruits and vegetables, milk and dairy, which experienced problems in transportation and storage, and retail. They also have difficulty in obtaining imported inputs[11].

Projections for Ukrainian GDP growth changed from +3 per cent in January to -6 per cent in July 2020, taking in consideration the temporary closure of domestic sectors, with the manufacturing, retail trade and transportation sectors hit particularly hard, and a strong contraction of domestic demand, exports and remittances.

The Government adopted a supplementary budget and created funds dedicated to offsetting the consequences of the pandemic and managing the health emergency. It also adopted tax measures and, through the National Bank of Ukraine (NBU), monetary and macro-financial policies that support maintaining the liquidity of the Ukrainian economy. Liquidity is also supported with a number of large loans from the International Monetary Fund (IMF), World Bank and the European Bank for Reconstruction and Development (EBRD), which will help the country wade the pandemic and continue its reform process[12].

Since the outbreak of the COVID-19 pandemic, the European Union (EU) has demonstrated its solidarity with partners worldwide. In December 2020, the EU offered €600 million to Ukraine under its COVID-19 macro-financial assistance (MFA) programme.

Ukraine is the seventh country to receive a disbursement from the €3 billion emergency MFA package. The assistance aims to help 10 enlargement and neighbourhood partners to limit the economic fallout of the COVID-19 pandemic.This disbursement package for Ukraine will help to ensure the country's macro-financial stability, while allowing it to allocate resources towards mitigating the socio-economic consequences of the pandemic.

According to the EU, given the emergency nature of this support, the first disbursement does not depend on the fulfilment of any specific policy conditions. The disbursement of the second tranche will be conditional on fulfilling eight specific measures. These include measures in the areas of public finance management, the fight against corruption, improving the business environment and the governance of state-owned enterprises. The Commission is working closely with the Ukrainian authorities on the timely implementation of the agreed policy programme[13].

[11] https://ukraine.un.org/sites/default/files/2020-12/UN%20SEIA%20Report%202020%20%281%29.pdf
[12] https://ukraine.un.org/sites/default/files/2020-12/UN%20SEIA%20Report%202020%20%281%29.pdf
[13] https://www.euneighbours.eu/en/east/stay-informed/news/eu-offers-macro-financial-assistance-help-ukraine-during-covid-19

Chapter 2 – Greener cooperation area (Policy Objective 2)

2.1 Introduction

The importance of the environmental issues in the EU context has become even more apparent in recent years, with the EU facing critical challenges in terms of environmental protection and sustainable development. The EU citizens benefit now of one of the best environmental legislations in the area but the achievement of the EU goals in this area widely depends on the engagement of the partner states. Cooperation and environment support are some of the most important dimensions of the relations between the EU and its neighbours.

"The EU and its neighbours share common challenges, in particular transboundary pollution or loss of biodiversity in our shared environment (shared regional seas, shared rivers, shared biodiversity; addressing these challenges requires everybody's involvement and concerted action. Our EU Member States will not meet commitments under EU legislation if we do not engage the action of our neighbours. In addition, by promoting environmental cooperation, the EU improves the quality of life of citizens since we focus on basic services, modernization of industries, investments, etc. One of the three NIF priorities is environment since environment is an infrastructure-intensive sector. This is how the EU promotes "sustainable economies and sustainable growth"." [14]

In this context the EU has promoted various initiatives for climate and environment in the past few years. One of the most relevant is the EU4 Environment programme, formally launched in 2018. The purpose of this programme is *to "support policy dialogue and institutional building in the six Eastern Partner countries and deliver concrete results in the context of the strategic framework of the Eastern Partnership as confirmed by the EaP Ministerial meeting in October 2016. It will help the partner countries to progress faster towards a green economy and improve environmental management more generally. EU4Environment aims to help deliver further policy and legislative changes, making planning and investment greener, and stimulating the uptake by the enterprise sector of innovative products and technologies, as well as to create new jobs"*[15]

In the framework of the 2021-2027 cooperation programmes, the environmental issues are addressed by Policy Objective 2: *"A greener, low carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility"*. Within this PO the main areas of interest addressed are:

- Energy efficiency and reducing greenhouse gas emissions
- Promoting renewable energy
- Developing smart energy systems
- Climate change adaptation and disaster risk prevention
- Protection and preservation of nature, biodiversity and green infrastructure
- Sustainable multimodal urban mobility

[14] https://ec.europa.eu/environment/international_issues/eu_neighbourhood_en.htm
[15] https://ec.europa.eu/environment/international_issues/eastneighbours_en.htm

- Access to water and sustainable water management

In the next sections we will use indicators related to the areas presented above, in order to assess the current situation of the eligible area of the Romania-Ukraine Interreg Next Programme 2021-2027.

2.2 Water quality

River basin water quality

The main hydrographic basin from the Romanian eligible area are: Tisa, Somes, Danube, natural and heavily modified water bodies. An overview of the ecological status is presented below.

Tisa basin

- good ecological status for 71.08% of the rivers length
- moderate ecological status 26.42%
- poor ecological status 2,50%
- heavily modified water bodies from Tisa basin: 10,630 km (10,02%) have good ecological potential and 95,454 (89,98%) have moderate ecological potential

Somes Basin

- good ecological status for 55.92% of the rivers length
- moderate ecological status 39.22%
- poor ecological status 4.9%
- heavily modified water bodies from Somes basin: 45,556 km (14,55%) have good ecological potential and 267,541 km (85,45%) have moderate ecological potential

Danube Basin (on the territory of Tulcea county)- three water bodies

- good ecological status- two water bodies
- moderate ecological status- one water body

Seacoast hydrographic basin (on the territory of Tulcea county)

- good ecological status- 4 water bodies, 66.66%
- moderate ecological status- 2 water bodies, 33.34%

Danube: on the territory of Tulcea County 2 water bodies were monitored, Chilia and Sfantu Gheorghe, resulting that both water bodies had a good ecological status. One heavily modified water body was also assessed (Isaccea-Sulina) and one artificial water body (Mila 35). The two water bodies had a good ecological potential.

The eligible area has a wide variety of water resources but also issues regarding water quality and pollution. The main sources of drinkable water are surface and groundwater and the main pollutants on the Romanian side are: ammonium, iron, manganese and arsenic[16].

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

A specific problem of the Northern region of the core eligible area is the infiltration of mine waters, resulted from active mining activities. In the case of Maramureș and Satu-Mare counties,

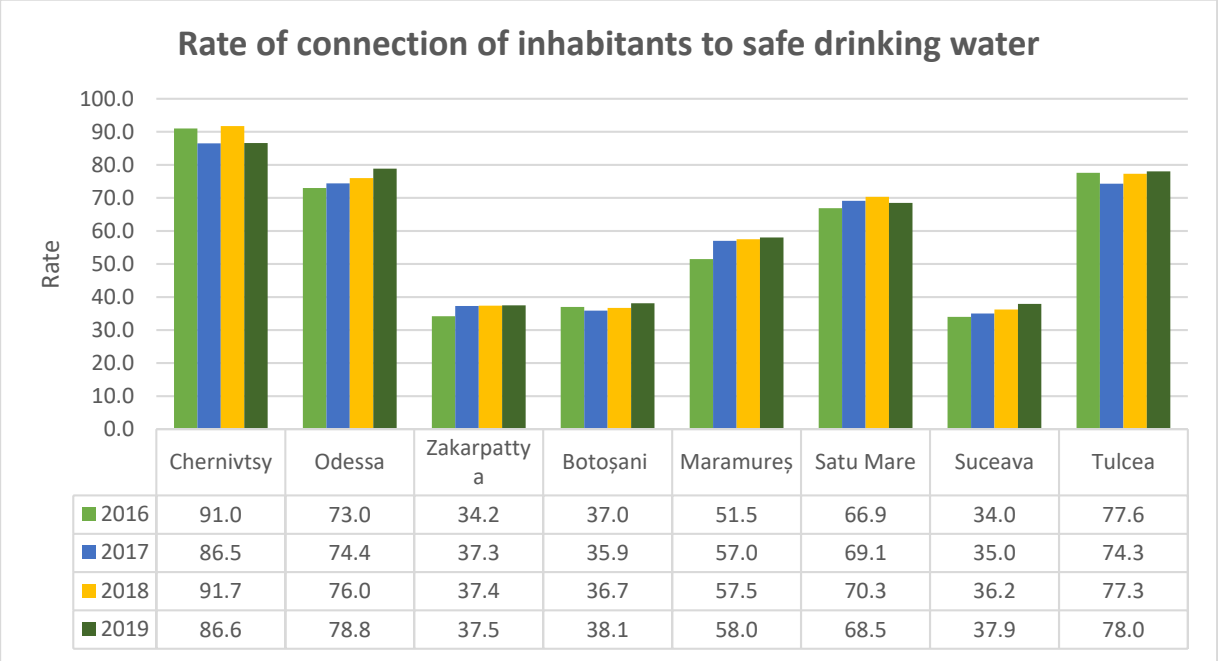
16 https://www.researchgate.net/publication/346114145_MARAMURES_COUNTY_DRINKING_WATER_QUALITY

the problems are caused by closed mines where the mining process was not followed by the measures required for the treatment of this type of waters.

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 – are major contributors to the soil and underground water pollution. This is especially the case in rural areas where the storage of zoo-technical waste is not done properly in order to avoid soil infiltrations. In addition, industrial waste and storage (chemicals, toxic waste, etc.) sites and de-industrialized contaminated sites are also a problem in the area.

The water quality was addressed also by looking at the available data for the eligible area regarding the rate of connection of inhabitants to a safe drinking water system and annual water use per capita.

In 2017, proportion of population served with piped water for Ukraine was 66.1 %, this proportion fell gradually from 76.9 % in 2003 to 66.1 % in 2017. Also, in 2017, the proportion of population served with at least basic water for Ukraine was 93.8 %. A decline in the proportion of population receiving at least basic water also fell between 2003 and 2017 declining at a moderating rate to shrink from 98.2 % in 2003 to 93.6 % in 2017[17]. In Romania the proportion of the population using at least basic water in 2019 is of 100%, constant from 2003[18].



	Chernivtsy	Odessa	Zakarpattya	Botoșani	Maramureș	Satu Mare	Suceava	Tulcea
2016	91.0	73.0	34.2	37.0	51.5	66.9	34.0	77.6
2017	86.5	74.4	37.3	35.9	57.0	69.1	35.0	74.3
2018	91.7	76.0	37.4	36.7	57.5	70.3	36.2	77.3
2019	86.6	78.8	37.5	38.1	58.0	68.5	37.9	78.0

Figure no 11 – Rate of connection of inhabitants to safe drinking water (%).

[17] https://knoema.com/atlas/Ukraine/topics/Water/Water-Supply-Total-Population/Proportion-of-population-served-with-at-least-basic-water
[18] https://knoema.com/WBWDI2019Jan/world-development-indicators-wdi?tsId=3210720

When analysing the data for the **rate of connection of inhabitants to safe drinking water** we cannot see a clear growth trend, with many areas having variations year on year. There is a need for increasing the proportion of people using safe drinking water throughout the eligible area, and most visibly in Zakarpattya, Botosani and Suceava. We can notice an increasing trend for the three but still the level of connection to safe drinking water is very low.

When looking at the average per eligible area (see figure below), we can notice a significant difference between Romania and Ukraine, but the data is missing for Ivano Frankisvsk Oblast.

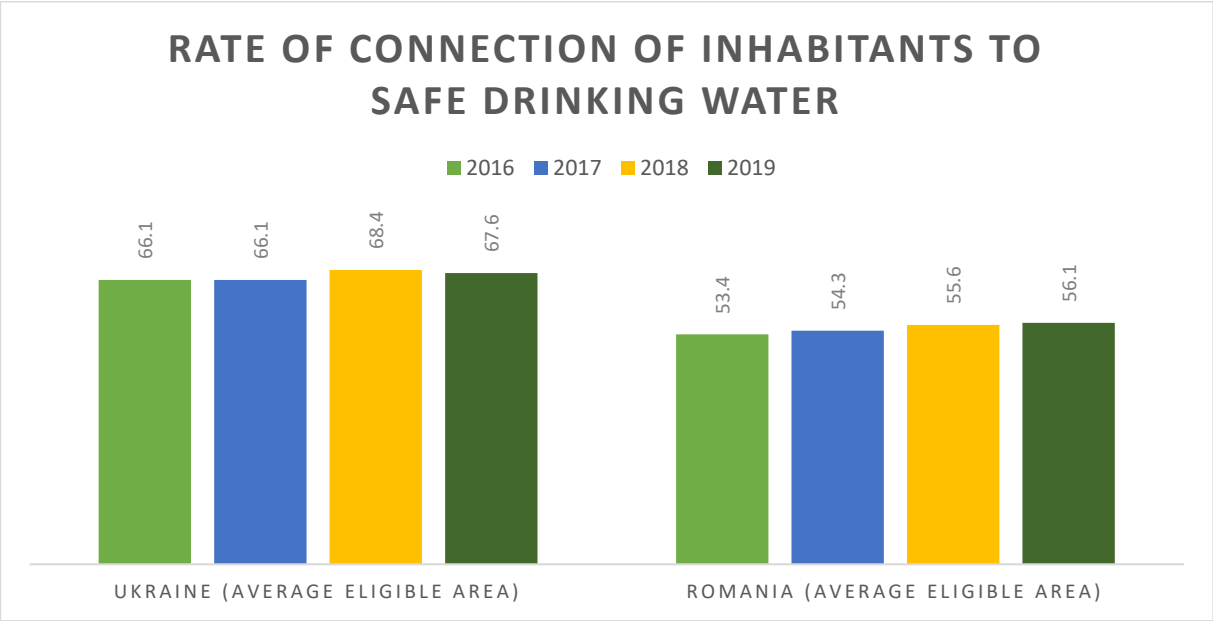


Figure no 12 - Rate of connection of inhabitants to safe drinking water, eligible area average (%).

With respect to the *"Annual water use per capita"* we can see from the comparison presented in the figure below that the average water use is lower on the Romanian side than on the Ukrainian one.

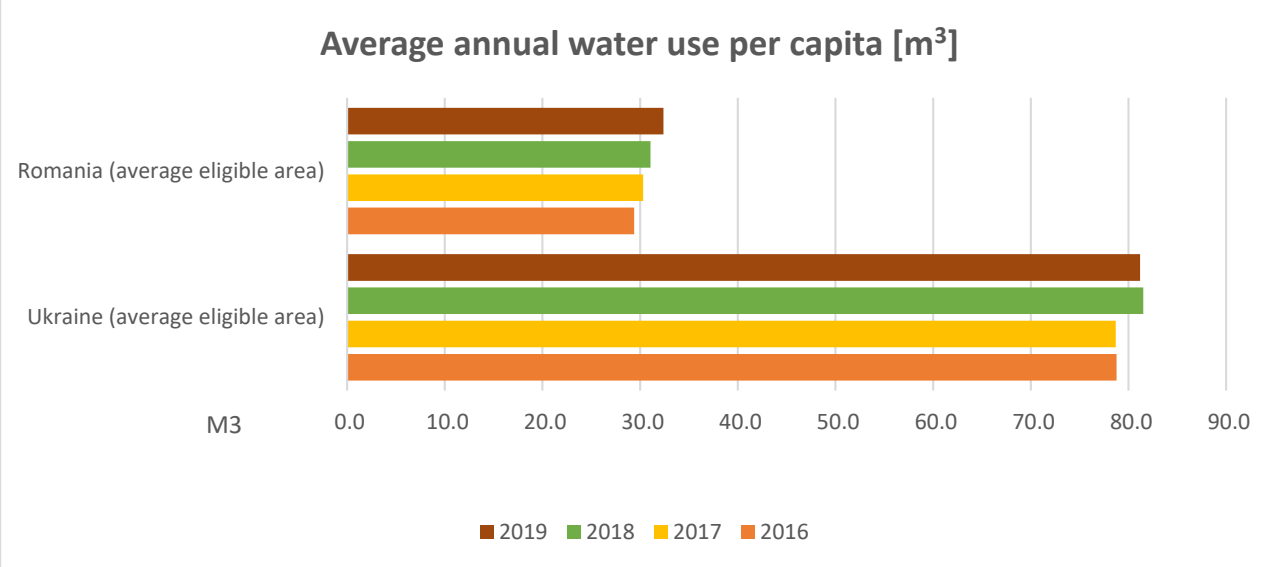


Figure no 13 - Eligible area average annual water use per capita (m3).

Regarding each of the counties/oblasts, we can see that the highest water use is in Odessa and Tulcea, with an increasing trend year on year. This is in line with the rate of connection to safe drinking water, although for Chernivtsi, the oblast with the highest number of people connected to safe water sources, the annual water use is low.

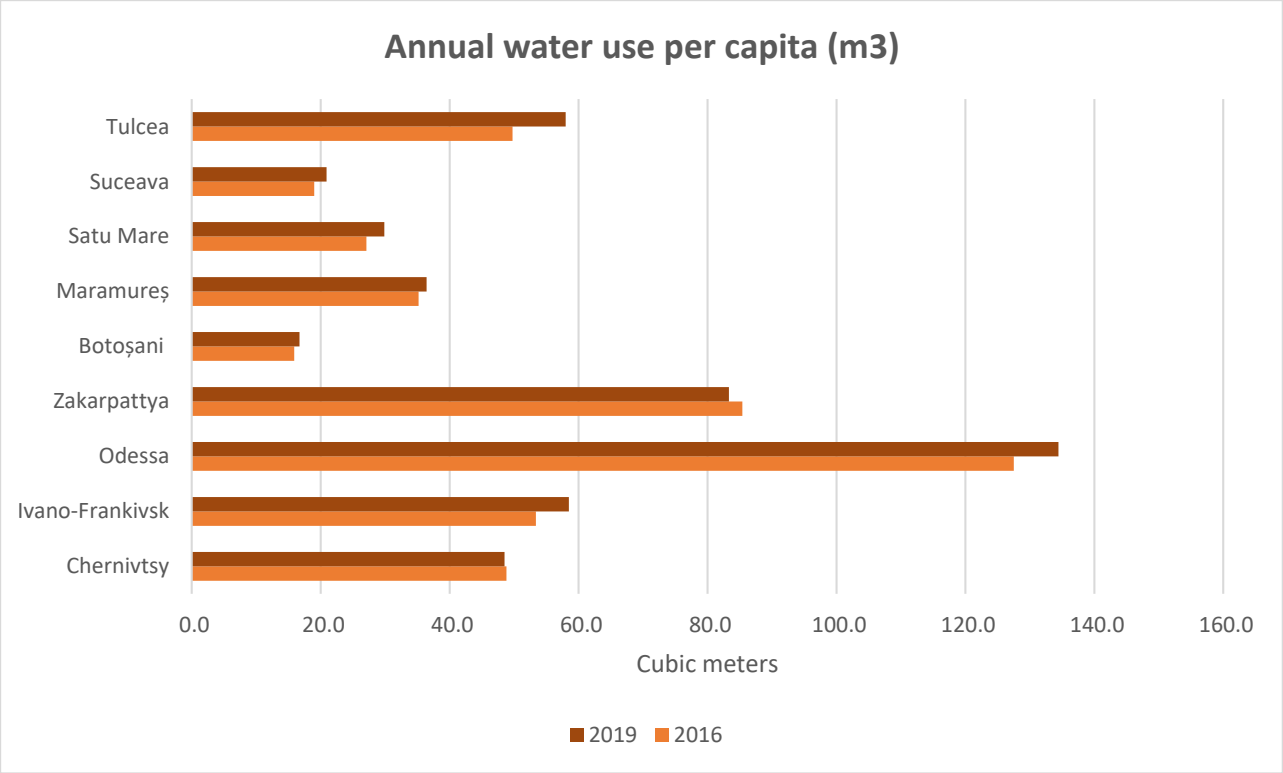


Figure no 14 - Average annual water use per capita (m3).

The two indicators point towards a need for an increased connection of the population to safe water in the eligible area, with certain regions (like Botosani) having a higher need in this sense, as indicated by the very low water use.

2.3 Pollution

Pollution, either of the air or water, is an important issue for the eligible area. In addressing it we have considered the available data in the following fields:

- Carbon dioxide emissions from fuel combustion
- Carbon dioxide emissions per unit of GDP
- Number of public monitoring air pollution systems installed

Carbon dioxide emissions from fuel combustion data is available for both countries at national level and for Ukraine also at regional level. At national level we can notice from the graphic below that we have year on year variations with no increasing/decreasing trend over a four-year period, although for Ukraine the values have decreased between 2016 and 2019 significantly. The difference between Romania and Ukraine is obvious from the chart, with Romania having half the CO2 emissions from fuel combustion as Ukraine.

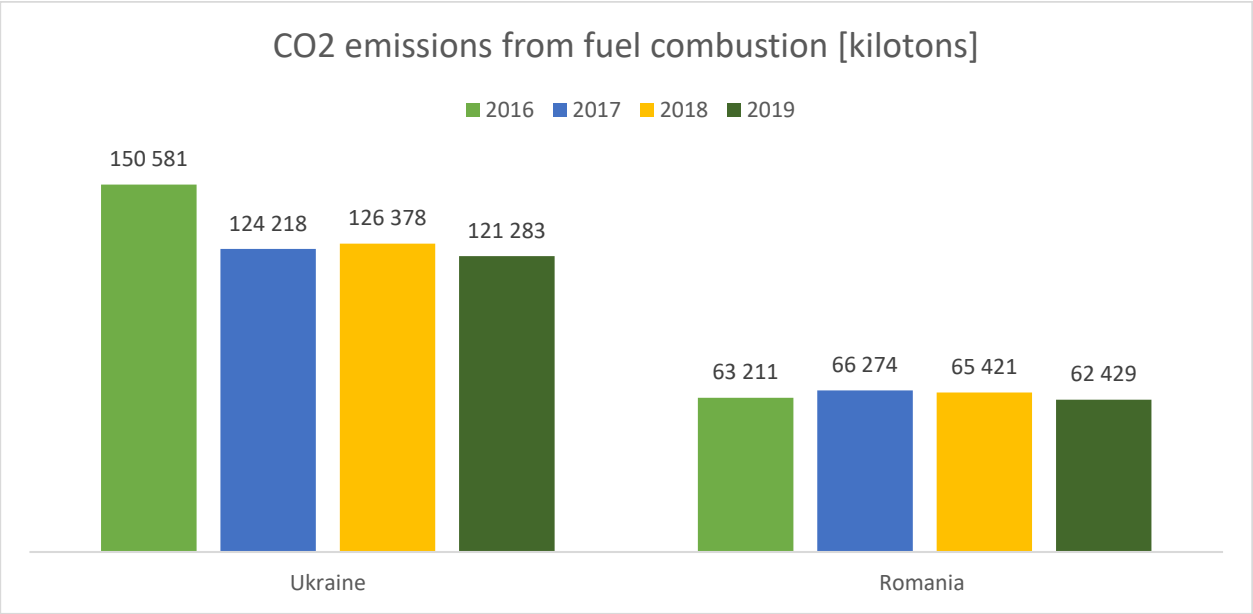


Figure no 15 – CO2 emissions from fuel combustion (kilotons)

Carbon dioxide emissions per unit of GDP respects the same trend as in the graphic above with both countries having a more visible decreasing trend between 2015 and 2016. [19]

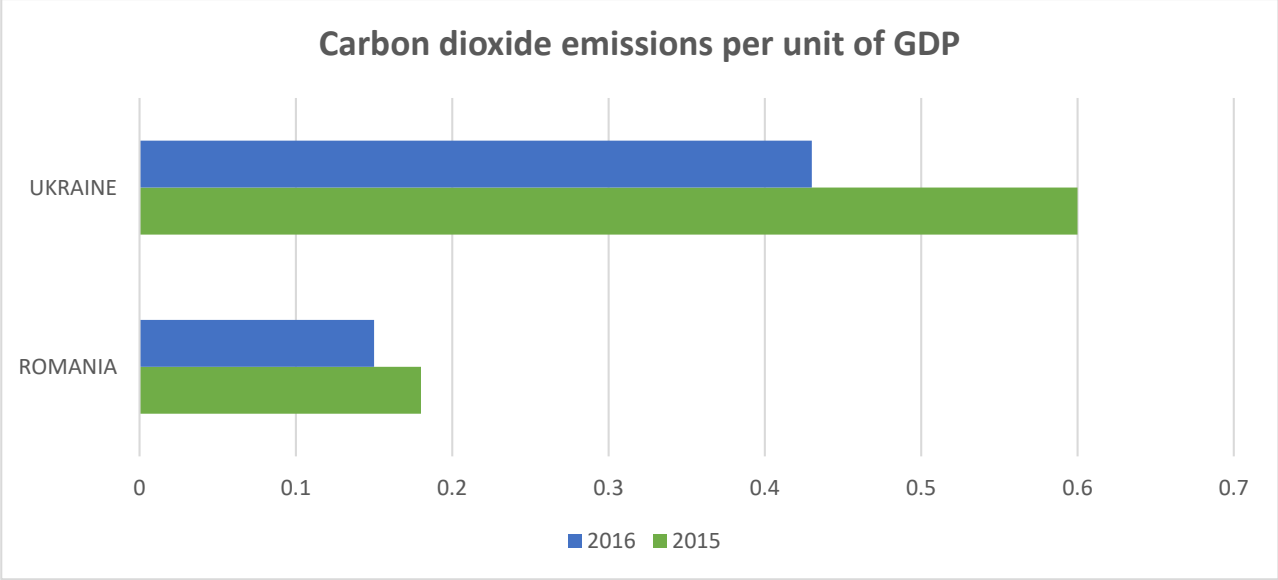


Figure no 16: Carbon dioxide emissions per unit of GDP

In recent years air quality has become more and more important, with many countries installing monitoring air quality systems, in order to measure the level of common air pollutants.

[19] World Development Indicators for year 2016 and EC-EEAS (2020), Joint Paper on Interreg NEXT Strategic Programming 2021-2027 for year 2015

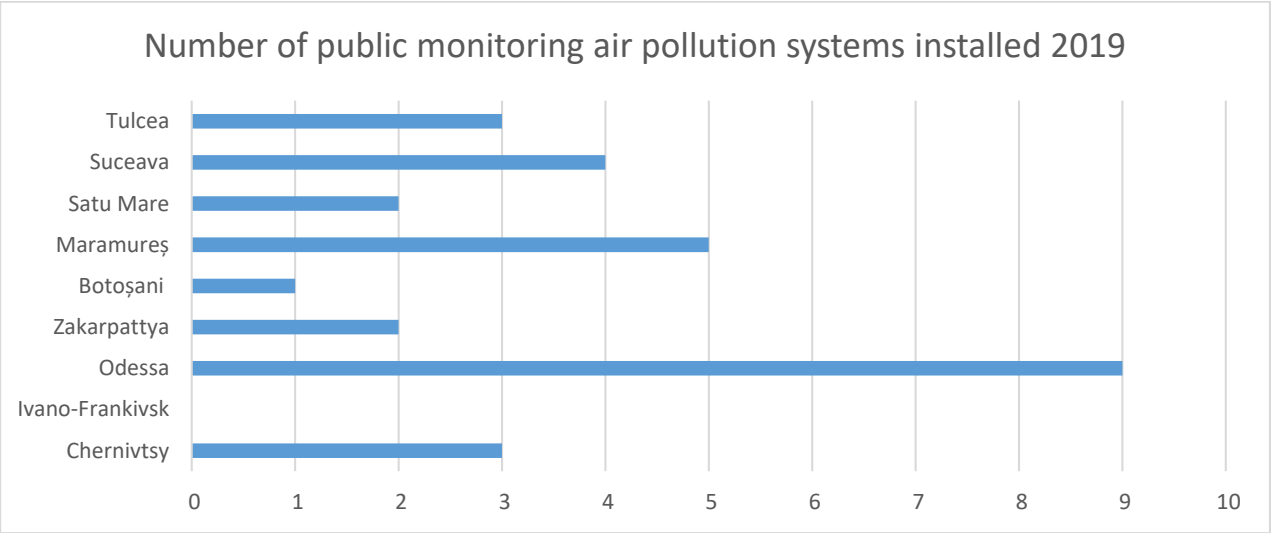


Figure no 17: Number of public monitoring air pollution systems installed, 2019.

In the eligible area of the Romania-Ukraine Programme we have 14 such systems installed on the Ukrainian side and 15 on the Romanian side. Out of the 9 counties/oblasts included in the eligible area, only Ivano-Frankivsk has reported no air monitoring system installed.

2.4 Climate change

Climate change is a very important global issue of the 21st century and has an especially important role in establishing the financing priorities of future EU programmes.[20] In 2021 the EU has reaffirmed its commitment to cut greenhouse gas emissions by 55% by 2030 compared to the 1990 levels. This enforces the importance of climate change for the EU, as the target previously set was of 40%. In order to reach this goal, the EU will adopt a new legislative package that will reshape the industry. The long-term goal of the EU regarding this issue is to reach a climate neutral EU by 2050[21].

The EU strategic long-term vision „A clean Planet for all" is aimed toward a prosperous, modern, competitive and climate-neutral economy by 2050[22]. The achievement of these goals requires, among many other things (legislative framework, compliance of the industry, etc), also addressing climate change through territorial cooperation, both at internal and external borders.

Ukraine is one of the most energy-intensive economies in Europe. The largest greenhouse gas (GHG) emissions in Ukraine are placed in the energy sector, at around 66%. Air temperatures rise in Ukraine is ahead of global trends, hence in Ukraine, there is a likelihood of potential shifts in agricultural zones leading to marked water deficiencies, which can compromise the country's food security and economic growth[23].

The data availability relevant for the climate change topic determined the consideration of the following indicators:

- **Energy consumption per capita (watts)**

A major concern in terms of energy and pollution is the excessive use of gas, coal and wood as fuels for energy production, due to lack of alternatives. This 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.

From the figure below we can notice the trends for the two countries over a two-year period. For Romania the tendency is to increase the energy consumption, the value for 2018 is 14, while for Ukraine we have a decreasing trend[24].

[20] EC-EEAS (2020), Joint Paper on Interreg NEXT Strategic Programming 2021-2027
[21] https://www.consilium.europa.eu/en/policies/climate-change/
[22] COM (2018) 773 – A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0773
[23] https://eu4climate.eu/ukraine/
[24] Data available from IEA/EUROSTAT

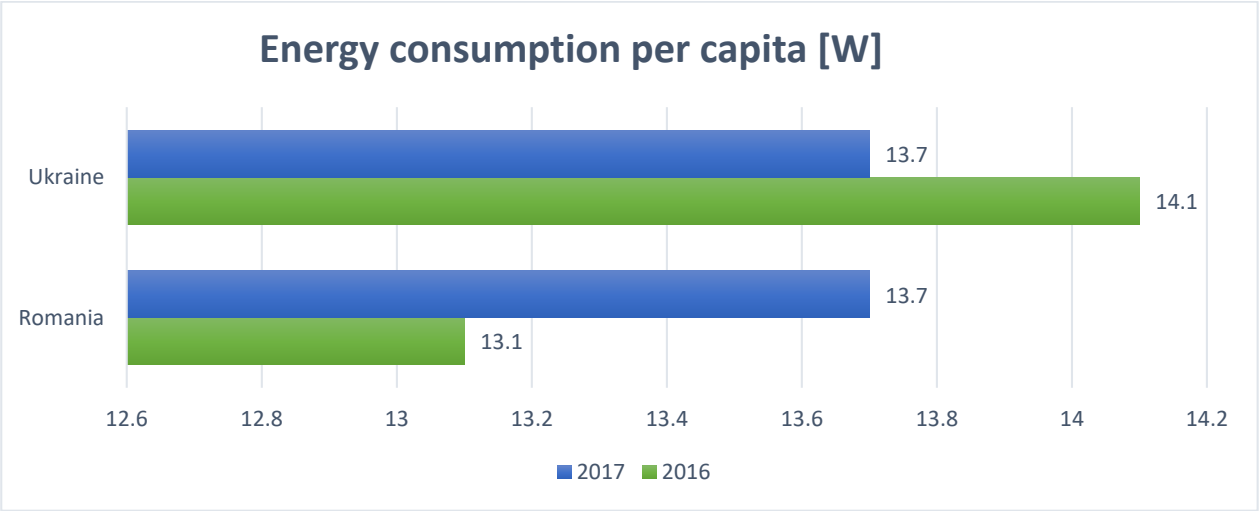


Figure no.18 - Energy consumption per capita (watts)

- **Share of renewable energy consumption in gross final energy consumption (%)**

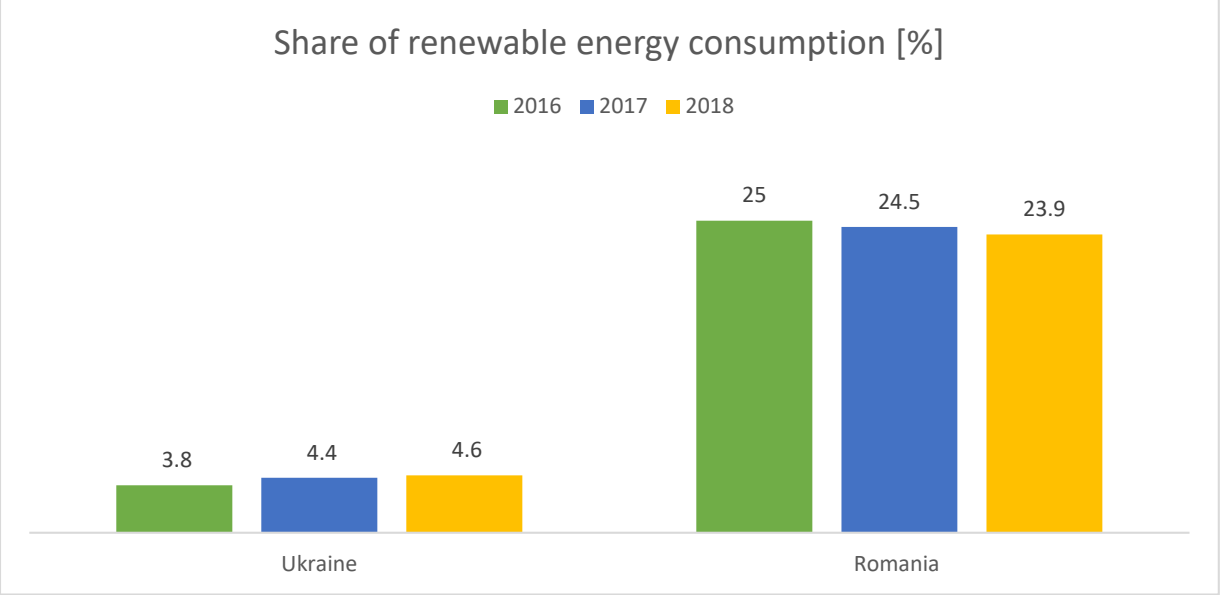


Figure no. 19 - Share of renewable energy consumption in gross final energy consumption (%)

The share of renewable energy consumption is grossly different between the two countries, with Romania having more than 5 times more renewable energy consumption in 2018 than Ukraine. Additionally, we can notice that the trend for Ukraine is ascending with a higher percent of renewable energy each year, compared to Romania, which has a decreasing trend. This also correlates with the ascending trend for energy consumption per capita, so we can assume that energy consumption is growing but the growth is not relying on renewable resources. The area's economies are still largely reliant on fossil fuels with Romania and Ukraine fitting in this framework.

- **Waste generation per capita (tons)**

Waste generation is an important indicator as it shows as the intensity of waste generation and also the progress towards waste prevention (reducing, reusing). It also gives an estimate on the need for waste collection, needs for recycling, etc. In the RO-UA eligible area we can see that the region with highest waste generation is Ivano-Frankivsk, followed by Odessa. We also have to notice that there is an increasing trend in waste generation between 2016 and 2019, with the exception of Maramures and Odessa.

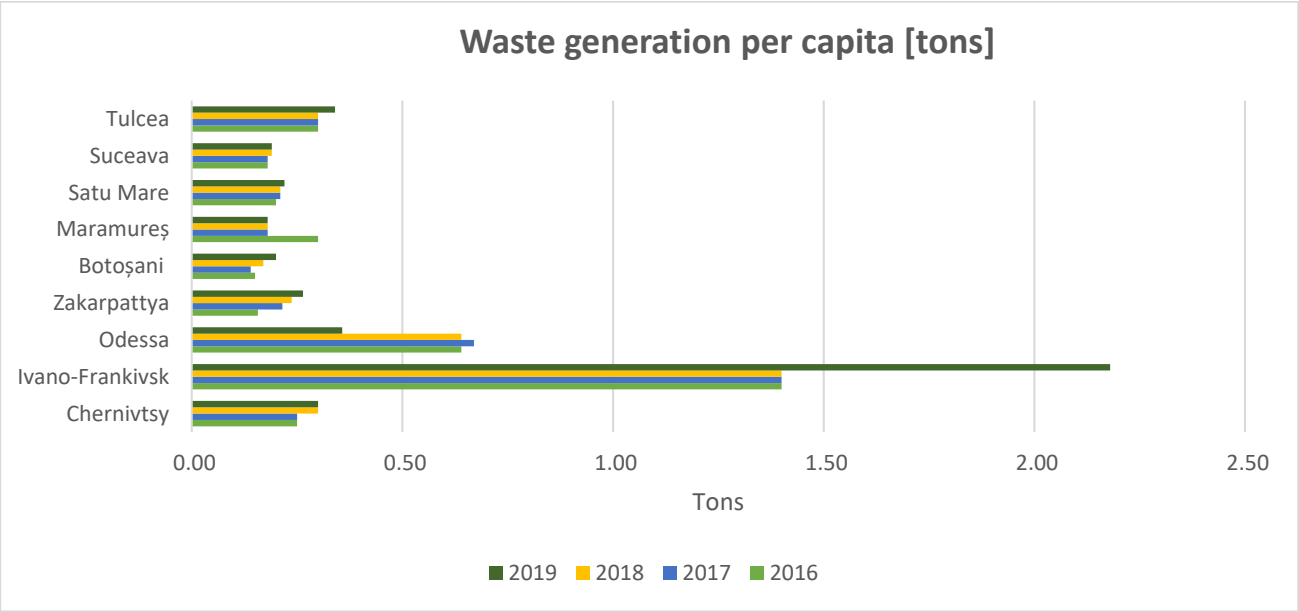


Figure no.20. Waste generation per capita (tons) counties and oblasts

When looking at the average figures for the eligible area, we can see a clear ascending trend for the Ukrainean side and a realtively stable rate for the Romanian side, with only minor variations year on year.

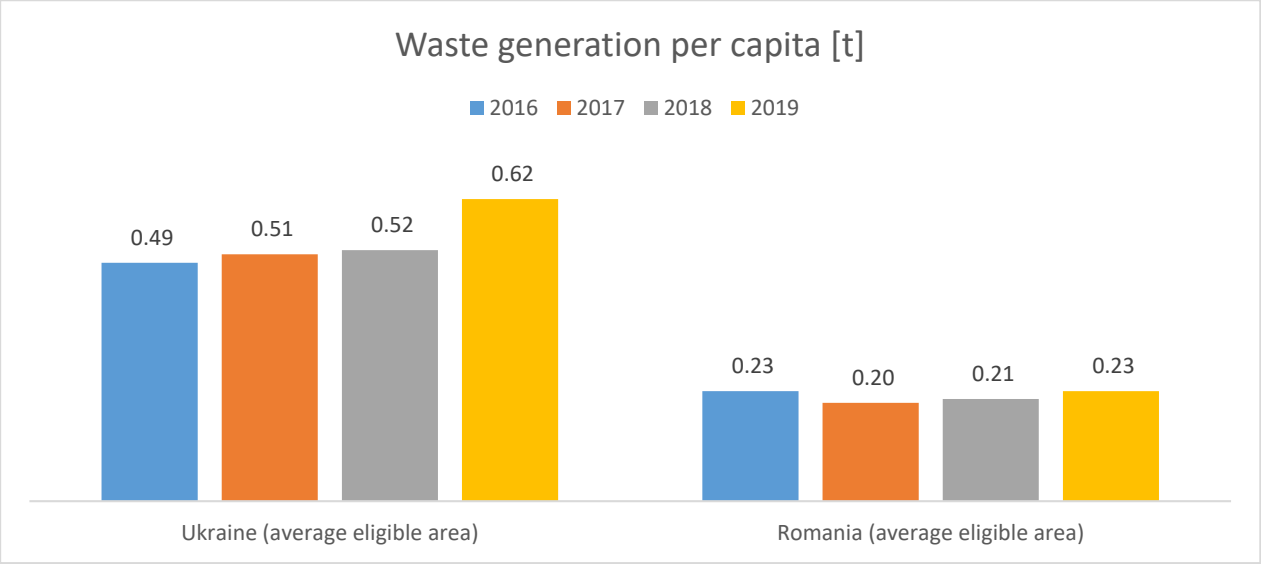


Figure no.21. Waste generation per capita average eligible area (tons)

As seen in the figures above, there are significant gaps related to energy efficiency and waste management in the eligible area that pose threats to climate change and need to be properly addressed also in a cross-border manner. The main challenges for both sides of the border are linked to waste management, including increasing recycling and preventing pollution linked to waste generation.

2.5 Environmental risks

Environmental risks are related to negative effects on the quality of the environment, either terrestrial, water ecosystems or air and to effects on the ecological balance. As with all types of risks, environmental risks can be anticipated or can be totally unexpected events, and irrespective of their nature there is a need for proper risk management tools.

Soil erosions, landslides, drought in the summer and floods in the spring have major impacts in the area, especially on agricultural lands. Along with climatic changes, deforestation is a major contributor to these phenomena, as soil becomes destabilized, especially in areas with mountainous and hilly terrain, like the Northern region of the core eligible area, or the South where floods can have major impacts on the network of human settlements[25].

The data availability relevant for environmental risks determined the consideration of the following indicators:

- **Forest area (% of land area)**

The importance of forests for soil, air and the environment in general is well known, as well as the disastrous repercussions of deforestations in recent years. As we can see from the graphics below, the areas covered with forests remain rather constant in Ukraine over a four-year period. At the same time, at national level the area covered by forests is also constant at around 16%[26].

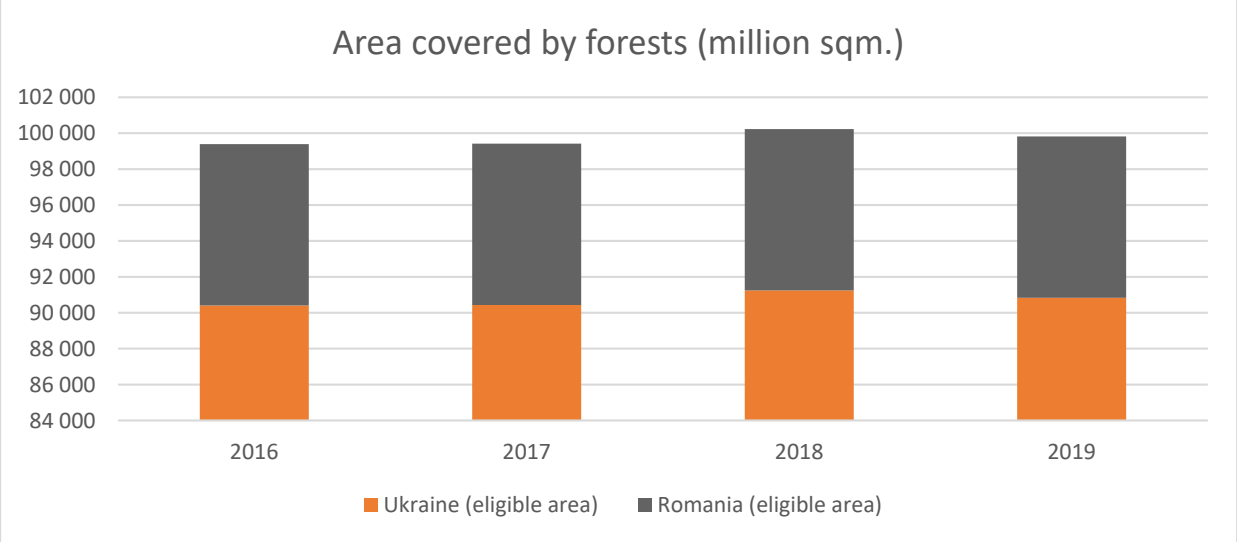


Figure no.22. Areas covered by forests, Romania, Ukraine (million sqkm)

[25] Romania-Ukraine Joint Operational Programme 2014-2020
[26] Source: Data provided by participating countries during the programming period, based on national statistics, at national and regional level. Only regions for which data was available are presented in the graphs.

At the level of the Romanian eligible area, the area covered by forests is significant, as can be seen in the figure above. Additionally, we cannot identify an increasing or decreasing trend. IN terms of forest area as percentage of total land area, we have an increasing trend over a 3 year period, but only incremental at around 0.3%.

- **Number of areas covered by protection measures against forest fires**

According to relevant legislation all forested area is covered by protection measures against forest fires.

2.6 Biodiversity and resources

The Romania-Ukraine Programme eligible area has a rich network of protected areas and resources.

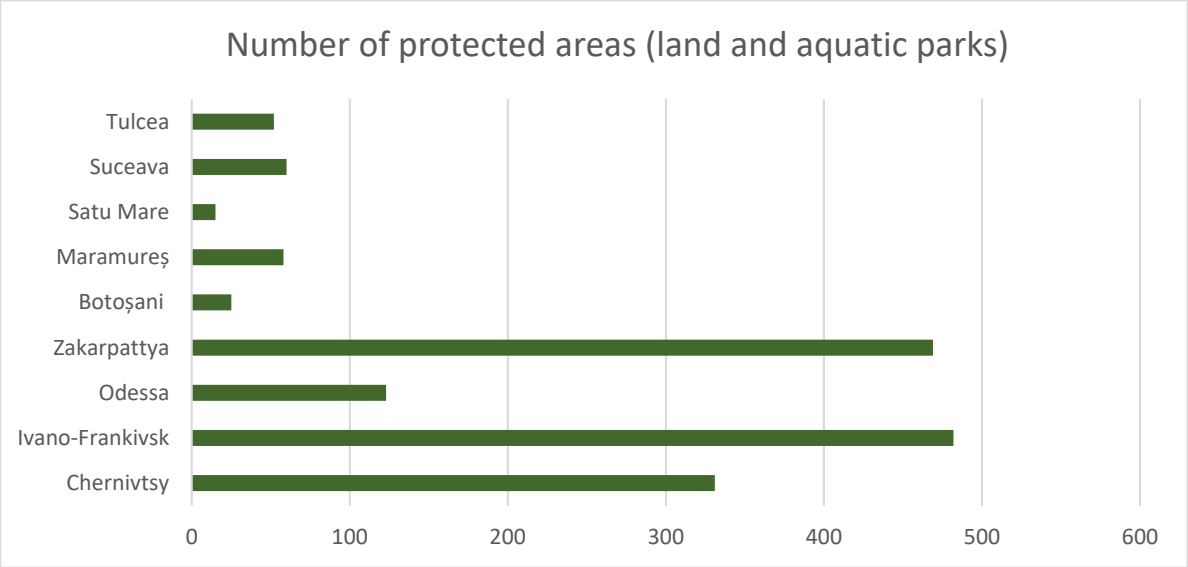


Figure no.23. Number of protected areas, land and aquatic

As we can see from the figure above the number of protected areas is very high in Ukraine compared to Romania, but the situation is reversed when it comes to surfaces of these areas.[27] We can notice a high discrepancy between number and surface. For example, Ivano-Frankivsk has the highest number of protected areas (474) but the lowest surface.

[27] Source: Data provided by participating countries during the programming period, based on national statistics, at national and regional level. Only regions for which data was available are presented in the graphs

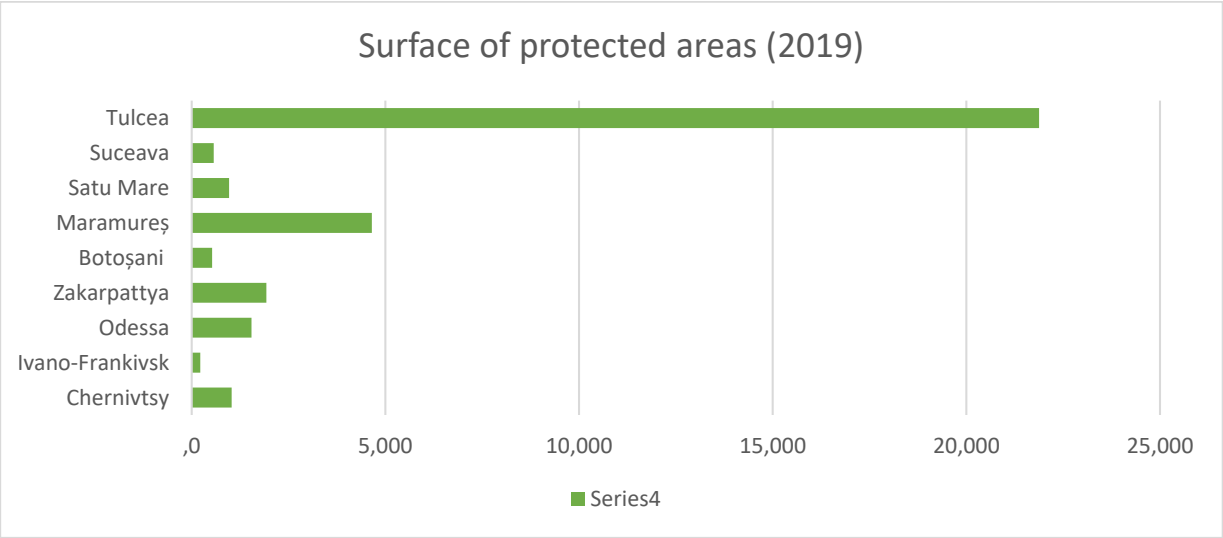
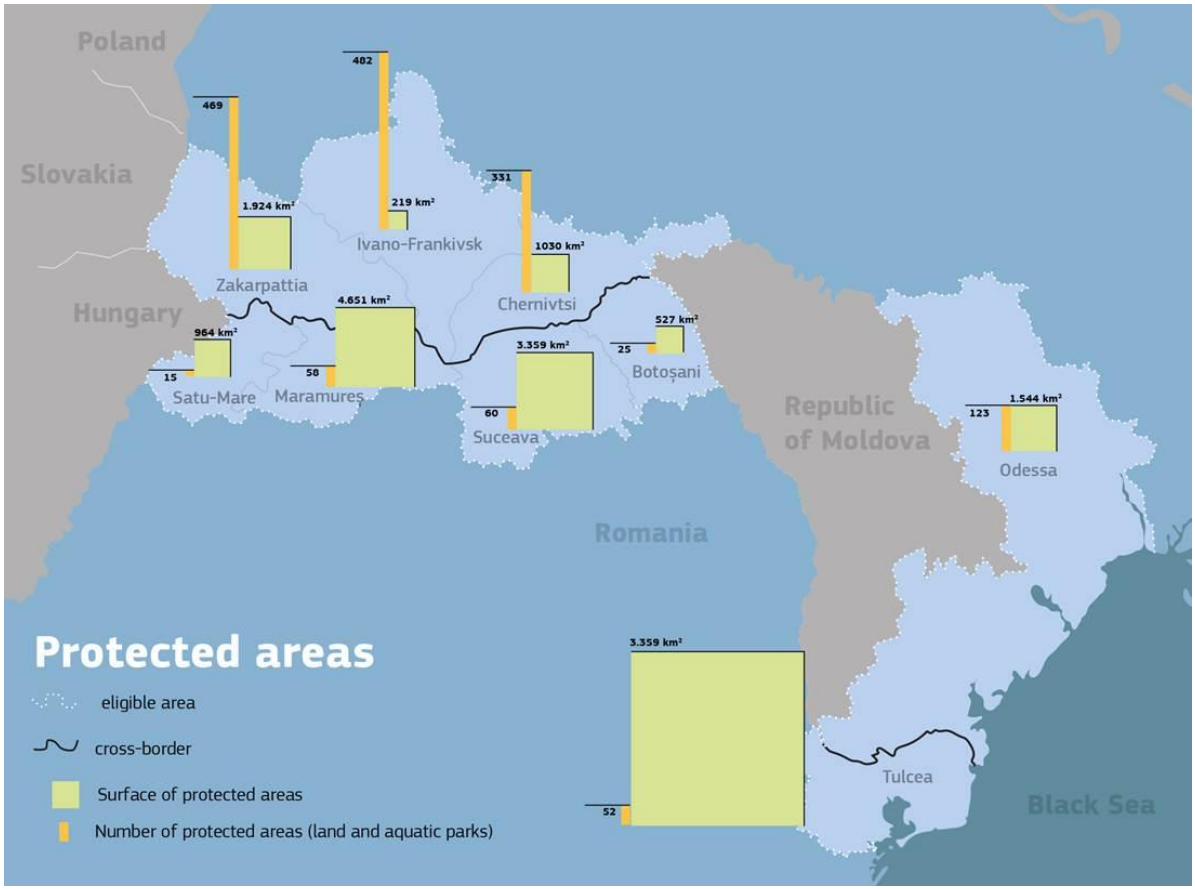


Figure no.24. Number of protected areas, land and aquatic, sq km

Despite the disparities between the number and the surface of the protected areas, there is a significantly higher interest for these areas in the last 20 years. According to the European Environment Agency, between 2000 and 2019 the number of protected areas in Ukraine increased by 75%[28].



[28]Source: https://www.eea.europa.eu/data-and-maps/figures/emerald-network-in-the-eastern

As stated also above, the European Union has set a commitment to become a climate neutral country by 2050, by adopting a new legislative framework tackling the most important environment related issues. As part of this goal the European Commission has also published a Biodiversity Strategy. The Biodiversity Strategy will have 3 stages: protection, restoration and enforcement.

- Protection - Ensure that the remaining forest and pollinators are protected, by reducing pollution, pesticide use and supporting farmers to shift to agro-ecological and organic practices.
- Restoration - Restore damaged ecosystems and rivers, improve the health of EU protected habitats and species, and for transforming at least 30% of Europe's lands and seas into effectively managed protected areas and bringing back at least 10% of agricultural area under high-diversity landscape features.
- Enforcement - The targets set will be legally binding as they have been assessed to be realistic and work in practice.[29]

2.6 Functional areas

Between the two countries there is a functional cooperation under the following initiatives:

- Upper Prut Euroregion, consisting of entities from both Romania and Ukraine. In the programme area, Romania is represented by Botoșani and Suceava counties, while Ukraine is represented by two Oblasts: Chernivtsi and Ivano Frankivsk. The green cooperation covers mainly the joint management of the middle part of Prut river, protection of the air quality and reduction of the waste impact on environment.
- Lower Danube Euroregion, consisting of entities from Romania, Ukraine and Republic of Moldova. In the program area, Romania is represented by Tulcea county, while Ukraine is represented by Odessa oblast. The green cooperation was conducted around the pollution sources in the Lower Danube region.
- Euroregion Carpatica includes territories from 5 countries. From Romania the territories included are Maramures, Satu Mare and Botosani, and from Ukraine Chernivtsi, Ivano Frankivsk and Zakarpatia.

Both interactions and dynamics were enhanced during EU funded projects, while the constant rhythm of cooperation between the 2 countries is led by the main public institutions in the environment field.

2.7 Preliminary consultations

As part of the programming process a series of preliminary consultations were conducted, as described in the introduction, as interviews and focus groups.

Both during interviews and focus groups, the participants were asked to express their opinions regarding the most stringent needs of the eligible area, and rank the Policy and Specific Objectives according to their opinions on the issues that the area is facing.

[29] http://www.fao.org/agroecology/database/detail/en/c/1276986/

During the interviews, 11 out of 11 respondents ranked PO2 among their top three choices, with 5 out of 11 respondents ranking it as the most important.

The main problems needed to be addressed in the area, related to environment were identified as follows: deforestation, vulnerability to nature disasters, especially floods, waste management, anthropogenic pollution of the sea and rivers with plastic and phosphate and sewage discharges directly into water bodies. Also preservation of protected areas and biodiversity, as well as increasing of energy efficiency and reducing of the greenhouse effect represented a concern for the interviewed stakeholders.

When discussing and ranking specific objectives within PO2 during the **interviews**, the three specific objectives with most votes were related to sustainable mobility, protection and preservation of nature and climate change adaptation and disaster risk management.

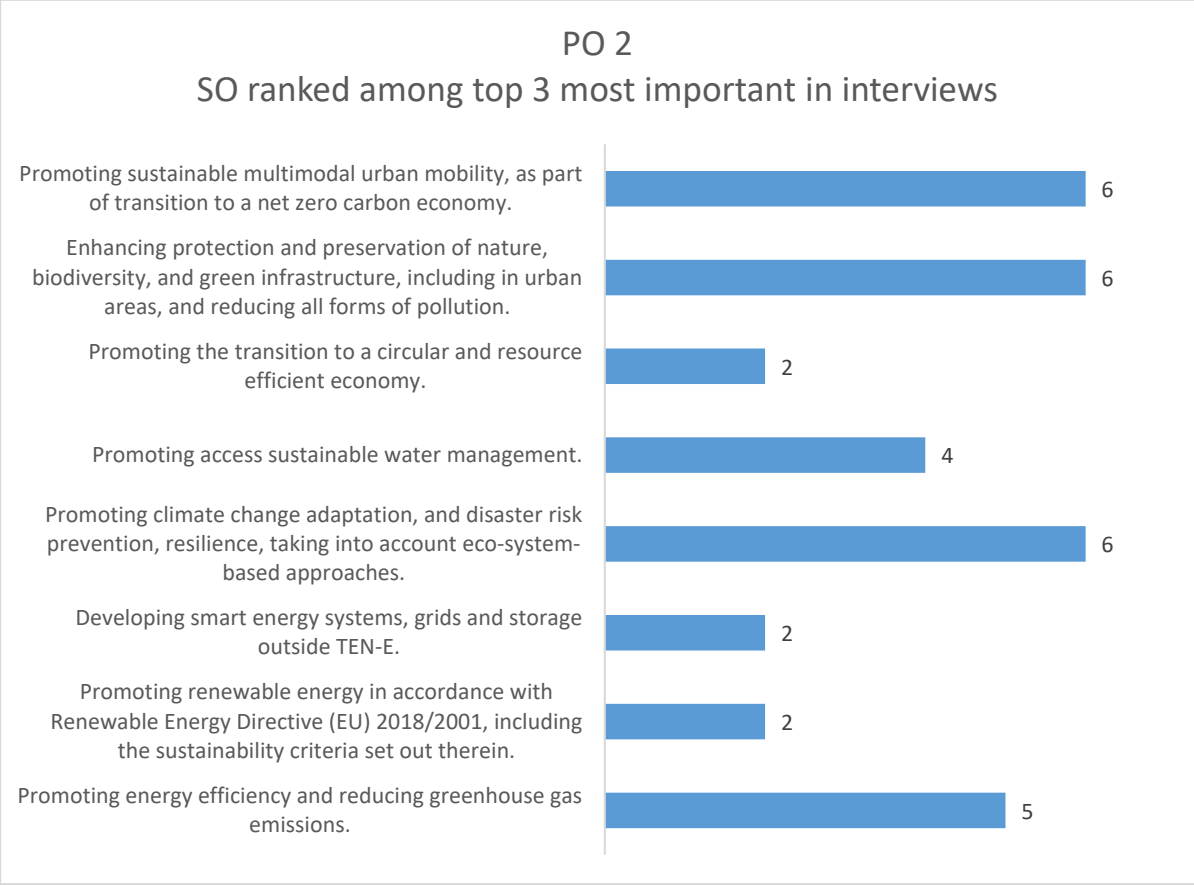


Figure no.25. Specific objectives ranking, interviews

The Focus Groups also provided valuable insights regarding the needs for financing of the concerned area. The participants to the focus groups did not rank PO2 among the top 3 most important fields, but acknowledged the importance of this issue for the cross border area. Regarding specific objectives, the ranking resulting from the focus groups was in alignment with the interviews in regards to the importance of protection and preservation of nature and climate change adaptation and disaster risk prevention. As the third specific objective is concerned,

sustainable water management ranked higher than multimodal urban mobility, which was ranked as 5th most important.

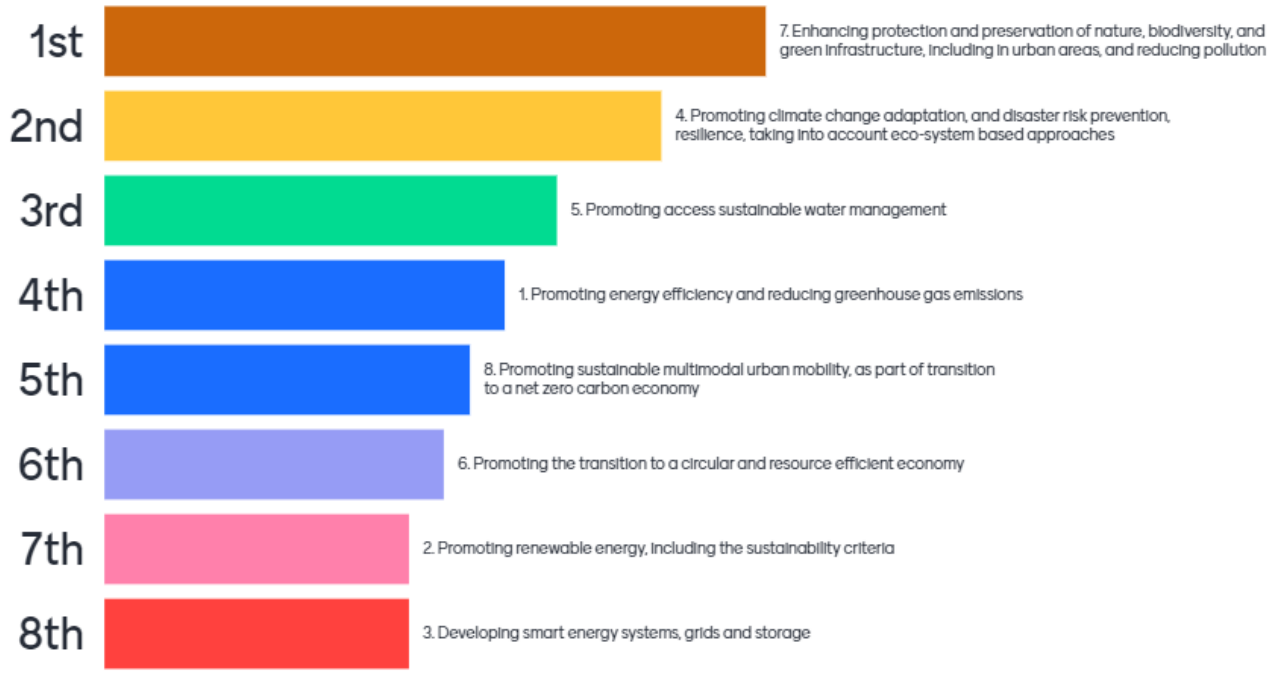


Figure no.26. Specific objectives ranking, focus groups

The participants brought several reasons for justification of the ranking. SO7 on nature preservation and biodiversity is justified by the necessity of preserve the **Danube Delta**. There is also a need to preserve the **steppe ecosystem**. It is also important to organise natural resource management on a bilateral basis. The promotion of climate change adaptation and prevention of risk disaster focused during the conversation especially in **forest fires prevention**, **flood prevention**. Also, the **pollution of river Prut** should be tackled in the coming programme.

The programme shall promote several **support measures to protected areas** for better functioning **monitoring** and **restoration of ecosystems**. The **protection of small rivers** shall be enhanced. **Cooperation on risk prevention** shall be promoted (joint efforts for better reaction and early recovery). The prevention of forest fires, droughts, and floods should be targeted with **quick impact measures** by the programme. Measures addressing the **improvement of the quality of water** shall be considered as well.

Stakeholders from both countries have been interested in supporting large infrastructure projects in this area, respectively for **energy saving field**, **ecology**, **waste and sewage treatment** facilities. Also capitalisation of the results of already implemented projects in the previous programmes in this area, is of interest.

2.8 Lessons learnt

Environmental issues were addressed both in the Romania-Ukraine-Republic of Moldova 2007-2013 Programme and in the Romania-Ukraine 2014-2020 Programme. While the trilateral programme had a Priority dedicated to environmental issues with a wide variety of issues that could be addressed, such as: waste management, water management, biodiversity problems, etc. During the 2014-2020 programming period the environmental aspects addressed by the Romania-Ukraine Programme were mainly related to prevention of natural and man-made disasters and management of emergency situations.

The focus of the lessons learnt relevant for PO2 are on the Romania-Ukraine 2014-2020 Programme, priorities related to emergency situation and research actions and studies related to the environment, as it is more relevant in terms of timeframe and interest of the stakeholders in this particular area. During the call for proposals for SOFT projects (projects with an infrastructure component bellow 1 million Euro), 45 projects were submitted, requesting financing for the mentioned fields. The amount requested was almost twice the allocation for these types of activities within the programme, as it can be seen in the figure below. In terms of quality of projects, 13 out of the 45 projects were rejected during the evaluation and 12 were contracted, while the rest were included on the reserve list. The difference in score between the projects contracted and those on the reserve list was of only 0.5 points, proving a high interest and commitment to the issues addressed and the high quality of the projects that received financing, hence also high capability of writing and implementing projects. For the 2021-2027 the possible actions that can be financed under the field of climate change adaptation and disaster risk prevention are more varied and can create a larger impact on the local communities.

All these aspects, together with the data from the statistical analysis and the high interest manifested by the stakeholders and experts during focus groups and interviews are a strong indication of the needs of the area in terms of disaster risk prevention and resilience.

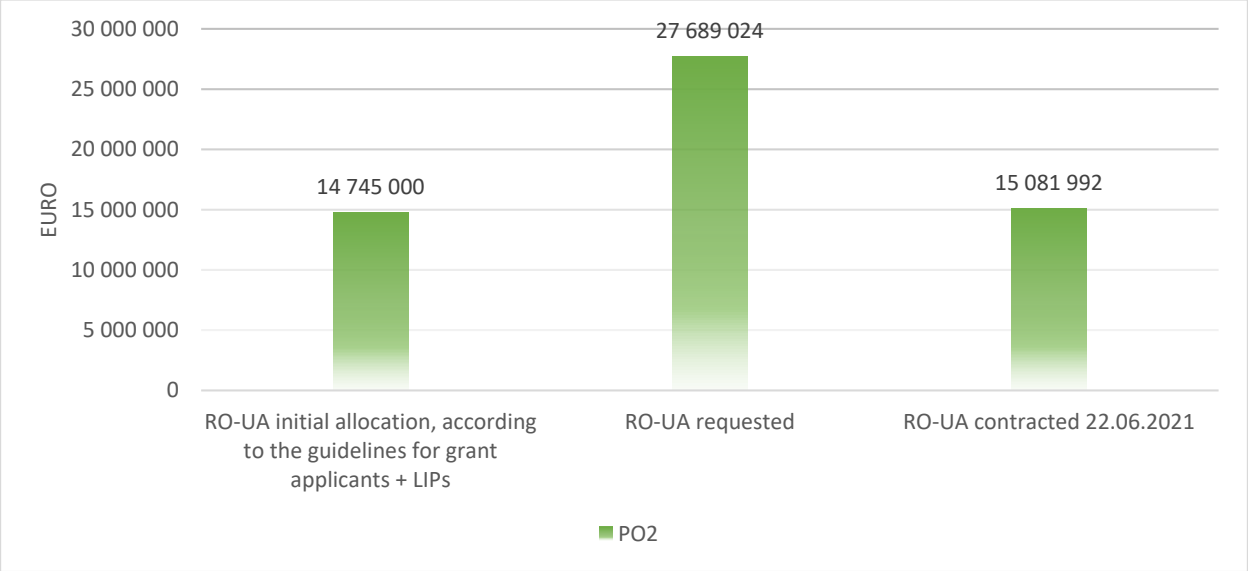


Figure no.27. Overview of the funds allocated, requested and contracted during 2014-2020 to activities relevant for PO 2, euro

2.9 SWOT analysis and preliminary conclusions

Environment is of crucial importance for the EU at this moment, with major commitments towards improving the overall situation over the next decades. The EU is taking an integrated approach in achieving its environmental goals and is tackling issues on land and sea borders, internal and external, involving also the EU partner states in its efforts towards a better climate for the future.

Current trends of the eligible area in terms of urbanization, tourism and also economic activities are creating pressure on the natural resources of the area that need to be addressed. Considering the characteristics of the eligible area in terms of ecosystems and biodiversity, the Danube Delta being of paramount importance, issues relating to the environment need to be addressed.

Strengths	Weaknesses	Opportunities	Threats
High quality natural sites and ecosystems, especially Danube Delta	Energy production is based on fossil resources	EU funded programmes targeting environmental issues, such as the EU4Climate	Political instability and international conflicts or tensions can directly threat the significant investments in green energy production and infrastructure, which need long-term planning, predictability and stability.
Strong potential for green and renewable energy: hydro, solar and wind power	Lack of developed solid waste management systems, especially in the rural areas.	International donor programmes	Ukraine's climate change legislation and regulatory provisions are scattered amongst several laws, resolutions and governmental decrees, making it difficult to follow and to integrate with international legislation.
Good network of freshwater resources	Access to safe drinking water is problematic throughout the eligible area	Capitalization of projects previously financed by the Ro-Ua-MD ENPI Programme and the Ro-UA ENI Programme	Possible developments of new source of fossil energy (gas and oil in Black Sea, shale gas) can jeopardise new investments in green energy
CO2 emissions are on a constant/decreasing trend	Low use of renewable energy	Foreign direct investment in green energy (wind and solar)	High degree of vulnerability to climate change and its consequences.
	The level of waste generation is high with low levels of recycling		
	Large number of protected areas but with low surfaces		

The most relevant areas for cooperation in the framework of Policy Objective 2 were also identified by the Commission in the Joint Paper on Interreg NEXT STRATEGIC Programming 2021-2027:

- Climate change and natural risks
- Biodiversity and natural resources
- Air pollution

In this respect, **cooperation actions** may cover the following[30]:

Climate change and natural risks

- Monitoring the impact of climate change at a cross border territorial level.
- Setting up common alert and emergency management systems; to prevent and manage the risks linked to climate changes.
- Joint planning for mitigation (emission reduction) and adaptation to climate change.
- Public awareness-raising campaigns and trainings of stakeholders related to climate change, potential impacts and adaptation strategies.
- Small demonstrative investments and pilot actions for adaptation and mitigation actions.

Biodiversity and natural resources

- Joint management plan of cross-border protected areas;
- Joint monitoring and studying in dynamics of cross-border biodiversity losses;
- Joint action plan and management to protect endangered species;
- Awareness-raising campaigns and training related to the economic and social services provided by biodiversity

Air quality

- Sharing of best practices in air quality monitoring and modelling
- Actions to improve monitoring and modelling.
- Work on cross border warning mechanisms for pollution peaks.
- Share best practice for selecting and implementing air quality measures and developing AirQuality Plans.

Proposed types of actions to be financed:

a) Projects related to biodiversity and preservation of protected areas;
b) projects related to disaster risk prevention.
c) projects aiming at sustainable water management;

Conclusion

Based on the results of the statistical data analysis, preliminary consultations and lessons learnt from the previous programming period, **Policy Objective 2 is proposed for financing** within the Romania-Ukraine Interreg Next Programme 2021-2027.

The main focus regarding areas to be financed should be on:

1. Climate change adaptation and disaster risk prevention
2. Enhancing protection and preservation of nature
3. Sustainable water management

[30] EC-EEAS (2020), Joint Paper on Interreg NEXT Strategic Programming 2021-2027

Chapter 3 – A more connected Europe by enhancing mobility (PO3)

Connectivity inside the European Union and between the EU and its neighbours is very important and is linked to all policy objectives, as transportation has strong links to the society, environment and, obviously, economy. As the EU is striving to achieve climate neutrality, investments in sustainable transport at its borders are very important as well as intelligent and intermodal networks. The transport infrastructure in the eligible area includes air, water, rail and roads.

In addressing issues related to Policy Objective 3 the specific objectives under this objective were considered:

(i) Developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T

(ii) Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

The information included in the territorial analysis in based on the availability of data and on its relevance to the above-mentioned specific objectives.

3.1 Transport infrastructure

Transport infrastructure in the eligible area includes water, rail, air and road, all of which being considered in the analysis.

1.1.1. Water

Navigation is at the moment one of the most feasible transport modes, especially for freight transport; however, it remains at a large scale, both in Romania and Ukraine, under-developed and under-utilized to its full potential.

In the Romania-Ukraine 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. Because of the presence of the Danube Delta, an extremely important consideration is the ecological element, which poses a dual problem. On one side, the use of navigable routes should be developed further as an efficient and safe means of transport, on the other an increase of the traffic would enhance the ecological risks for the Danube Delta UNESCO Biosphere Reservation.

The eligible area has 3 ports for passenger/freight open to international routes on the Romanian side Tulcea, Isaccea, Sulina and Izmail, Reni, Ust Dunoi in Ukraine. On the Romanian side there are 2 more ports open for freight Mahmudia and Chilia Veche. Galați and Tulcea are the two main ports on the Danube as these ensure the linkage between the river and the Black Sea and the inter-modal change between means of transport (naval-road-rail).

Ukraine ports[31]

The most important Ukrainian ports are those of Odessa, Ilyichevsk and Yuzhniy, all situated not far from each other in the north-western part of the Black Sea. These three ports alone totally account for 56.6 % of the entire cargo turnover in Ukrainian merchant seaports and 38.28 % of cargo handling in all ports and terminals of the country. These ports offer the best approach ways (drafts of vessels accommodated are 11.5 – 14.5 m.). The other ports in Ukraine can only accommodate ships with considerably less draft. The major container terminals in Ukraine are also located in the ports of Odessa, Ilyichevsk and Yuzhniy.

In the eligible area of the Romania-Ukraine Programme there are 7 ports, out of which Odessa port is one of the most important in the region.


Belgorod-Dnestrovsky Sea Port- Odessa region (merchant port)


Chernomorsk Sea Port - Odessa region (merchant port)


Izmail Merchant Sea Port – Odessa region


Odessa Merchant Sea Port- Odessa region


Pivdenny Sea Port- Odessa region (merchant port)


Reni Sea Port- Odessa region (merchant port)


Ust-Dunaisk Sea Port - Odessa region

The 7 ports in the Ukrainian eligible area have important route connections for freight towards Turkey and the Mediterranean states.

1.1.2. Air

The eligible area is served by eight main international airports: Suceava, Satu-Mare, Baia-Mare, and Tulcea in Romania and Odessa, Chernivtsi, Ivano-Frankivsk and Uzhhorod in Ukraine. All of the airports operate passenger flights, except Chernivtsi which is technically closed. The traffic is reduced in the area, although some airports operate also international flights.

The area's connectivity is very limited in terms of air links, making it a difficult to reach destination for both freight and passengers, because of the required interim stops for connecting

[31] https://www.sifservice.com/index.php/en/directory/ports-ukraine/sea-ports/item/135-belgorod-dnestrovsky-sea-port

flights. The two most used airports (Satu-Mare and Odessa) are positioned at the extremities of the core eligible area, leaving a large gap of connectivity in between.

Tulcea County area suffers from limited connectivity by air, especially considering the important role of the area in the Danube-Black Sea link.

1.1.3. Road

The area benefits of an important network of roads. Over the past four years the road structure remained constant in the Romanian eligible area, with an increased number of kilometres only for Botosani, 76 more km in 4 years, and 54 km more for Satu Mare over the same 4-year period. In terms of road quality, although regional data is scattered, Romania at national level ranks last among EU countries at road quality indicator. At global level Romania and Ukraine share the same score in terms of road quality, which is 3 out 7, raking 118 and 119 respectively[32]. The poor road quality is one of the major issues in the two countries, as well as the low number of fast routes and highways, making travelling between regions difficult and time consuming.

In terms of connectivity with Europe, the core eligible area is crossed by several roads, part of the European roads network:

[32] https://www.theglobaleconomy.com/rankings/roads_quality/

- E58 - Uzhgorod - Mukacevo - Halmeu - Suceava - Iași - Leucheni - Chisinau – Odessa
- E81 - Halmeu - Satu Mare
- E85 - Chernivtsi - Siret - Suceava
- E87 – Odessa – Izmail – Reni – Galați – Tulcea
- E95 - Saint Petersburg - Pskov - Homel - Kyiv - Odesa
- E581 – Tecuci –Huși - Albița – Leușeni – Chișinău – Odessa

Additionally, the eligible area is crossed also by several international corridors: the Pan-European Network, the TEN-T Network, TRACECA and OBSEC "Black Sea transport circle", the latter which aims to develop the regional transport and communication networks in the Black Sea Basin.

Pan-European Corridor V – the corridor links Ukraine to the EU through both rail and road networks. The corridor links the main cities of Kiev, Lviv, Uzhhorod, Budapest, Zilina, Bratislava, Budapest, Zagreb, Rijeka, Ljubljana, Venice

Pan-European Corridor IX – the corridor links Romania and Ukraine to the EU, Moldova and Russia through both rail and road networks. The corridor links the main cities of Helsinki, St. Petersburg, Moscow, Pskov, Vitebsk, Kiev, Ljubashevka, Odessa, Chișinău, Bucharest, Dimitrovgrad, and Alexandroupolis.

TEN-T Corridor Rhine-Danube or Corridor VII – is a transport corridor linking together the North Sea and the Black Sea via the Rhine, Main and Danube Rivers. The Danube section that links Germany, Austria, the Czech Republic, Slovakia, Hungary, Serbia, Bulgaria, Romania, Moldova and Ukraine to the Black Sea. The corridor ends in Romania, follows the direction Galați-Tulcea-Sulina, in which end point flows into the Black Sea.

TRACECA (Transport Corridor Europe-Caucasus-Asia) – the corridor links together 13 EU and non-EU countries part of the Eastern European-Caucasus-Central Asian Region. Both Romania and Ukraine are members in TRACECA. Several important intersection points of the corridor are located in the core-eligible area: Chernivtsi, Ivano-Frankivsk, Uzhhorod, Odessa, Satu-Mare, Baia-Mare, Suceava, and Tulcea. These are all intersection points with inter-modal capabilities.

The position of the core-eligible area of Romania-Ukraine programme raises an important issue in relation to the advantages that appear from the area being the EU border region and the inter-modal potential of the main cities in the area, which are not exploited to their full potential.

1.1.4. Rail

Rail is a very important transportation mode for freight and passengers, and ecological friendly. Although regional statistics regarding to railways are not available, at national level there is a decreasing trend in terms of km of railway between 2014-2016 in Ukraine[33]. Over the same time the trend for freight transported via railway is decreasing also, while the number of passengers using railways remained relatively constant.

Rail transport, which represents along with naval transport one of the most eco friendly and efficient modes of transport is underdeveloped. The old infrastructure drastically limits the movement speeds across the network, and the lack of modernisation projects inhibits the

[33] https://ukrstat.org/en/operativ/operativ2005/tz/tz_rik/tz_e/tz_ric_e.htm

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.

A particular technical problem of the Romanian-Ukrainian border region is the gauge difference. The Romanian rail network functions on normal gauge, while the Ukrainian rail network functions in its majority on large gauge. This technical difference makes the transfer from one type of network to the other a compulsory one; the result being the increase of waiting times at rail border crossing points.[34]
An overall image of the situation of the transport network in the area is given by the Logistics Performance Index which places Romania on 48 and Ukraine at 66 based on a series of indicators like infrastructure, customs, international shipments, logistics competence, tracking and tracing and timeliness[35].

3.2 Preliminary consultations

During the interviews performed in the framework of preliminary consultations, PO3 was ranked second in order of importance, with 9, out of 11 people interviewed, ranking it among top 3 most important, although only 3 ranked it as the most important. The main issues to be addressed in the framework of this Policy Objective are related to the roads infrastructure. There were mostly the Romanian respondents who ranked this PO with scores of 1 and 2, quoting the poor quality of infrastructure, consistent with the findings of the statistical data analysis.

The focus group consultation ranked Policy Objective 3 as third most important, while acknowledging also the high level of resources needed to financed projects that can have a positive impact in this area. Considering that the infrastructures in this type of projects is huge, the **participants did not see them financed by the programme**. They proposed to accept small-scale infrastructures as pointed out above.

Regarding specific objectives, the ranking is listed in the figures below[36].

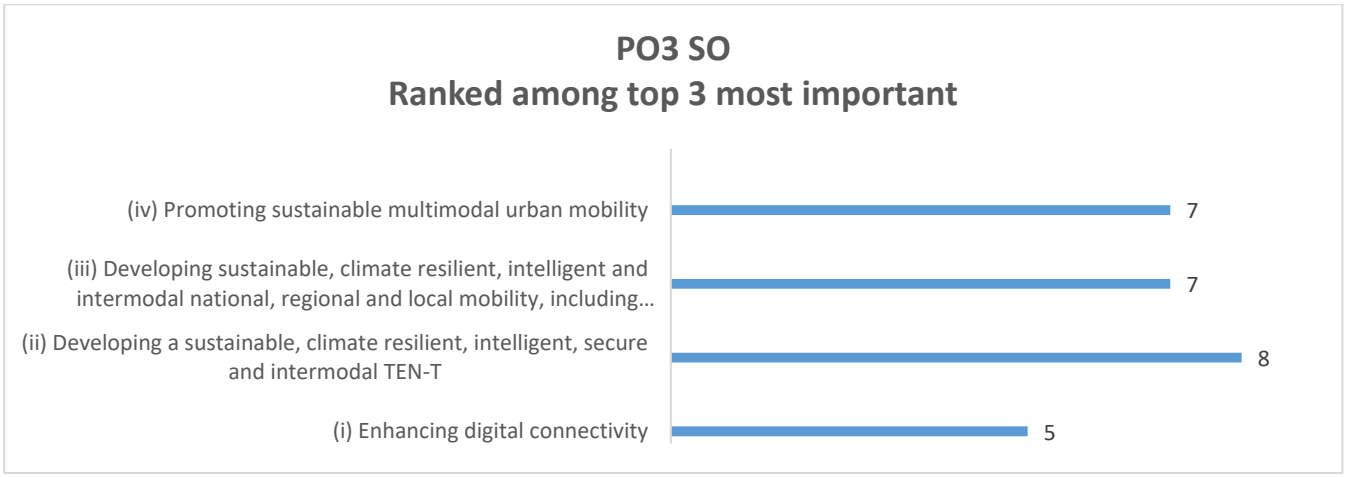


Figure no.28 Specific objectives ranking for PO3, interviews[37]

[34] Romania- Ukraine Joint Operational Programme 2014-2020
[35] https://lpi.worldbank.org/international/scorecard/radar/254/C/UKR/2018/C/ROM/2018#chartarea
[36] The specific objectives have changed in various versions of the regulation, the approved version includes only (ii), (iii).

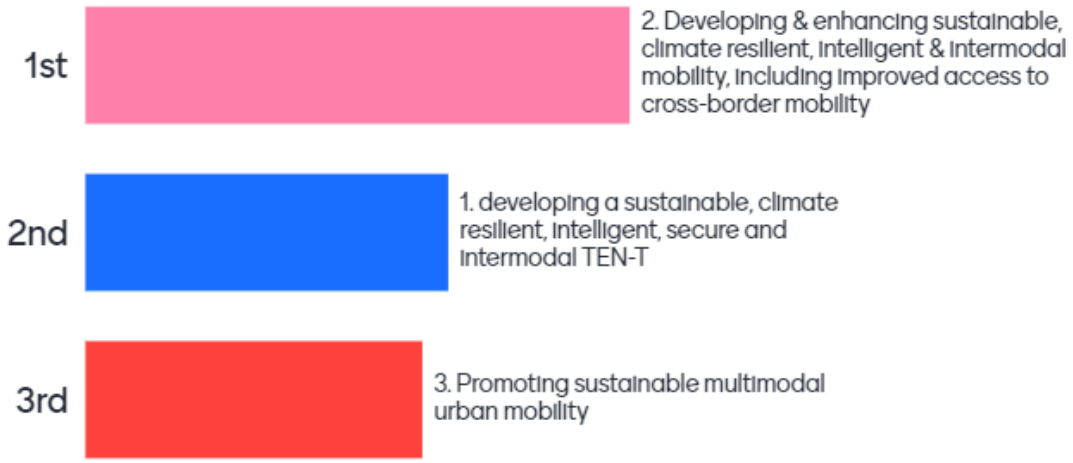


Figure no.29. Specific Objectives ranking for PO2, focus groups.

Intermodal mobility including smarter cross border mobility have been considered the first specific objective in order of importance, followed by the other two.

3.3 Lessons learnt

Mobility issues have been addressed by both the trilateral Programme (Romania-Ukraine-Republic of Moldova 2007-2013) and the current bilateral one. During the Romania-Ukraine 2014-2020 Programme, development of cross border infrastructure was granted a separate priority and both soft and hard projects could receive financing. However, due to multiple issues and constraints, the interest in this area was very low. Only 3 soft projects were submitted, out of which two were rejected during administrative step, and one was contracted. Under the hard call for proposals only 11 projects were submitted, out of which 1 project was rejected after step one, administrative and eligibility check, and 2 after step 2, technical and financial evaluation. Out of the 8 projects selected only 7 submitted the documents for the third step of the evaluation and out of these two were rejected and two were contracted. In terms of financial allocation and request for funding the data is presented in the figure below.

As we can see from the graph below, the allocated amount for this TO/PO is much higher than the amount contracted, leading to numerous reallocations and changes of the Programme in order to direct the funds towards areas were financing was more needed. In terms of project quality, 5 projects out of 11 were selected after the step 3 of the evaluation, less than half. The request for this area of intervention was very low, as well as project writing abilities.

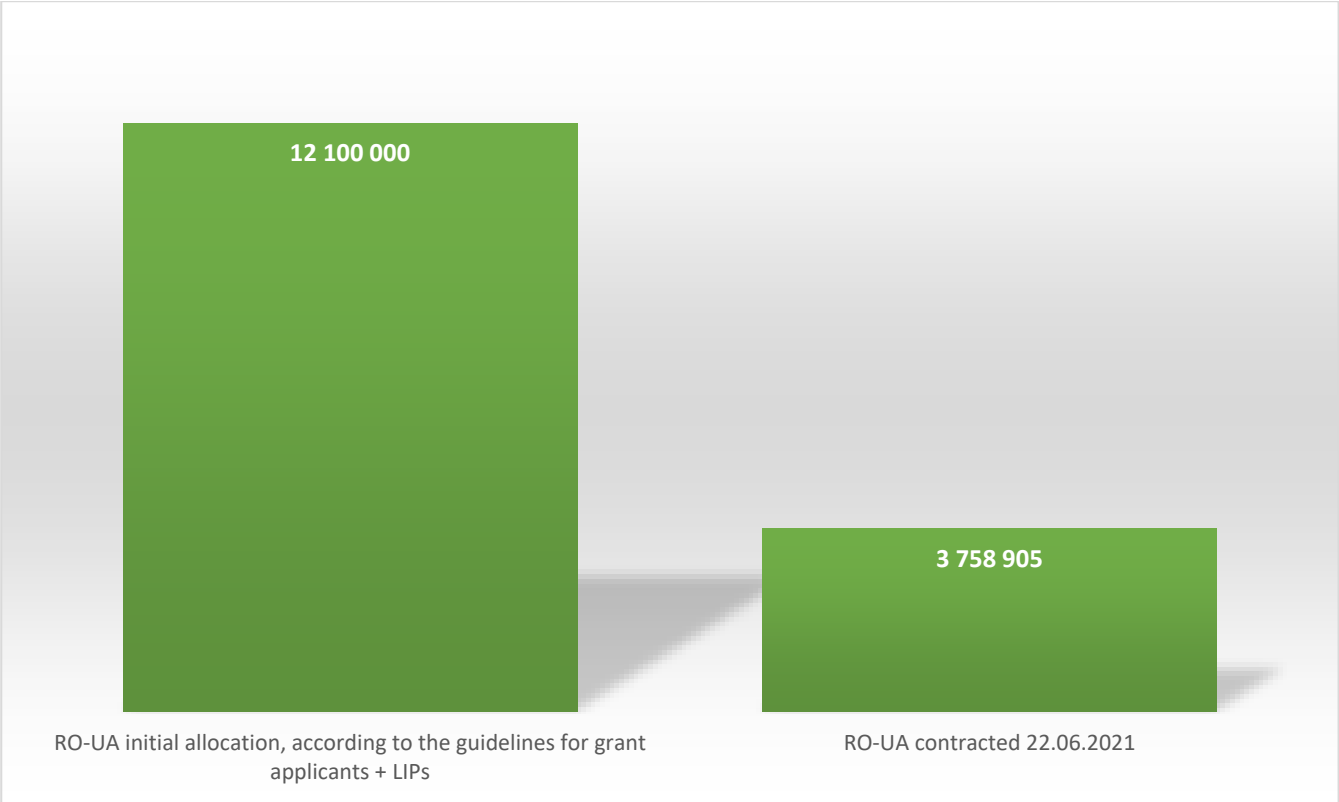


Figure no.30. Overview of the funds allocated, requested and contracted during 2014-2020 to activities relevant for PO 3, euro

3.2 SWOT analysis and preliminary conclusions

Strengths	Weaknesses	Opportunities	Threats
The eligible area is crossed by important EU network roads	The quality of the roads, in both countries, is very low, ranking amongst the poorest in the global ranking.	EU funded programmes aiming at developing transport networks in the area	Political instability and international conflicts or tensions can directly threat investments and development of transport infrastructure.
The eligible area has a strong network of ports, with important freight connections.	Despite of the balanced number of airports in the area, the connections between regions of the eligible area is very poor.	International donor programmes	COVID 19 pandemic traffic restrictions generating economic issues for the transport companies/airports
The number of airports in the area is proportionate.	Old rail infrastructure and using different gauges.	Capitalization of projects previously financed by the Ro-Ua-MD ENPI Programme and the Ro-UA ENI Programme	Losing the EU allocated funds because of the lengthy public procurement procedures and land property rights.
	Underutilization of the railway network.	The eligible area is crossed by TEN-T and TRACECA networks	

The eligible area holds significant problems in terms of transport infrastructure development and also significant issues in addressing them. Both rail, road, naval and air infrastructure are areas of national importance that are regularly included and addressed through national strategies. One major problem in addressing transport infrastructure issues at regional level stems from the fact that the administrators of above-mentioned infrastructure are at national and not regional level, which make it difficult to finance relevant projects addressing these problems at regional, cross border level. This aspect of dealing with transport infrastructure was seen also in the 2014-2020 programming exercise, when the financing request for this area was significantly lower than for other areas financed by the programme.

The costs associated with these types of investments, as well as difficulties related to the eligibility of potential beneficiaries make the cooperation under PO3 not recommended for the future 2021-2027 Interreg Next Programme.

Conclusion

Although significant in terms of needs of the eligible area, acknowledged also by the stakeholders consulted, actions that could be funded under this policy objective give raise to multiple issues linked to the ownership/administration of the infrastructure, high costs associated with the investment, long implementing periods and lack of involvement by relevant stakeholders in submitting and implementing projects.

Considering the results of the statistical analysis, preliminary consultations and lessons learnt from the previous programming period, **Policy Objective 3 is not recommended** for financing under the Romania-Ukraine Interreg Next Programme.

Chapter 4 - More social cooperation area (PO4)

Cooperation in the field of social development has always been important for economic and territorial integration. Areas such as employment, education, health are key issues in the development of any society and key issues in sustainable cross border cooperation.

4.1 Employment & education

Employment and education are the most relevant aspects related to the economic development of a country. The employment and unemployment rates in the area follow the regional trends for both member state and partner state. Comparing the unemployment rates, Romania has an unemployment rate at the level of 2019 of 2.9% while the unemployment rate in Ukraine is of 9.6 %. The difference between the two is very significant, although the general trend for both countries was, at the level of 2019, descending.

Regarding the eligible area, in Romania the counties of Suceava and Tulcea have a higher unemployment rate than the national average, with 1.9 and 0.6 % respectively, while the other counties are around the national average. In Ukraine the unemployment rate is very high, although it follows a descending trend. Out of the 4 oblasts forming the eligible area of the programme only Zakarpattia has a slightly higher unemployment rate (at 9.9 compared to 9.6) but also following an improving trend.

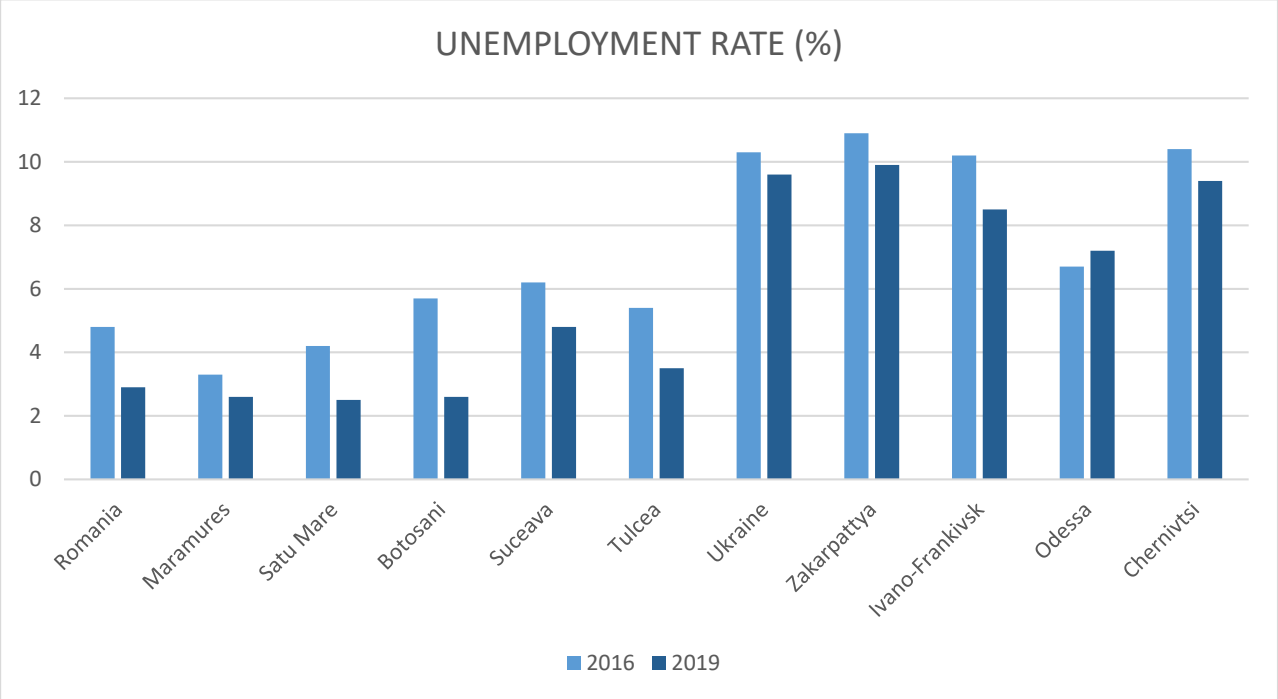


Figure no 31: Unemployment rate , national and eligible area[38]

[38] http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table
https://ukrstat.org/en/operativ/operativ2009/rp/rp_reg/reg_e/arh_rbn_e.htm

In terms of sectors of employment, it follows the general structure of the economy with most people being employed in services, followed by industry and agriculture in both countries.

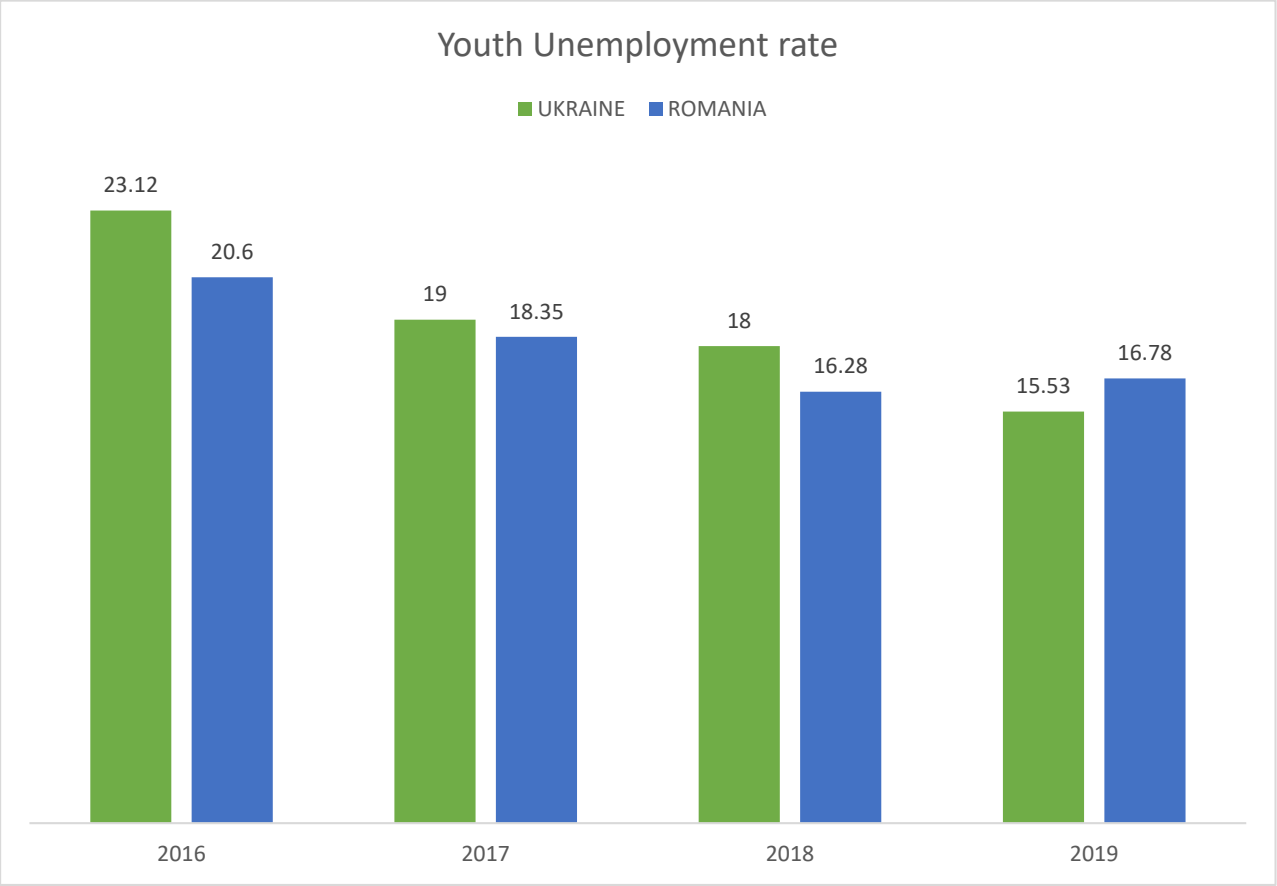


Figure no.32: Youth Unemployment rate39

A stringent issue in the area is that of youth unemployment. As shown in the graph above the unemployment rate for this segment is quite high in both countries, with Ukraine registering a decreasing trend, while Romania is stagnating, and slightly increasing in 2018-2019.

The trend for the youth unemployment is generally more intense than the general unemployment, i.e. it decreased (or increased) in a higher degree. For Romania, for 2018-2019 the youth unemployment trend follows a different trend than the general population. While the general unemployment rate was slightly decreasing at national level the youth unemployment increased.

The share of youth not in education, employment or training offers an indication on young people most at risk of being marginalised from the labour market. However, the general trend is decreasing for Romania over the last 4 years, while for Ukraine it is slightly increasing in 2018-2019.

[39] https://www.theglobaleconomy.com/Romania/Youth_unemployment/

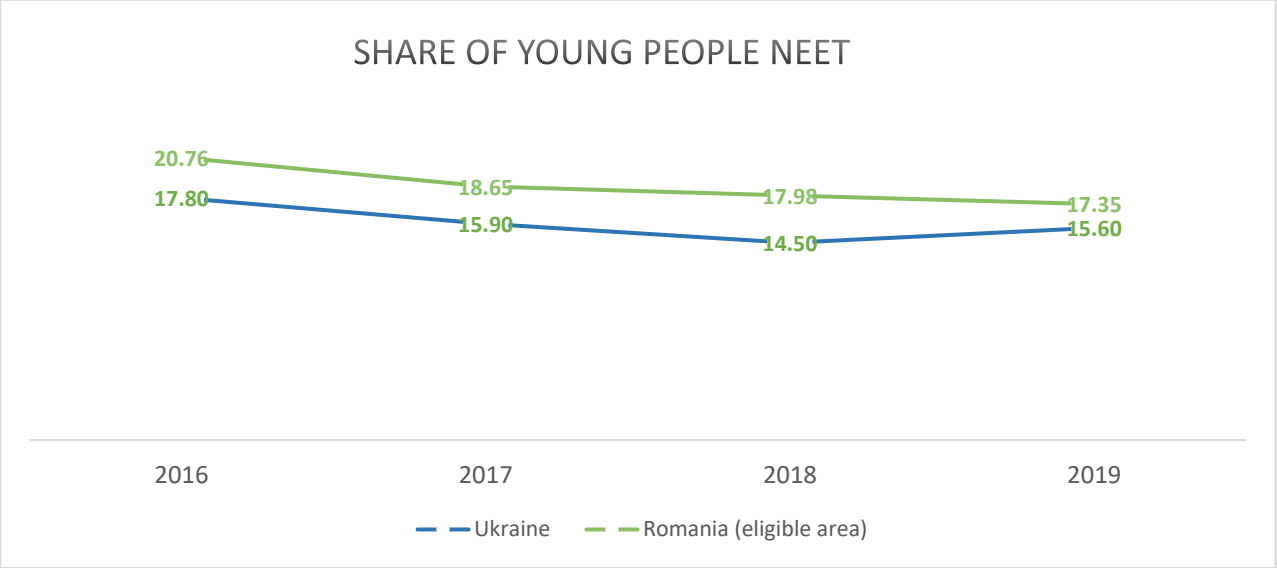


Figure no.33. Share of youth not in education, employment or training, total (% of youth population trend for 2016-2019[40]

Considering the impact that the COVID 19 pandemic has had at global level over the labour market, it is to be expected that the impact on the eligible area will be significant, especially related to the employment.

The level of public spending on education as a percentage of GDP is significantly lower in Romania, ranging at around 3%, compared to Ukraine at 5%, and lower than the EU average of 4.64% of GDP in 2017[41]. Nonetheless, for both countries there is an increasing trend in GDP spending on education.

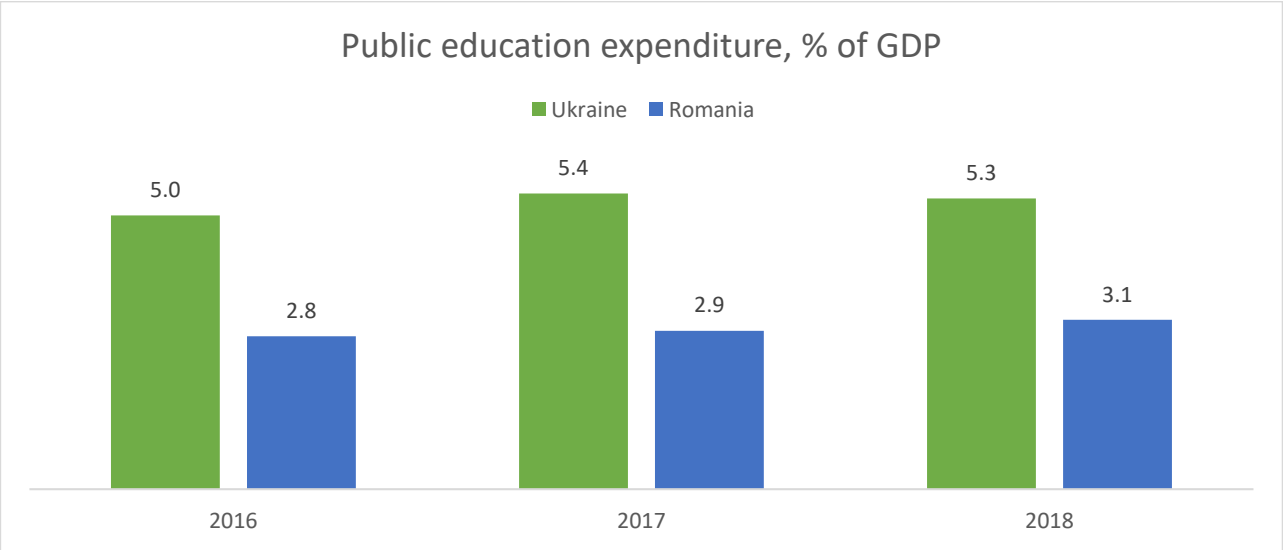


Figure no. 34 - Public expenditure on education as a % of GDP[42]

[40] State Statistics Office UA, RO
[41] Source: Eurostat, https://ec.europa.eu/eurostat/databrowser/view/educ_uoe_fine06/default/table?lang=en
[42] Source: data received from partner countries.

The basic educational infrastructure, as reflected by the number of schools and high-schools, has an accentuated negative trend in the eligible area in the past 30 years. Over the last 4-5 years the trend is still negative, although decreasing at a slower pace. As regards the trend of the number of school-aged children the trend is the same as the general population trend, decreasing.

Looking at gross enrolment rates for different education levels over the last 10 years the trend is decreasing. Starting with pre-primary we can see that the infrastructure is better in terms of numbers on the Ukrainian side of the eligible area, but the enrolment rate appears to be lower than on the Romanian side. In terms of infrastructure for pre-primary, only Chernivtsi has an increasing rate, which might be credited to a better coverage of children in that age bracket by the preschool institutions in the area. At national level, the number of preschool institutions in Ukraine is relatively constant in recent years, but the coverage is increasing. Considering the constant number of places, this can be credited to an overall decreasing demographic trend.

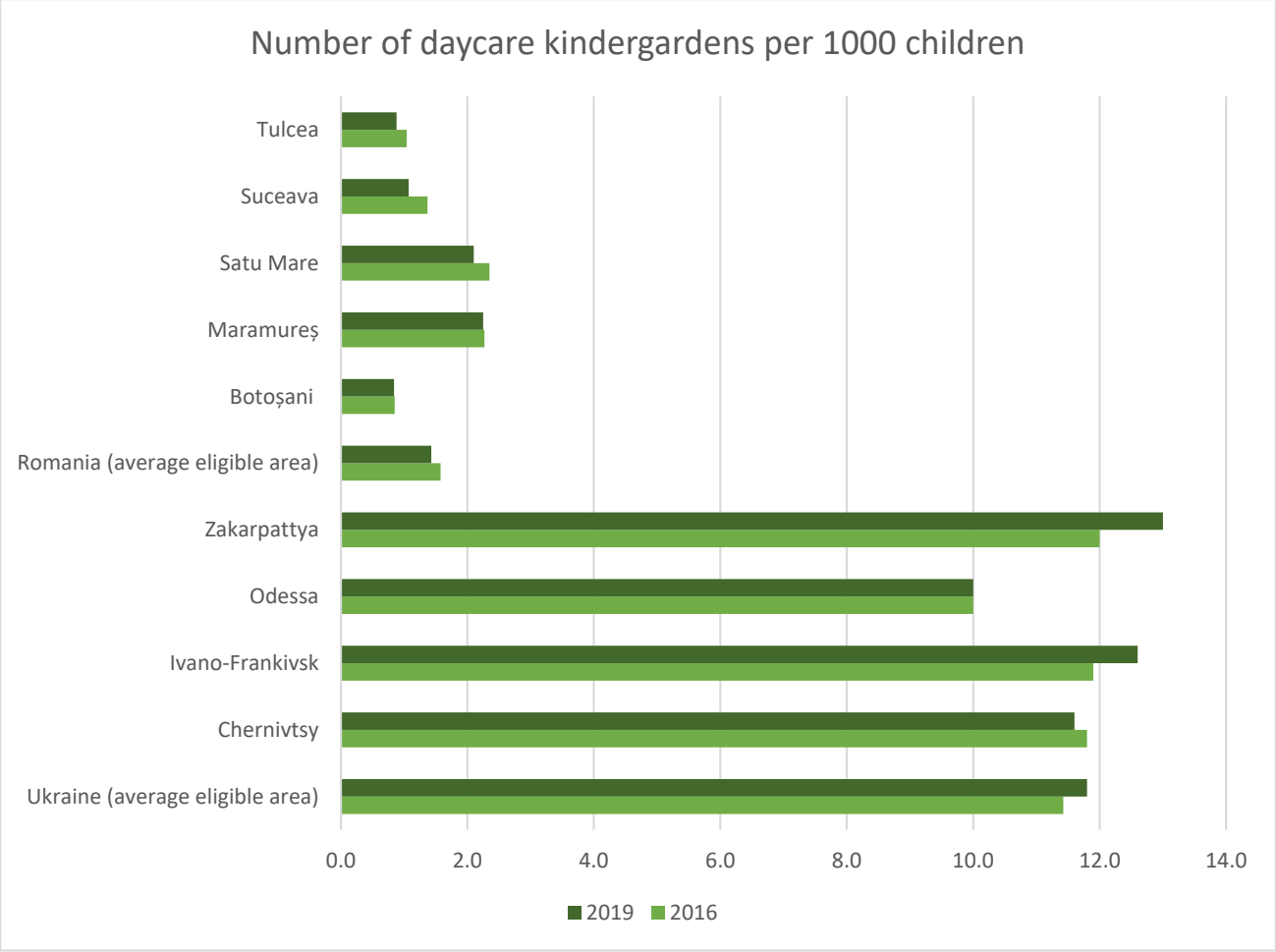
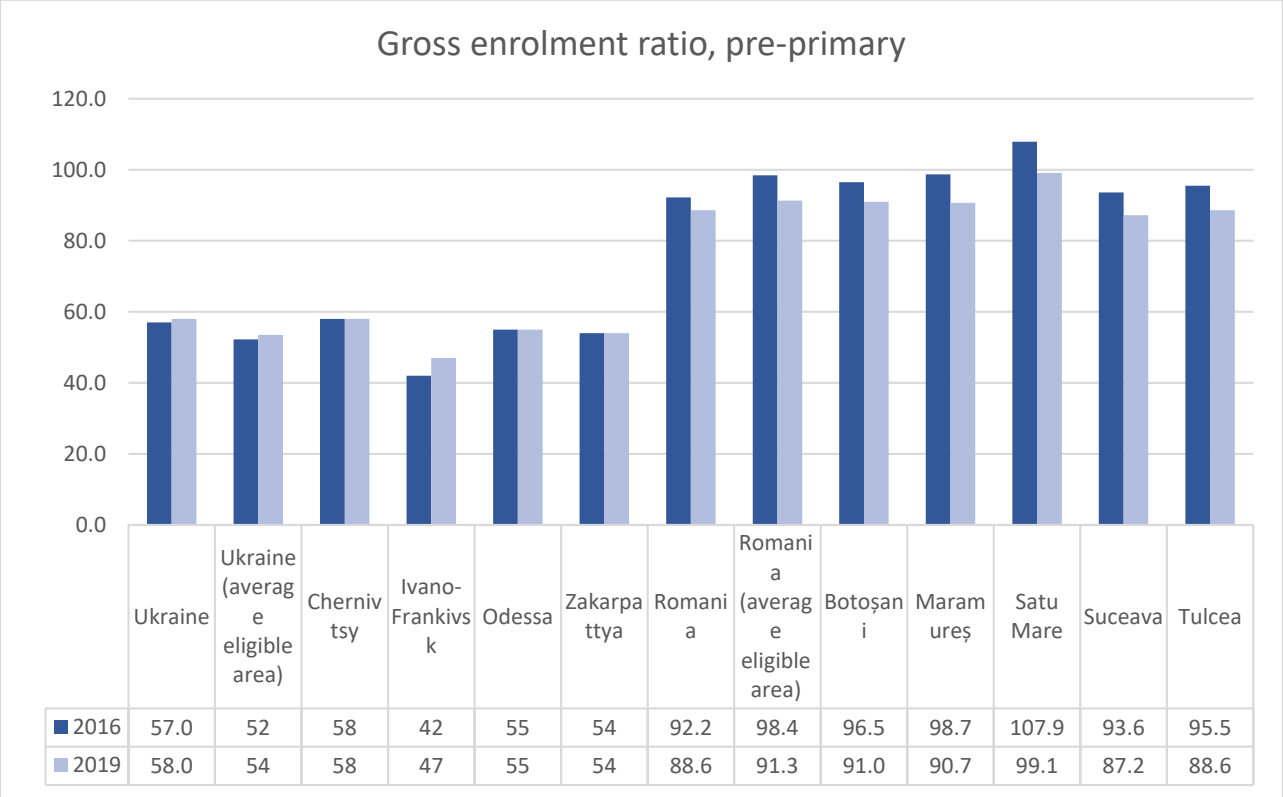


Figure no. 35: Number of daycare kindergardens per 1000 children



	Ukraine	Ukraine (average eligible area)	Chernivtsy	Ivano-Frankivsk	Odessa	Zakarpattya	Romania	Romania (average eligible area)	Botoșani	Maramureș	Satu Mare	Suceava	Tulcea
2016	57.0	52	58	42	55	54	92.2	98.4	96.5	98.7	107.9	93.6	95.5
2019	58.0	54	58	47	55	54	88.6	91.3	91.0	90.7	99.1	87.2	88.6

Figure no. 36: Gross enrolment ratio, pre-primary

Looking at primary and secondary education we can see opposite trends for Romania and Ukraine. For the eligible area in Romania the is an increasing trend while for Ukraine the trend is decreasing, with lower number of schools per 1000 children.

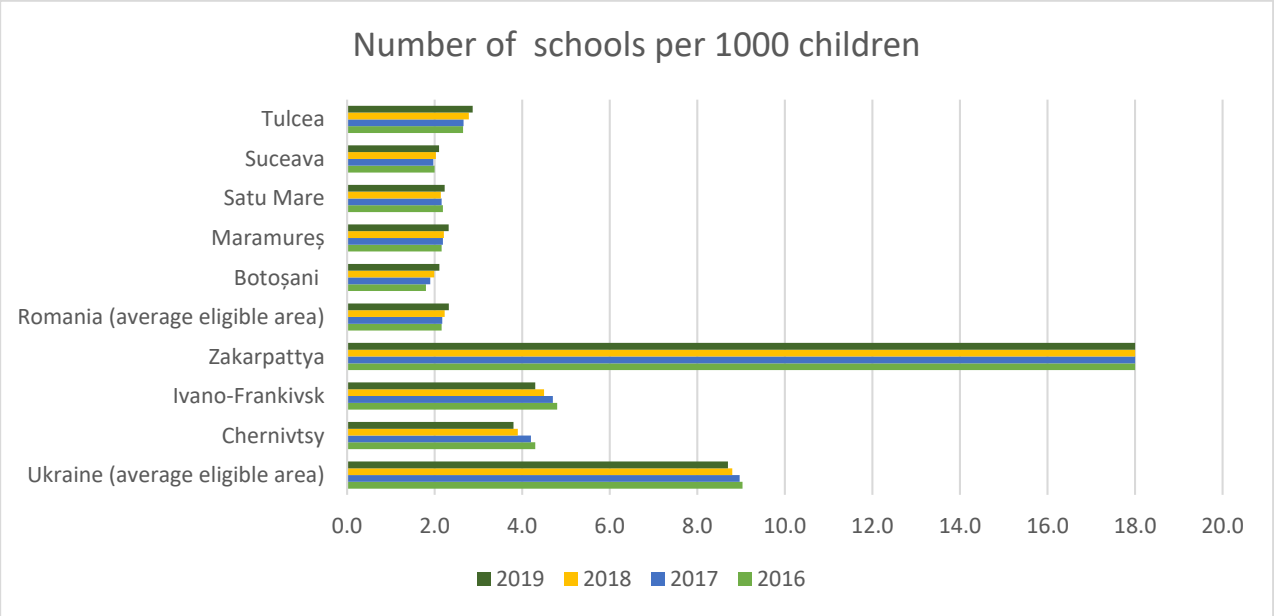


Figure no. 37: Number of schools per 1000 children

For the secondary education the tendency is on the opposite trend, respectively decreasing for both countries. However, the existing infrastructure can accommodate, in terms of numbers, the children in that age bracket. As per WorldBank reports, the problem is not the existence of the infrastructure but it s quality "Ukrainian schools often lack adequate facilities, modern equipment or quality textbooks. Rural schools may sometimes lack indoor restrooms[43]" According to the same source the number of students in school has declined over the past decades by 41 percent: from 7.1 to 4.2 million while, over that same period, the number of schools declined by only 11 percent and the number of teachers fell just 5 percent. This means Ukraine has 1 teacher for every 9 students, resulting in one of the smallest average class sizes in the world. Maintaining such small classes is a key reason for Ukraine's high level of spending. The education reform is underway in Ukraine and aims to align the current education structure as to provide real skills for competiting on the labour market and for a better allocation of scarce resources.

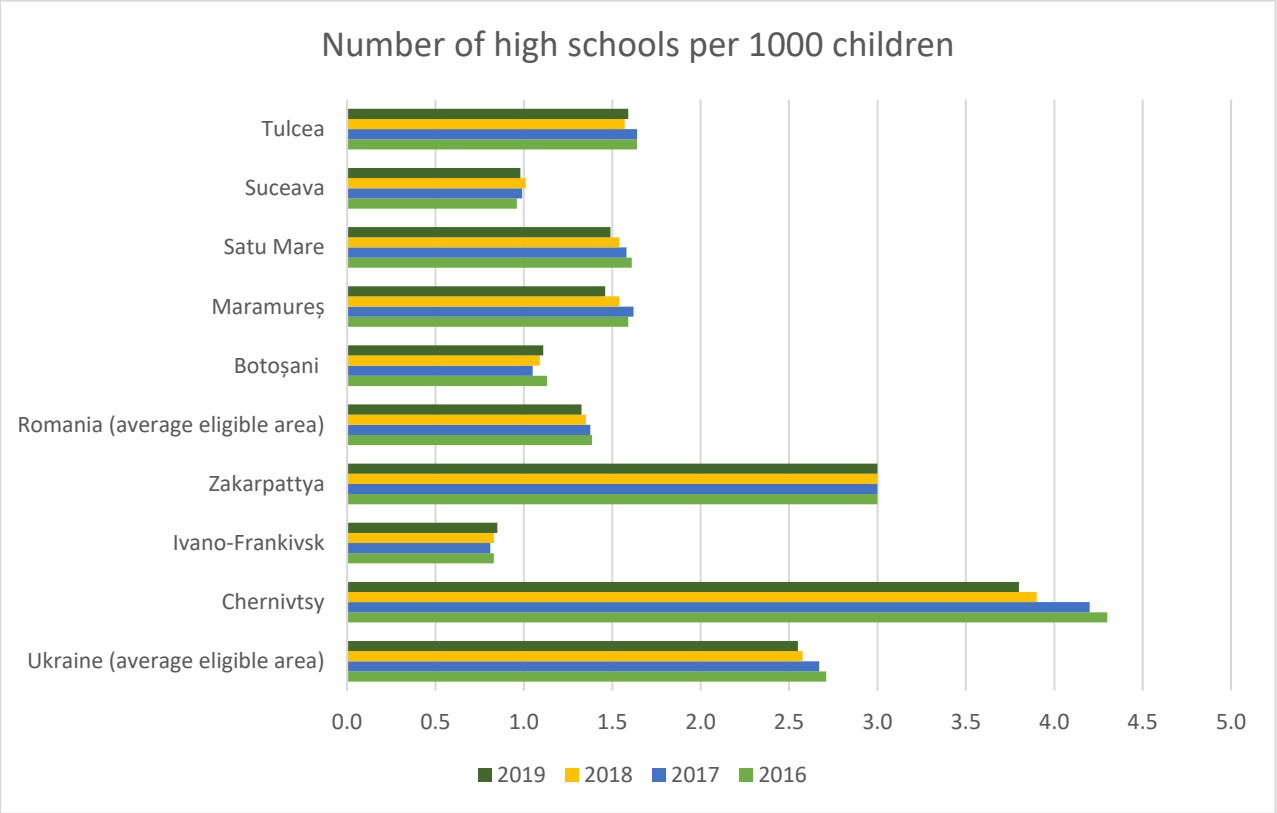


Figure no. 38: Number of high schools per 1000 children

Most recent enrolment data for Ukraine dates from 2014, at national level. For the timeframe 2011-2014, both gross and net enrollment rates for primary education were slightly declining[44], although for secondary education we have a stagnating or even slightly increasing trend, as per UNESCO data for that period. For the 2016-2019 timeframe the gross enrolment ratio for primary is following an ascending trend for both Romania and Romanian eligible area.

[43] https://www.worldbank.org/en/news/opinion/2018/09/12/why-ukraines-education-system-is-not-sustainable
[44] http://uis.unesco.org/country/UA

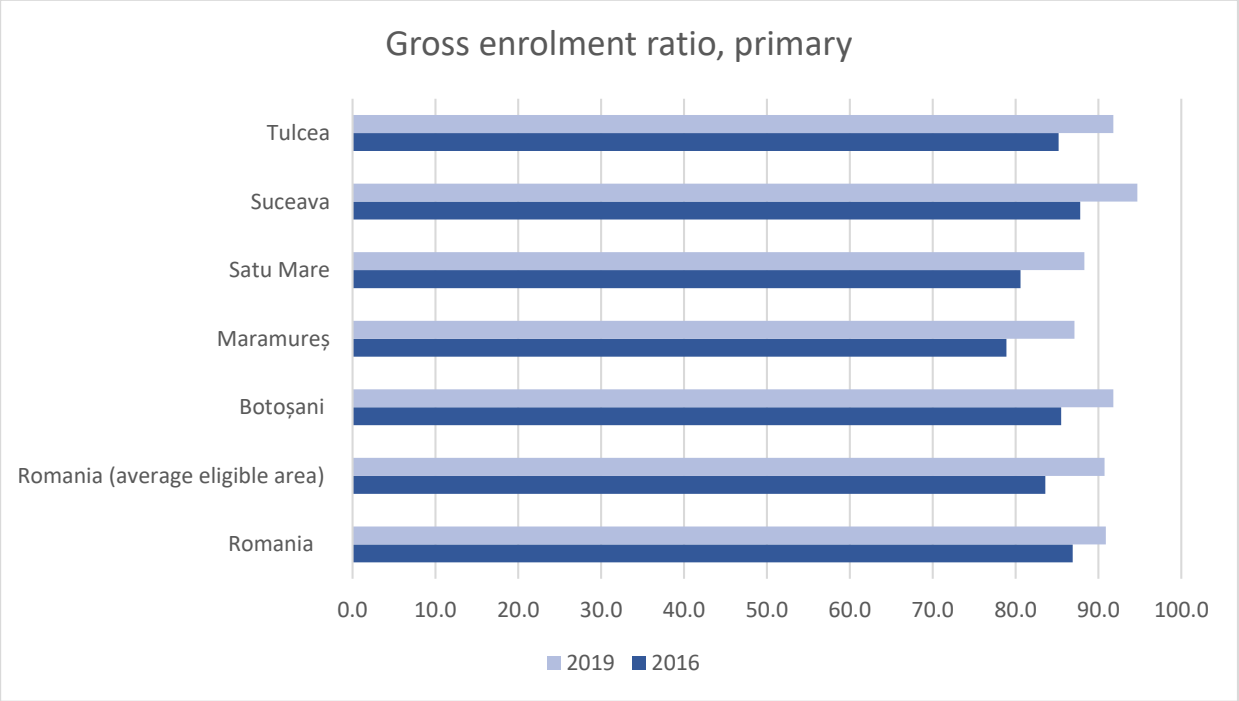
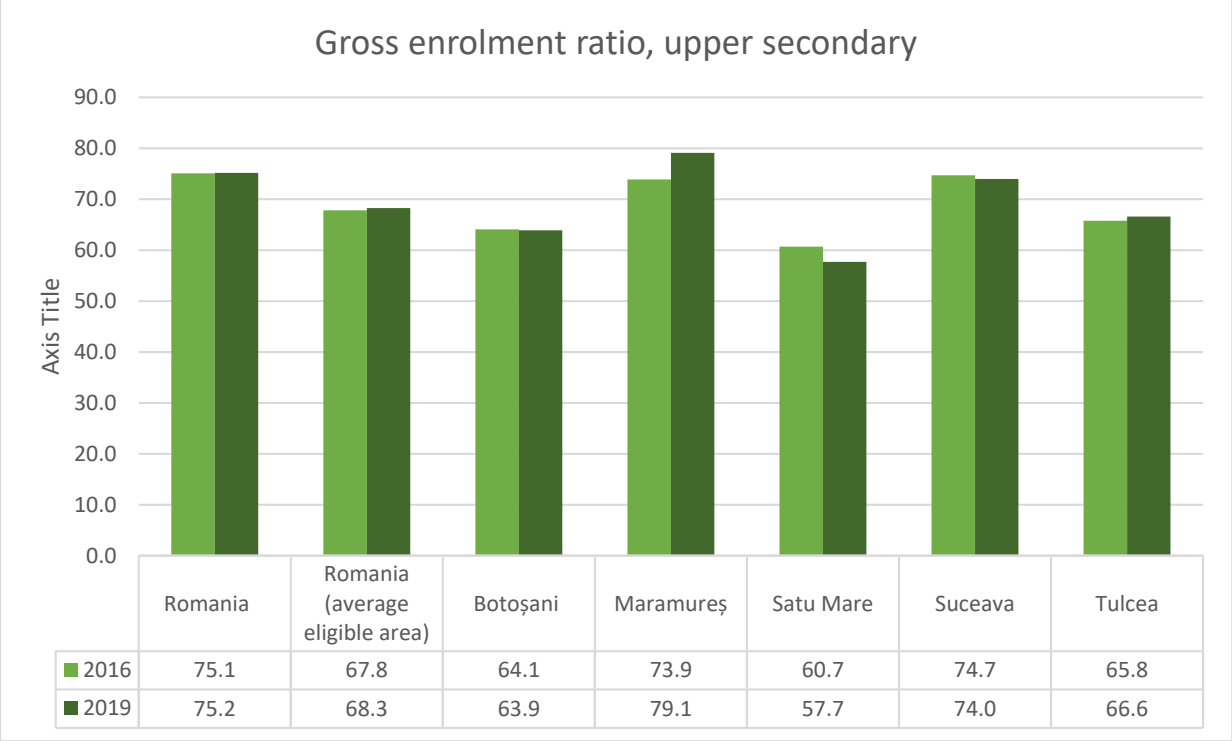


Figure no.39 – Gross enrolment ratio, primary, Romania national and eligible area

The gross enrolment ratio for upper secondary school in Romania and the Romanian eligible area varies from county to county, but the average is slightly increasing, as is at national level.



	Romania	Romania (average eligible area)	Botoșani	Maramureș	Satu Mare	Suceava	Tulcea
2016	75.1	67.8	64.1	73.9	60.7	74.7	65.8
2019	75.2	68.3	63.9	79.1	57.7	74.0	66.6

Figure no.40 – Gross enrolment ratio, primary, Romania national and eligible area

The vocational education has an important role in providing skills relevant to employment, in preparing the students' entry to the labor market. Vocational education may have work-based

components (e.g. apprenticeships), component which is becoming more and more important in recent years. As seen in the figure below, vocational training has a decreasing trend in Romania, while in Ukraine is slightly increasing during 2015-2018. Considering its economic importance and the importance of the vocational training for career conversion and for ensuring a family income, this could prove to be

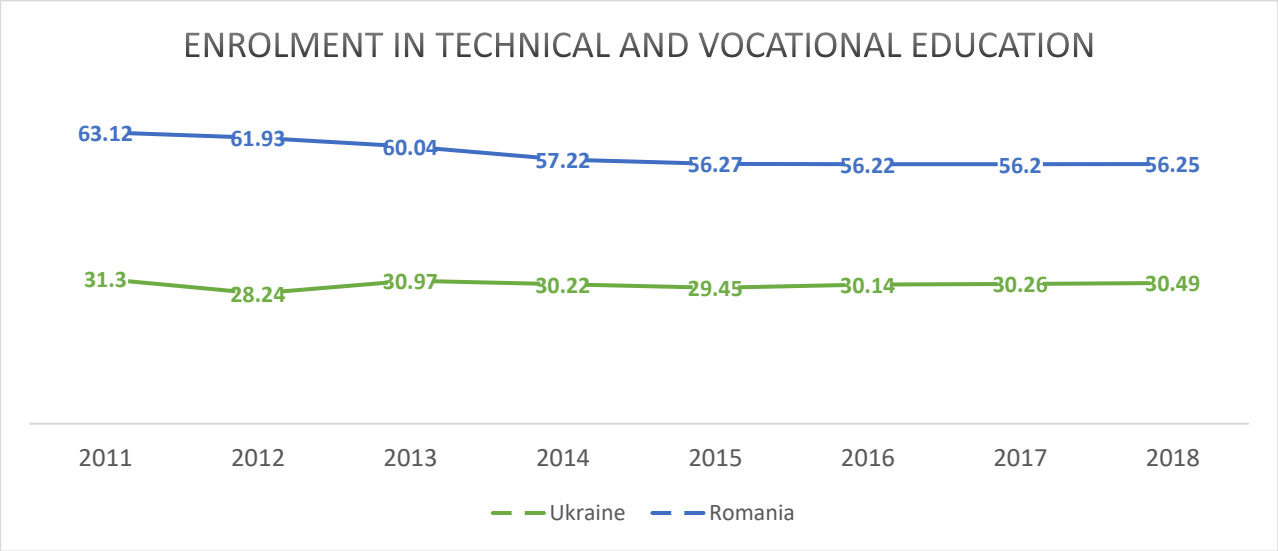


Figure no.41 - Enrolment in technical and vocational education and training (TVET) as % of the total enrolment in secondary education[45]

Regarding the endowment of schools and universities with computers46, data shows a much larger coverage in the Romanian eligible area, although not balanced between regions.

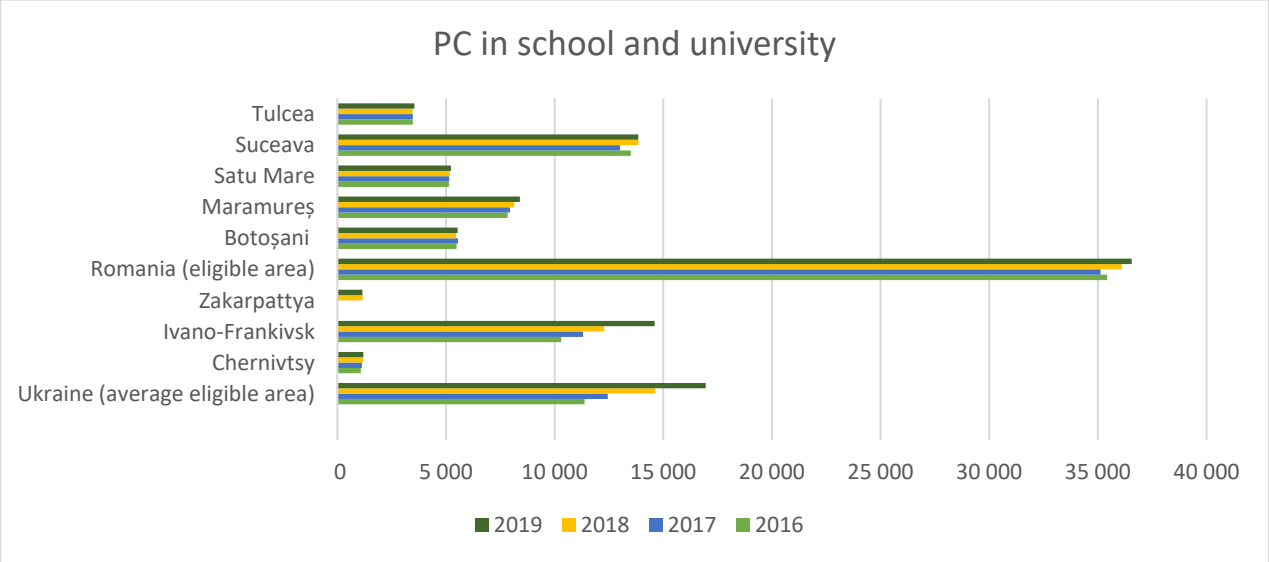


Figure no.42: PC is school and university

[45] http://uis.unesco.org/en/country/ro
[46] Data received from partner states, Data not available for Odessa region and for Zakarpattia only two years are covered.

One of the major impacts of the Covid 19 crisis has been on the education system, with major disruptions, closures of school and even training and vocational classes having to be performed online. The most vulnerable of the social groups have been most significantly affected, with school lacking the technical tools to conduct online classes and children not having the necessary equipment for attending online classes. "The COVID-19 pandemic has caused the largest disruption of education in history, having already had a near universal impact on learners and teachers around the world, from pre-primary to secondary schools, technical and vocational education and training (TVET) institutions, universities, adult learning, and skills development establishments. By mid-April 2020, 94 per cent of learners worldwide were affected by the pandemic, representing 1.58 billion children and youth, from pre-primary to higher education, in 200 countries"[47].

The need to mitigate this impact is of outmost importance for the education system in the eligible area. There is a need to consider the fact that education is not only a fundamental human right but also an enabling one, granting the possibility to work and live with dignity and not to enter the poverty line.

4.2 Social inclusion

According to the UN definition *"Social inclusion is the process by which efforts are made to ensure equal opportunities - that everyone, regardless of their background, can achieve their full potential in life. Such efforts include policies and actions that promote equal access to (public) services as well as enable citizen's participation in the decision-making processes that affect their lives."*[48]

Social inclusion refers to status, rights, meaningful participation and fair treatment of everyone in society. Social inclusion is multi-dimensional and affects various life domains: economic, political, cultural, social.

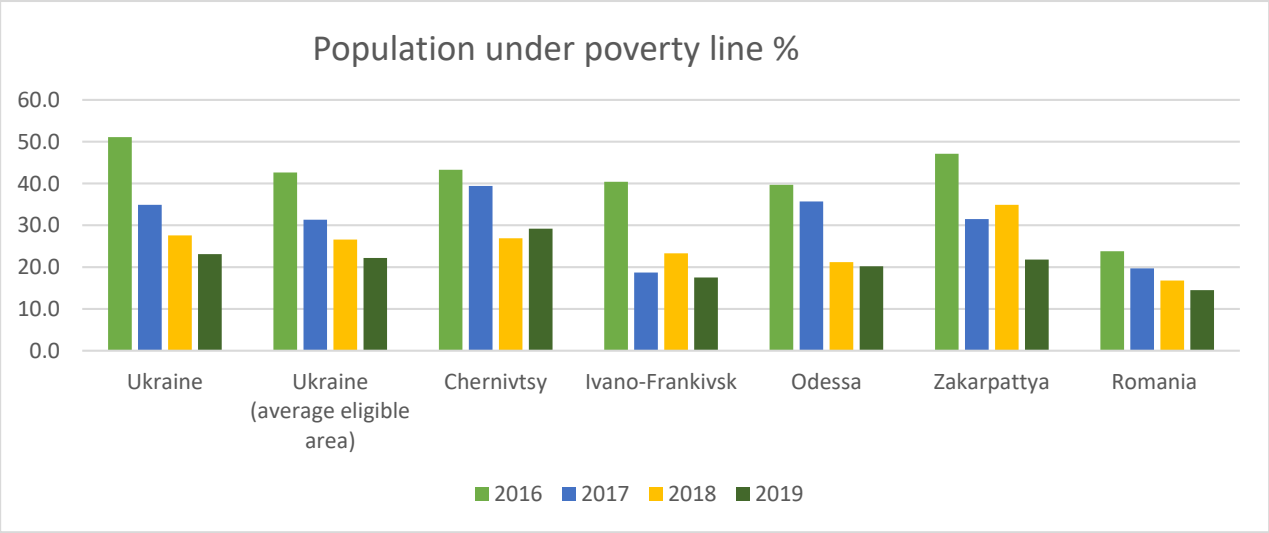


Figure no. 43- of % of population under poverty line 2016-2019[49]

47 https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/08/sg_policy_brief_covid-19_and_education_august_2020.pdf
48 https://www.un.org/development/desa/socialperspectiveondevelopment/issues/social-integration.html
49 Source: data provided by the participating countries.

The proportion of population under poverty line varies across the Ukrainian eligible area, with an overall descending trend, in line with the overall national one. However, the population under poverty line has variations and in Chernivtsi, with an increasing trend between 2018 and 2019.

The COVID-19 pandemic has affected society as a whole but the most significant impact was on the already vulnerable segments of the population, with reduced employment opportunities, difficulty in accessing the health system, disruption in education, etc. "People without access to running water, refugees, migrants, or displaced persons also stand to suffer disproportionately both from the pandemic and its aftermath – whether due to limited movement, fewer employment opportunities, increased xenophobia etc. If not properly addressed through policy the social crisis created by the COVID-19 pandemic may also increase inequality, exclusion, discrimination and global unemployment in the medium and long term. Comprehensive, universal social protection systems, when in place, play a much durable role in protecting workers and in reducing the prevalence of poverty, since they act as automatic stabilizers. That is, they provide basic income security at all times, thereby enhancing people's capacity to manage and overcome shocks".[50]

4.3 Culture and Tourism

The eligible area has a strong cultural background and touristic potential, given both by the large number of cultural sites and by the beautiful landscaped, and also the Danube Delta.

The number of heritage sites in the eligible area is very high, a total of 12,000 in Ukraine and 2,500 in Romania. The number of heritage sites open to the public though is considerably lower, with 7700 in Ukraine and only 56 in Romania. In terms of digitalization, In Romania there are only around 20 sites digitalized, while for Ukraine there is no available data. Regarding rehabilitation of heritage sites, data is available only for Chernivtsi in Ukraine, with 64 sites rehabilitated in 2019. For Romania, there are 6 sites rehabilitated over a 4-year period, which is very low. There is no available data regarding the current state of these sites, whether they are in good condition or necessitating rehabilitation.

The COVID 19 situation has posed significant pressure on the culture and tourism sectors. Usual visitations were not possible, nor events during the pandemic and the pressure was significant towards finding new ways of giving people access to cultural sites and events. This has brought into attention the importance of digitalization of the museums, libraries and event halls, which would allow them to navigate the uncertain times of the pandemic but also, on the longer run, to reach more visitors, also across borders.

[50] Source: United Nations, Department of Economic and Social Affairs, Social Inclusion, "Everyone Included: Social Impact of COVID-19", https://www.un.org/development/desa/dspd/everyone-included-covid-19.html

4.4 Health

One of the key issues presented in the Joint Paper is that of health, and this issue was only aggravated by the COVID 19 pandemic, although more sources of financing might become available due to the health crisis generated by the pandemic.

The level of spending on healthcare goods and services as a percentage of GDP is much lower in Romania and Ukraine than the EU average, estimated at 9.9% of GDP in 2017[51]. As shown in the figure below, the spending on health as a % of GDP in on average of 3.6% over 2016-2018 and of 4.13 for Romania. This puts the two states below 50% spending as compared to the average EU, generating multiple health related issues and explaining the had impact of the pandemics on the two health systems.

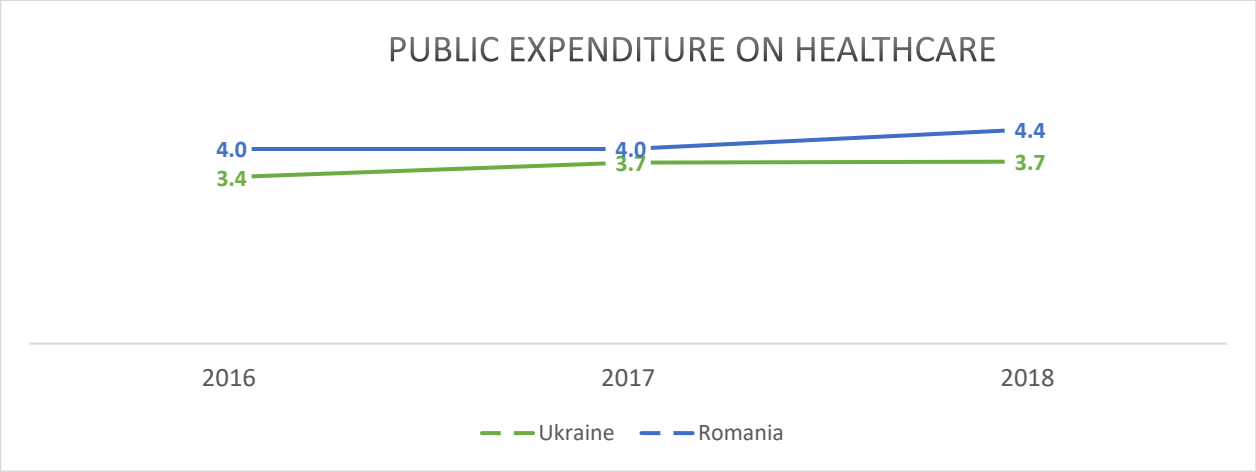


Figure no.44 - Current health expenditure (% of GDP), 2016-2017[52]

The life expectancy at birth is significantly different between the two countries, with Ukraine at about 72 and Romania at 75, and both countries are below the EU average of 81 years (2018)[53]. Compared to the previous programming period, the life expectancy as improved as according to Eurostat data, in 2012, in Romania the general life expectancy at birth was of 74.2 years, while according to the state statistics in Ukraine life expectancy was of 71.2[54]. The increase is higher for Romania than for Ukraine over the 4-year timeframe between 2012-2016.

[51] Source: Eurostat, https://ec.europa.eu/eurostat/documents/4187653/10321591/Healthcare_expenditure_2017-02_2.jpg/832870fe-8345-3de6-01e8-be2807c52076?t=1585550206734
[52] Source: World Bank DataBank, World Development Indicators in https://databank.worldbank.org/source/world-development-indicators, data provided by participating country – for Ukraine
[53] Source: Eurostat, https://ec.europa.eu/eurostat/databrowser/view/sdg_03_10/default/table?lang=en
[54] Romania-Ukraine Joint Operational Programme 2014-2020

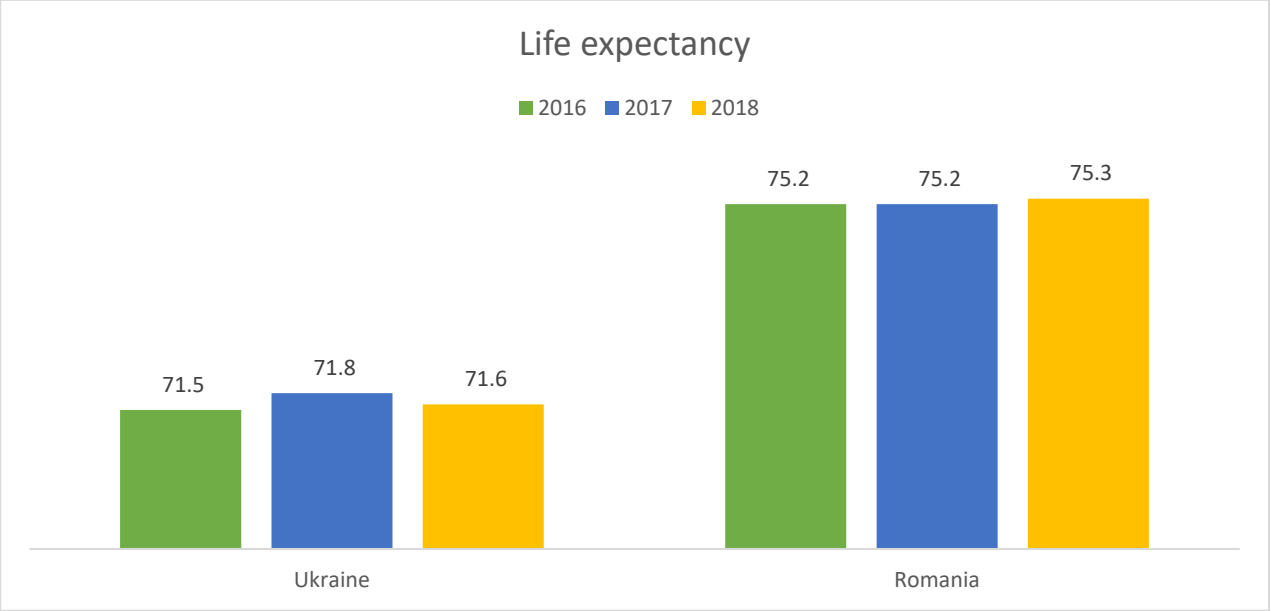
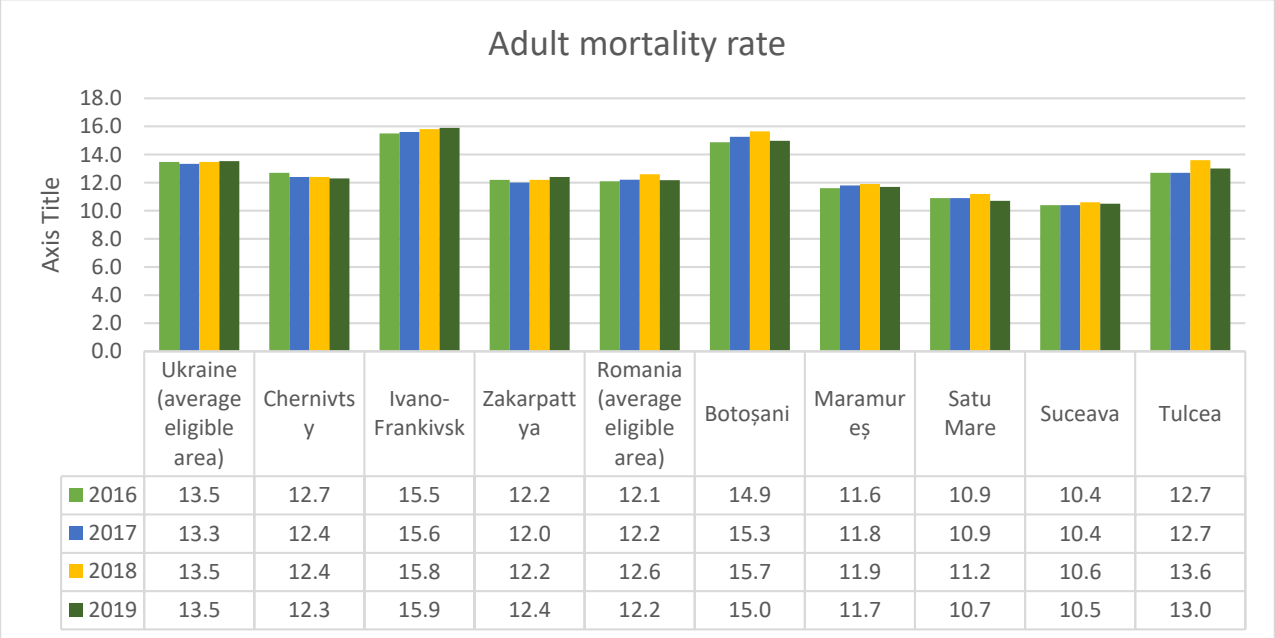


Figure no. 45- Life expectancy at birth (years), 2016-2018[55]

Looking at the data for adult mortality rate, the numbers for Ukraine are higher by 1% compared to the average for the Romanian side of the eligible area, and the rates have very small year on year variations between 2016 and 2019.



	Ukraine (average eligible area)	Chernivtsy	Ivano-Frankivsk	Zakarpattya	Romania (average eligible area)	Botoșani	Maramureș	Satu Mare	Suceava	Tulcea
2016	13.5	12.7	15.5	12.2	12.1	14.9	11.6	10.9	10.4	12.7
2017	13.3	12.4	15.6	12.0	12.2	15.3	11.8	10.9	10.4	12.7
2018	13.5	12.4	15.8	12.2	12.6	15.7	11.9	11.2	10.6	13.6
2019	13.5	12.3	15.9	12.4	12.2	15.0	11.7	10.7	10.5	13.0

*Figure no 46 : Adult mortality rate per 1.000 persons*56

One very important indicator for the health services of a certain country is "the infant mortality rate" (number of infants dying before reaching one year of age, per 1,000 live births), as it gives

[55] Source: World Bank DataBank, World Development Indicators in https://databank.worldbank.org/source/world-development-indicators

[56] Data provided by participant countries, missing data for Odessa oblast.

good insights into both access to health care and overall living conditions. In regards to Romania and Ukraine, the rate is higher than the EU average[57], which was 3.4, in 2018, but steadily decreasing over the four year period. The average for the eligible area is, as shown in the figure below, higher than the national average for both countries. This could indicate problems related to living conditions and access to healthcare for peripheral communities.

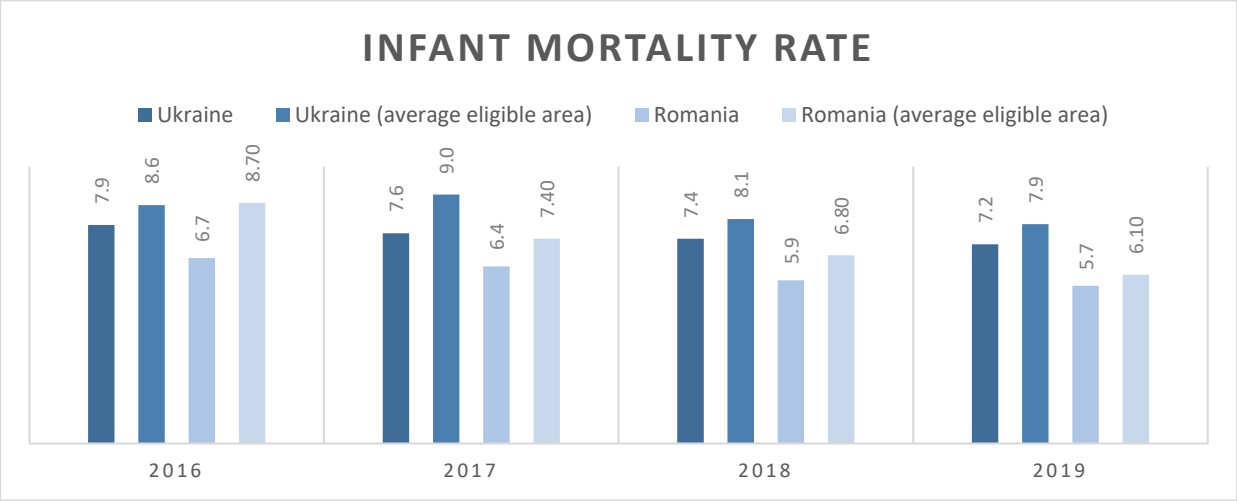


Figure no.47 - Mortality rate, infant (per 1,000 live births), 2016-2019[58]

The number of teenage mothers, or the adolescent fertility rate, is very important as risks for both mother and babies are higher and many adolescent mothers leave school which forces them into low skill low pay jobs, inducing a circle a poverty, both for them and their children. Adolescent fertility rates have a decreasing trend for both countries between 2016 and 2019, with Romania having a much large fertility rate among adolescents. Also, compared to average EU, which is 11, the eligible area has more than twice and three times, respectively, higher rates.

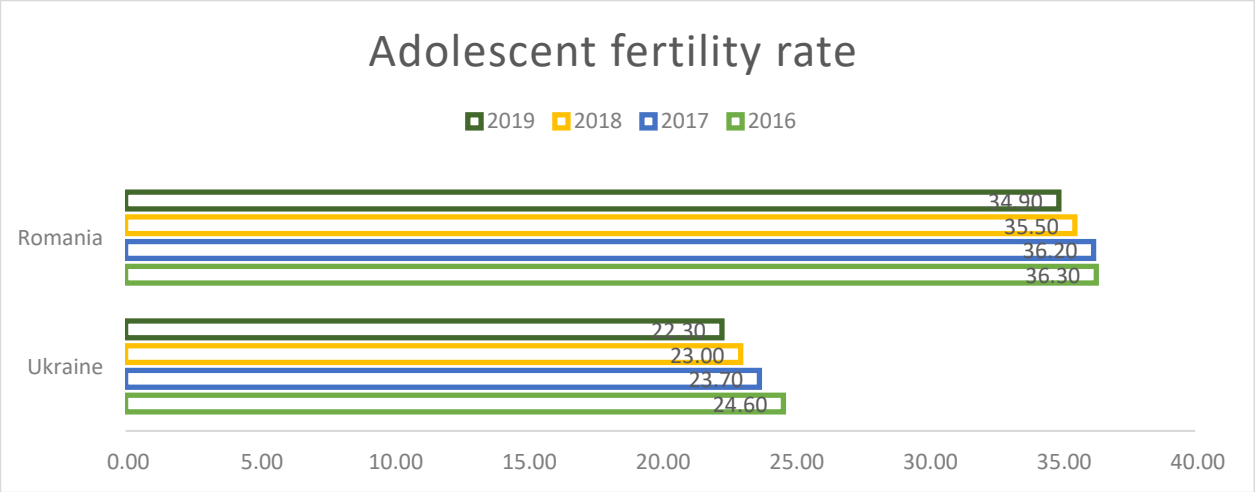


Figure no.48- Adolescent fertility rate,2016- 2019[59]

[57] Source: Eurostat, https://ec.europa.eu/eurostat/databrowser/view/demo_minfind/default/table?lang=en
[58] Source: data received from participant countries, INS for Romania
[59] Source: World Bank DataBank, World Development Indicators in https://databank.worldbank.org/source/world-development-indicators

Universal health coverage (UHC) is about ensuring that people have access to the health care they need without suffering financial hardship. Supporting health represents a foundational investment in human capital and in economic growth—without good health, children are unable to go to school and adults are unable to go to work. It is one of the global economy's largest sectors and provides 50 million jobs, with the majority held by women[60]. In 2017 Romania ranked 74, Ukraine 68, while the EU average was 79.8[61] compared to 2015, when they ranked at 73, 65 and 78. The ranking is given from 1 to 100, where 1 is the lowest. Both countries are below the EU average but they follow the same ascending trend as the EU, which means there is improvement in the UHC.

The healthcare resources, as reflected by the number of beds, the number of doctors per 100,000 people and number of hospitals are different between the two countries, sometimes also bearing opposite trends, as shown in the figures below.

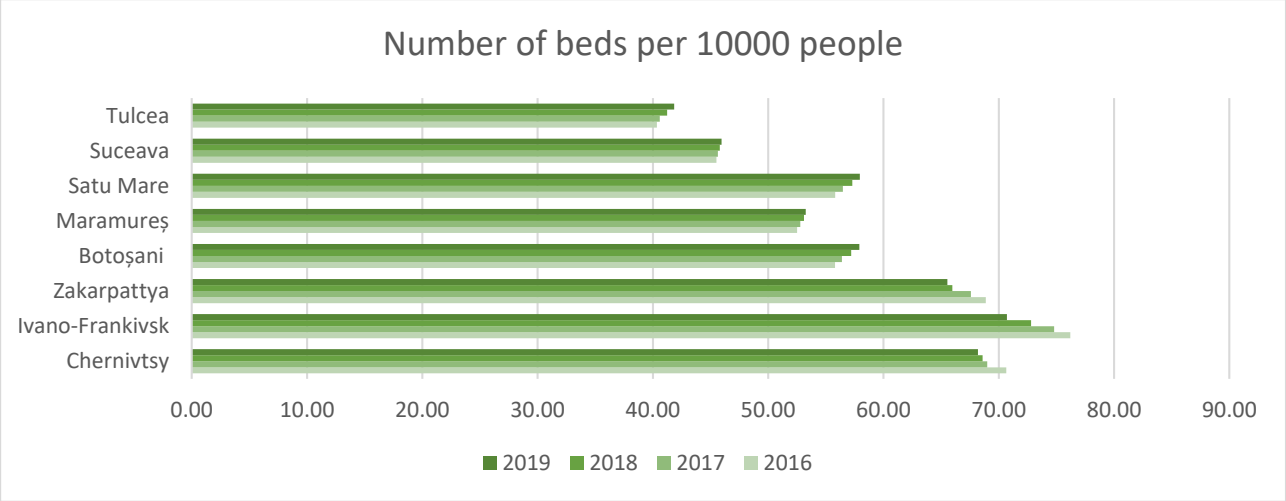


Figure no 49 : Number of beds per 10000 people[62]

Regarding the number of beds per 10 000 people the trends are opposite for the counties in Romania and oblasts in Ukraine. While in Romania there is an increasing trend in number of beds per 10 000 people, given by the decrease of the resident population, as the number of beds are constant, in Ukraine the same indicator follows a decreasing trend. While in Romania the number of beds remains constant (a decrease of 30 beds in 4 years), in Ukraine there is a decrease in the absolute numbers between 2016 and 2019 of more than 1500 beds.

A challenge, in relation to the number of doctors (and skilled medical workforce in general) for certain countries, is represented by emigration. For instance, the most severe impact of doctors' migration is in Romania, considering that 11,387 Romanian doctors (about one fifth of the number of doctors in the country) worked, in 2018-2019, in Germany, France, the United Kingdom and Belgium alone (in addition, in smaller numbers, Romanian doctors worked in other countries as well[63]. As regards the eligible area the challenge of migration is even more apparent. Where there is an ascending trend the slight increase in the number of doctors is corroborated with a decrease

[60] https://www.worldbank.org/en/topic/universalhealthcoverage
[61] https://data.worldbank.org/indicator/SH.UHC.SRVS.CV.XD?locations=RO-UA-EU&most_recent_year_desc=false
[62] Data provided by the partjner countries and state statistics, data not available for Odessa
[63] Source: OECD, Health Workforce Migration: Foreign-trained doctors by country of origin – stock, 2018 and 2019, https://stats.oecd.org/Index.aspx?QueryId=68336

of the population. Looking at the big picture of the eligible area, the human resource factor is less of an issue in the Ukrainian side of the eligible area, where there are more than 2 times more physicians that in Romania.

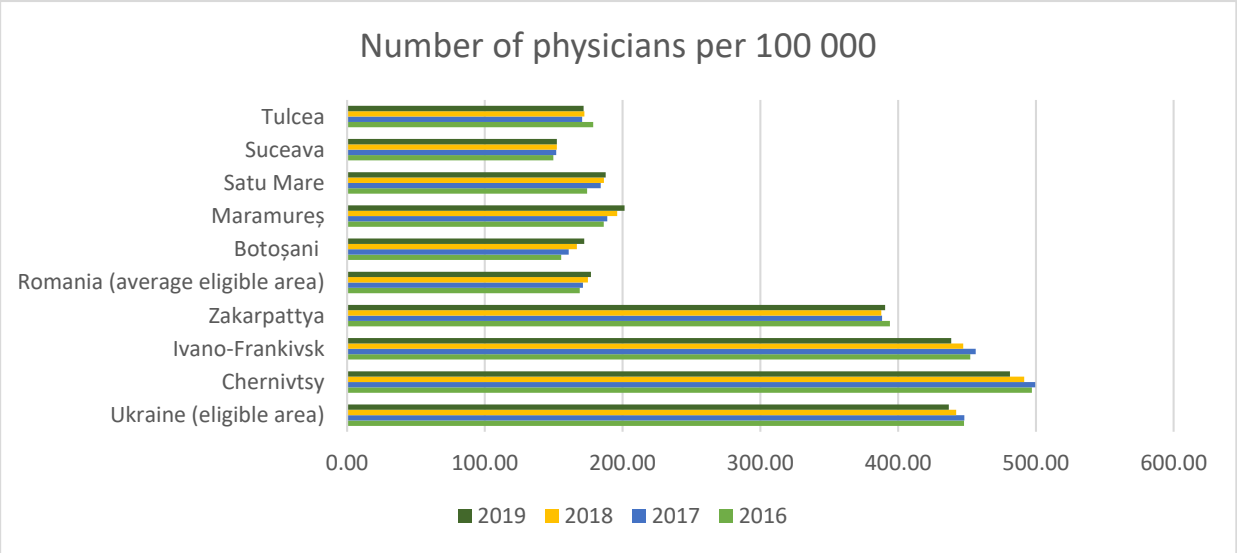


Figure no 50 : Number of physicians per 100 000 people[64]

Regarding the number of hospitals, it has remained constant over the 4-year period in Romania, but they offer a better coverage of the population because of its decreasing trend. In Ukraine however, there has been a big shift in the number of hospitals, with a difference of 18 units between 2016 and 2019 across the eligible area, generating a decreasing trend also in population coverage by health units.

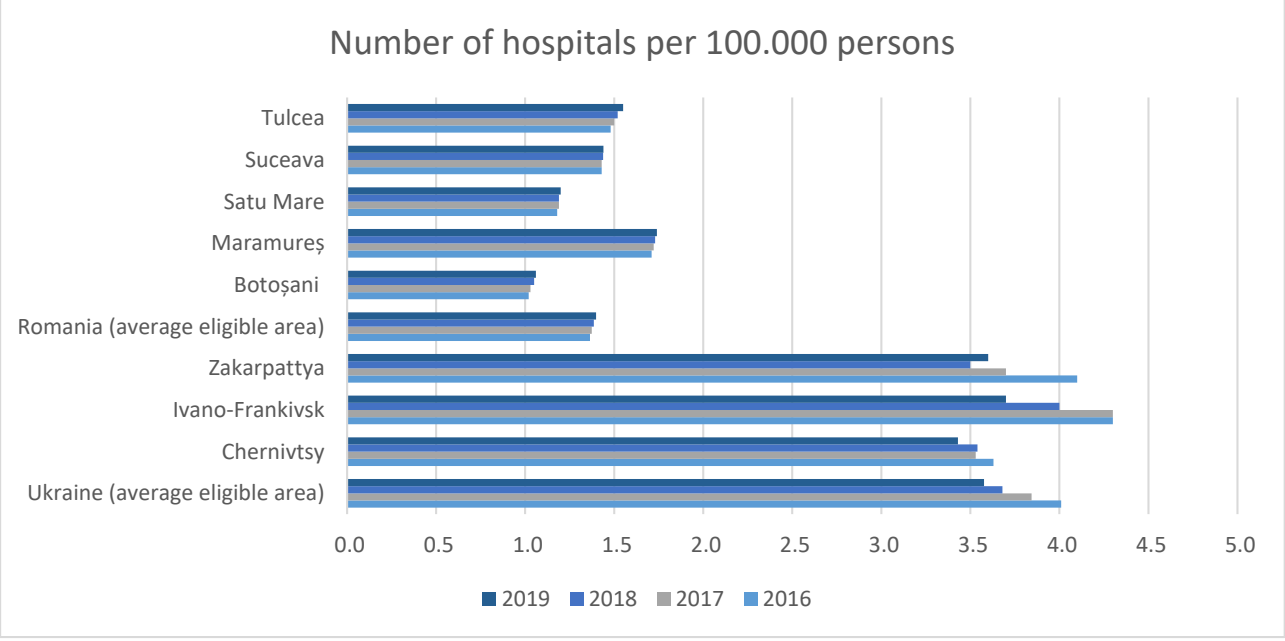


Figure no 51: Number of hospitals per100 000 people[65]

[64] Data provided by partner countries, National statistics
[65] Data provided by partner countries, National statistics

To sustain the average gains in life expectancy, continuous efforts are required to decrease mortality. For both Romania and Ukraine, the main cause of death, according to the World Health Organization are the diseases of the circulatory systems, followed by neoplasms and external causes and diseases of the respiratory system[66].

In the context of the Covid 19 pandemic the importance of a strong health system, capable to deal with emergencies has proven to be important for the population and the economy in general. It has also stressed out the importance of investments in infrastructure and health coverage.

The COVID-19 pandemic has highlighted the importance of strong public health systems and emergency preparedness for communities and economies globally and that greater investments in universal health coverage are needed[67].

4.5 Preliminary consultations

During the preliminary consultations, PO 4 scored high in terms of relevance and importance for the border area, both during interviews and focus groups.

During the interviews, PO 4 was ranked as third most important policy objective for the eligible area, with its wide variety of issues that it can address. 7 out of 11 respondents ranked it among the three most important POs. "The most critical need is to improve access to health services. People who live in remote regions are often unable to access basic health services.

Tourism development is also very important for the region, as it will improve the welfare of the middle class through the development of small businesses in tourism and related sectors (hotels, restaurants, souvenir production)." (Representative of Chernivtsi Regional State Administration)

In terms of specific areas of PO4 to be financed, the best indication is given by the ranking of the specific objectives, presented in the figure below. The three most relevant specific objectives were those related to access to health, education and culture and tourism. The opinions expressed in the interviews are consistent with the findings from the analysis of the statistical data, which highlights education and health as areas with the greatest need for intervention and financing.

[66] Source: World Health Organization, https://apps.who.int/healthinfo/statistics/mortality/causeofdeath_query/
[67] Source: United Nations News, October 2020, https://news.un.org/en/story/2020/10/1074832

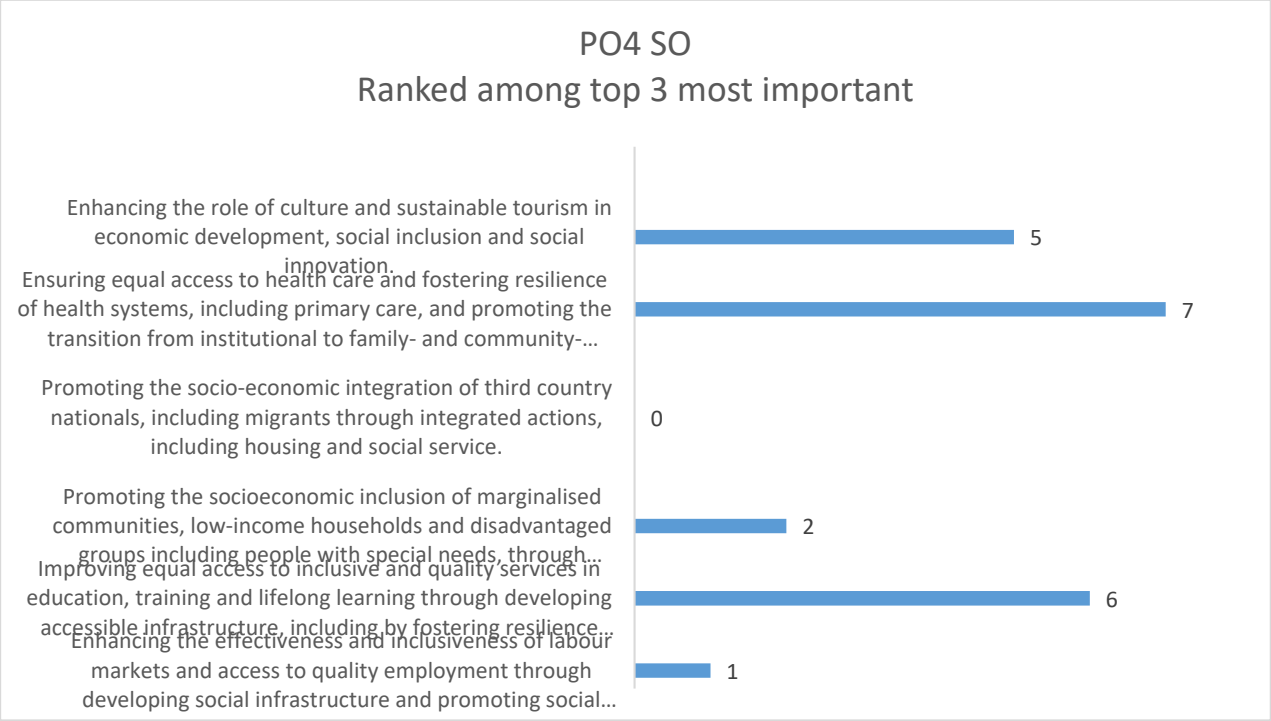


Figure no 52: Specific objective ranking, Interviews

During the focus groups the same issues came out as important for the border communities of the two countries. The top two subtopics preferred where equal access to health (SO5) and culture and sustainable tourism (SO6). In third position we see access to education (SO2), with the other subsectors obtaining lower attention.

Where the **health sector** is concerned, participants pointed out that there is a need to **improve hospital facilities** and buy **modern equipment**. Capacitation of personnel and **joint trainings** are especially important for them, including training regarding COVID treatment and vaccination. Partners recalled their experience in the project implementation in the previous and current programming period, where interventions helped to **refurbish local hospital, purchase new equipment, and gain new experience**. To be noted, currently Ukraine is on the stage of the **healthcare reform**. According to the reform goals, the patient must be the centre of attention. The **development of the idea of "family doctors"** motivates hospitals to improve facilities and provide more attention to patients, because funding "goes with the patient". Therefore, hospitals must work on **measures for attracting patients** with better services, including developing healthcare infrastructure and improve cross-border cooperation.

Culture and sustainable tourism were considered a strategic field of intervention, and the cruisers sector both in the sea and rivers was mentioned as a priority, especially after the COVID-19 pandemic and the need of restoring the sector and establishing **new protocols**. **Yacht sector** has been also mentioned. Pandemic disclosed also a potentiality on the **proximity tourism** despite the lack of direct flights connecting the territory. There is an opportunity on promoting the attractiveness for neighborhood territories for reciprocal visiting, with beneficial socio-economic effects. Cross border cooperation on **museum management** has been also quoted as a fertile field of intervention.

Coherently with the above displayed ranking, the conversation during the focus group emphasized **education as another very important sector** especially on the need of integrating and keeping tight cooperation between countries, now that **remote learning solutions** are becoming part of our daily life. After the COVID-19 pandemic there are more possibilities for students to have common curricula and programmes or portions of them. Supporting the **digitalization** in education is at the top of the agenda for both territories.

Despite not high in the rank, **labour market** was mentioned as well as an interesting field of intervention. The **enhanced digitalization on national labor agencies** allows the systems to register for instance population coming in Romania from Ukraine. Many young persons among them, being students, do not consider to register themselves for work permit but they represent in Romania an interesting category to be employed in **emerging sectors** such as IT and innovative sectors. Digitalization and the raise of **distant working** is reshaping the job market with interesting opportunities to be explored for both territories.

The main opinions expressed during the focus groups regarding types of actions in the framework of this Policy Objective are summarized below:

Healthcare system: The programme shall promote idea of multilevel project implementation. For example, the first stage (or first project) is the facilities improvement (**refurbishing**), the second stage is purchasing the **modern equipment**, the third stage is **training for the staff**. Also, the implementation of the projects in this specific objective can relate to PO2 (promotion energy efficiency), because hospitals consume a lot of energy resources. Previous experience in successful projects provided for instance new **equipment for the pulmonology** and **surgery departments**, the renew the **emergency room**, and an increase on the implementing **telemedicine**. There is a capacity for **medical tourism** development. In some cases, hospital has nice properties and facilities which can be developed as **playgrounds** or **recreation park**. The region has deposits of therapeutic salt which can be used for **SPA** or **medical treatment plants** and for the **resort** purposes.

Among the other social sectors: a **yacht school** on shipment and general on yacht business was mentioned, being the sector under stress but at the same time promising and still well alive, especially in the area of Odessa among other. **Digitalisation measures** have often been evoked for many purposes, in the sector of **museums**, **labor** and **education**. All those sectors have been **heavily stressed by the COVID-19 pandemic**, with interesting change of paradigm in the way services are designed, customized, delivered and perceived. A series of twists are in front of us and the **cross-border dimension have to accelerate our capacity of innovate and learn**. More specifically, in the field of tourism & culture activities: a) **digitization of museum collections**, b) promotion of **nature-based tourism**, c) **conservation and use of archaeological sites** as tourist destinations, d) **support to cross-border cooperation between ethnic communities** divided by the border such as Romanian community in Ukraine, Ukrainian community in Romania, or Lipovans of the Danube Delta area and Bucovina.

4.6 Lessons learnt

Fields currently covered by PO4 were included in the financing strategy of the previous Romania-Ukraine Programme and also in the strategy of the Romania-Ukraine-Republic of Moldova 2007-2013 Programme. As shown in the graphic below, the allocation for Thematic Objectives financing activities related to PO4 was more than three times lower than the requested amounts and funds were also reallocated from other TOs to supplement the allocation for these typed of activities. In terms of quality of projects 62 soft projects and 18 hard projects were submitted, out of which 20 were rejected during the first step of the evaluation, administrative and eligibility check. The difference between the last project selected for financing and the first one on the reserve list is also very small, ranging from 0.5 to 2 points.

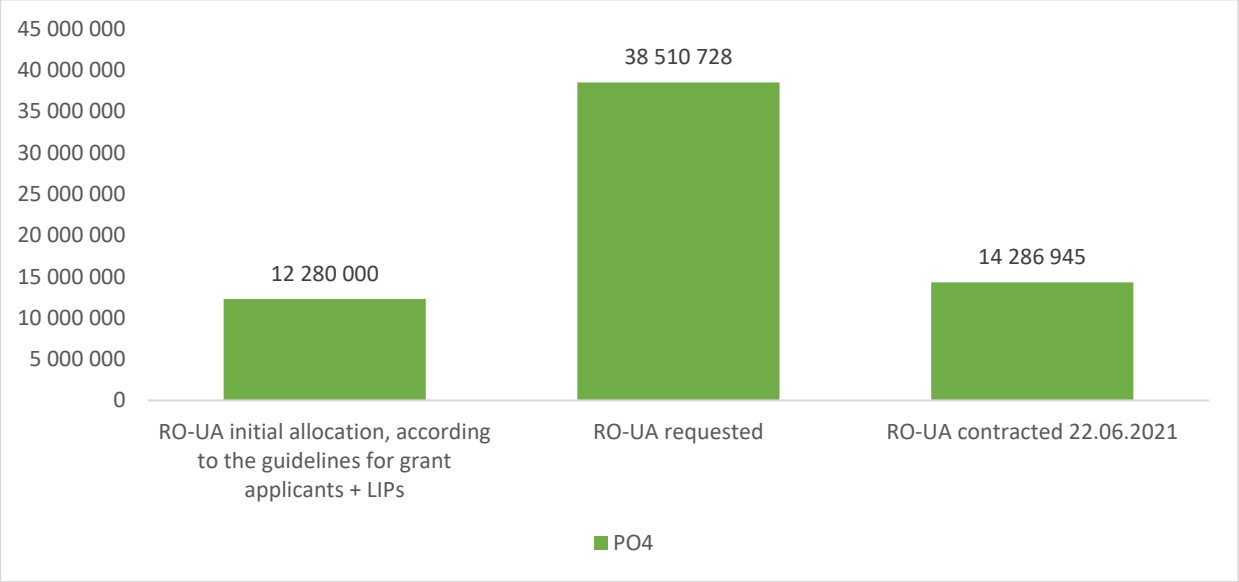


Figure no 53: Overview of the funds allocated, requested and contracted during 2014-2020 to activities relevant for PO 4, euro

4.7 SWOT analysis and preliminary conclusions

Strengths	Weaknesses	Opportunities	Threats
Unemployment generally decreased over the analysed timeframe	Low spending on health as % of GDP as compared to the EU average	Improving the education system through digitalisation and online classes	COVID 19 pandemic, causing disruption in education, labour and health system
Population under the poverty line follows a descending trend	Unefficient spending on education	Supporting the work force to mitigate to COVID 19 crisis through digitalisation	Increased pressure on the vulnerable groups due to the pandemic, affecting mostly low skilled jobs generating more economic pressure and increase in the numbers living under the poverty line
Life expectancy has increased	High youth unemployment and high youth NEET	Enhancing online communication in all areas	Political crisis and regional conflicts might represent disruptions in the implementation of legislative reforms
Eligible area benefits from a strong cultural network	Life expetancy below EU average	Financing opportunities from multiple sources	
UHC is following an increasing trend	Access to health services more difficult than in the EU		
	High rates of adolescent fertility		
	Decreasing trends in health infrastructure		
	Infant mortality rates higher than the national average		

Education

Education remains a key challenge for both countries, with Ukraine spending on education more than EU average but inefficiently, and Romania spending below the EU average. Infrastructure, vocational training, enrolment are key issues faced by the two partner countries, as well as education oriented towards skill development. The pandemics has induced additional pressure on this sector, widening the gap between social classes and making it more difficult for the people facing poverty issues to provide the facilities needed for their children to attend online classes. The issues generated by the pandemics might generate, if not properly addressed, additional causes of concern, especially for the vulnerable population, which with disruption in education might face new problems in gaining skills and integrating in the work force, maintaining a poverty cycle.

Employment

The unemployment follows a decreasing trend for both countries before 2019, trend maintained also for youth in unemployment. However, unemployment for the young remains high and also the percentage of young people neither in employment, education and training.

Health

Both countries spend less than the EU average on healthcare and face issues related to access to healthcare, infrastructure and endowment. Besides the problems already existent in this area, the COVID 19 pandemic has put even more pressure on the system, the need for investments and upgrading of the infrastructure is more stringent than ever. Also due to the current health crisis more sources of funding, both internal and external, may become available.

Culture and tourism

Culture and tourism are areas of great interest for the local communities as they generate streams of revenue for small businesses. The eligible area of the programme has a high touristic potential but it was also affected by the health crisis. Both cultural sites and private businesses dealing with touristic activities have been shut down with impact on the economy, employment and overall life of the local communities. The need to digitalize cultural sites and events has become of vital importance for the future years.

The Joint paper on Interreg NEXT Strategic Programming 2021 - 2027[68] identifies as most relevant topics for cooperation:

- Unemployment and education
- Initiatives to remove legal, administrative and language barriers preventing labour force movement.

[68] The Joint paper on Interreg NEXT Strategic Programming 2021 - 2027

- Joint analyses of regional skills gaps.
- Jointly developed training programmes aimed at young people in isolated areas.
- Health and social inclusion
- Networking of public service providers, training courses and exchange of experience.
- Organisation of cross-border public health campaigns.
- Inter-hospital partnership with joint organisation of care, for complementary care, enabling joint provision of specialist care.

Proposed types of actions:

a) Improvement of healthcare facilities.

b) Projects targeting equal access to inclusive and quality services in education, training and lifelong learning.

c) Support for cultural and tourism sites.

Conclusion

Based on the analysis of the statistical data and on the results of the preliminary consultations, Policy Objective 4 is **recommended for financing** under the future Romania-Ukraine Interreg Next Programme.

Findings from data analysis and consultations indicate strong needs for financing in the following areas covered by PO4:

- Ensuring equal access to health care
- Improving equal access to education
- Enhancing the role of culture and sustainable tourism

Chapter 5 – Better governed cooperation area (ISO1)

Interreg Specific Objective 1 *A better cooperation governance* under the 2021-2027 Interreg Regulation is a dedicated objective shaped on the specific of Interreg programmes.

If in Policy Objectives addressed before there is thematic concentration for certain issues like environment, transportation or social issues, ISO 1 addresses a completely different topic, that of governance challenges related to cooperation[69].

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them[70]. Governance in a cross-border transnational context stands for a framework that enables diverse public and private stakeholders to cooperate across borders[71].

The draft Interreg Regulation indicates certain actions that programmes can address under ISO 1 [72]:

- enhance institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders;
- enhance efficient public administration by promoting legal and administrative cooperation between citizens, civil society actors and institutions, in particular with a view to resolving legal and other obstacles in border regions;
- build up mutual trust, in particular by encouraging people to people actions;
- enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies, as well as other territorial strategies;
- enhance sustainable democracy and support civil society actors and their role in reforming processes and democratic transitions;
- other actions to support better cooperation governance.

In this chapter the focus will be on institutional capacity, efficient public administration, sustainable democracy and support to civil society.

5.1 Institutional capacity

The OECD/EU understanding of the term 'capacity' is as the ability of people, organisations and society as a whole to manage their affairs successfully[73]. Capacity building or development is

[69] Interact (October 2020) – ISO1: Better Cooperation Governance, available at:http://www.interact-eu.net/library#3082-publication-iso-1-better-cooperation-governance
[70] https://datacatalog.worldbank.org/dataset/worldwide-governance-indicators
[71]Source: http://www.espaces-transfrontaliers.org/en/resources/topics-of-cooperation/themes/theme/show/cross-border-governance/
[72] Draft Interreg Regulation, June 2021 – art. 14
[73] https://www.europarl.europa.eu/RegData/etudes/BRIE/2017/599411/EPRS_BRI(2017)599411_EN.pdf

"understood as the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time."[74]

The starting point is the institutional quality, which can be assessed using World Bank's Government effectiveness index, defined as "Perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies"[75].

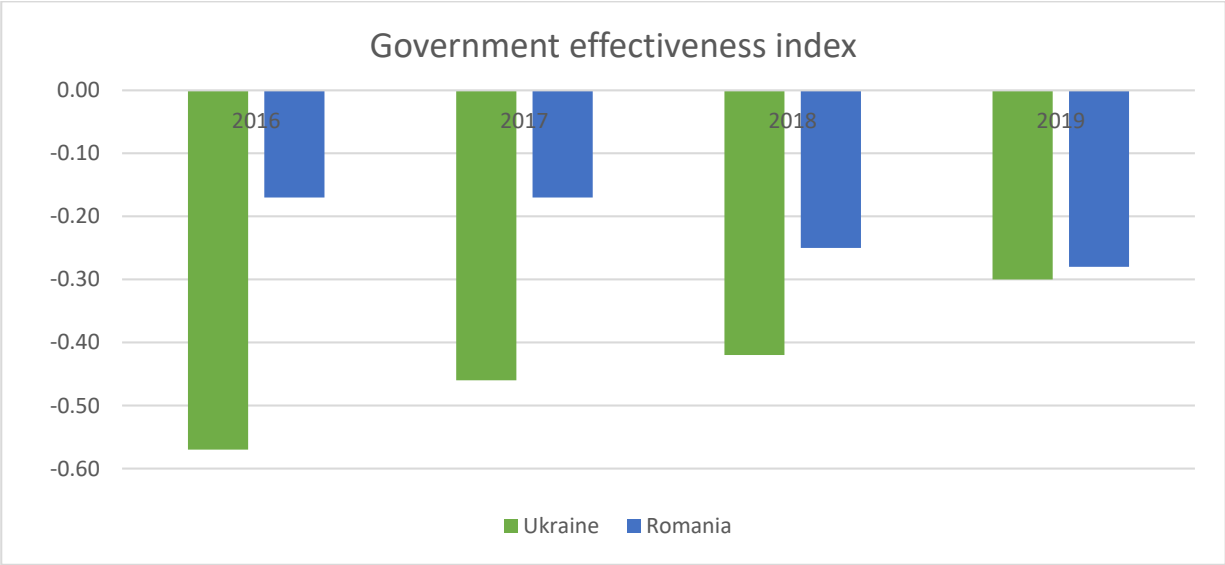


Figure no. 54 Government effectiveness index[76]

From the graph we can notice diverging trends for Romania and Ukraine. While Ukraine seems to be on an improving trend, Romania is going in the opposite direction. Compared to the EU average, which at the level of 2018, was 1.04, the Romanian average is -0.25 and is not improving in 2019. Ukraine has a slightly lower index than Romania for 2019 but with a decreasing trend.

A better quality governance is important for the development of peripheral regions, to the inclusion of local authorities in the policy making process and better quality policies for the communities. The level of autonomy of local authorities in the eligible area is not high, many of the main policy areas being highly centralized. In order to achieve the successful implementation of local initiatives, administration capacity is very important.

In addition to the above-mentioned indicator, Government accountability index, quality of regulation and economic freedom are also relevant for ISO 1.

Government accountability index quantitatively assesses the access that citizens and businesses have to a country's government, their ability to monitor its behaviour, and their ability to seek redress and advocate for improved governance. This particular indicator is highly relevant for the

[74] https://www.europarl.europa.eu/RegData/etudes/BRIE/2017/599411/EPRS_BRI(2017)599411_EN.pdf
[75] https://govdata360.worldbank.org/indicators/h580f9aa5?country=BRA&indicator=388&viz=line_chart&years=1996,2019
[76] The ranking is from -2.5 as less effective, to 2.5 as more effective.

border area as it reflects the capacity of the citizens and communities to influence the government.

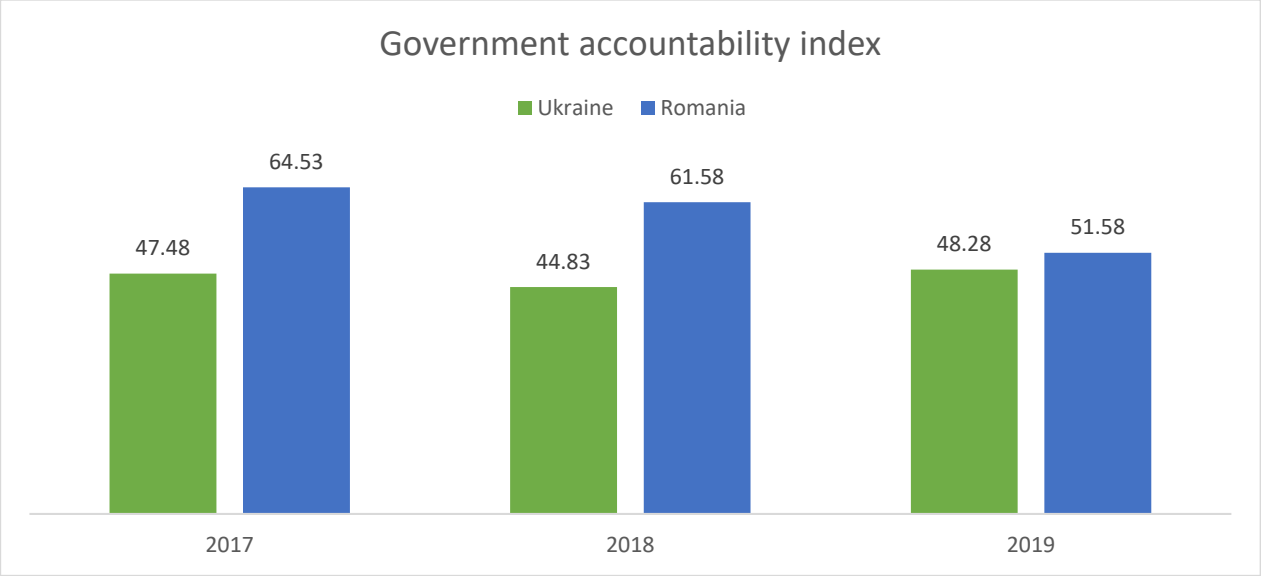


Figure no. 55: Government accountability index

As in government effectiveness index, also in government accountability Ukraine has an improvement trend compared to Romania. Regarding the quality of regulation index as the graphic below shows, Romania has a better index, which means that more people than in Ukraine perceive in a positive way the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. Although on a more positive note, Romania is still lagging behind other member states, Germany having an index for 2019 of 1.72 and Bulgaria of 0.53.

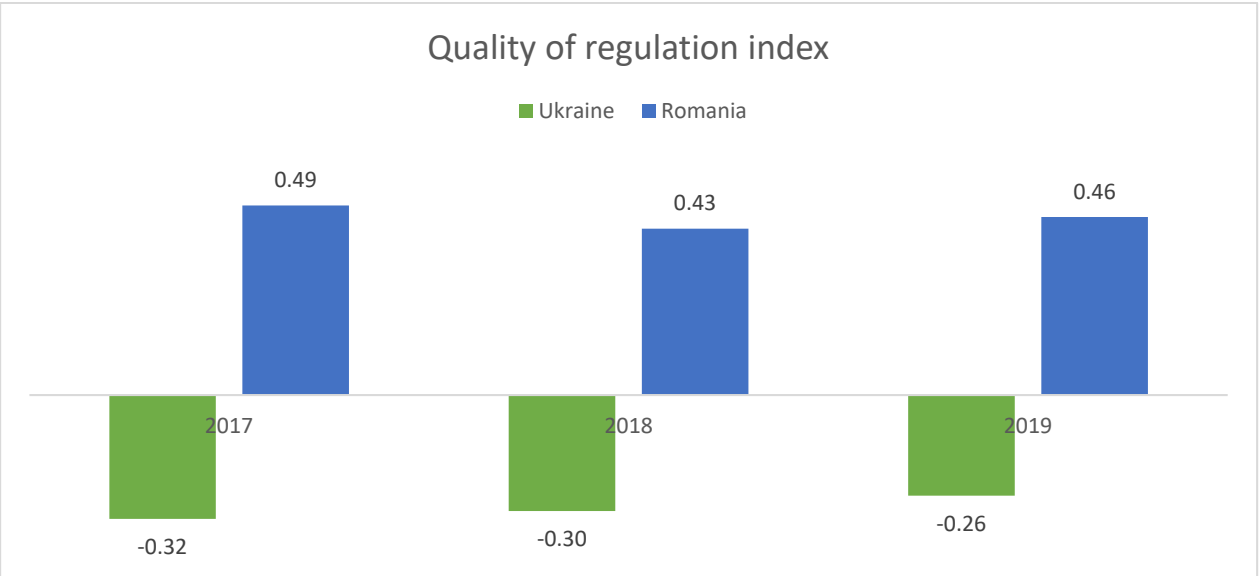


Figure no. 56: Quality of Regulation Index

Another important indicator is the economic freedom index, defined as "the fundamental right of every human to control his or her own labour and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please. In economically free societies, governments allow labour, capital, and goods to move freely, and refrain from coercion or constraint of liberty beyond the extent necessary to protect and maintain liberty itself"[77]. Economic freedom is therefore intrinsically connected to progress and development. From the rankings projected in the graph below Ukraine appears as slightly evolving from restricted to mostly unfree while Romania is ranked as moderately free.

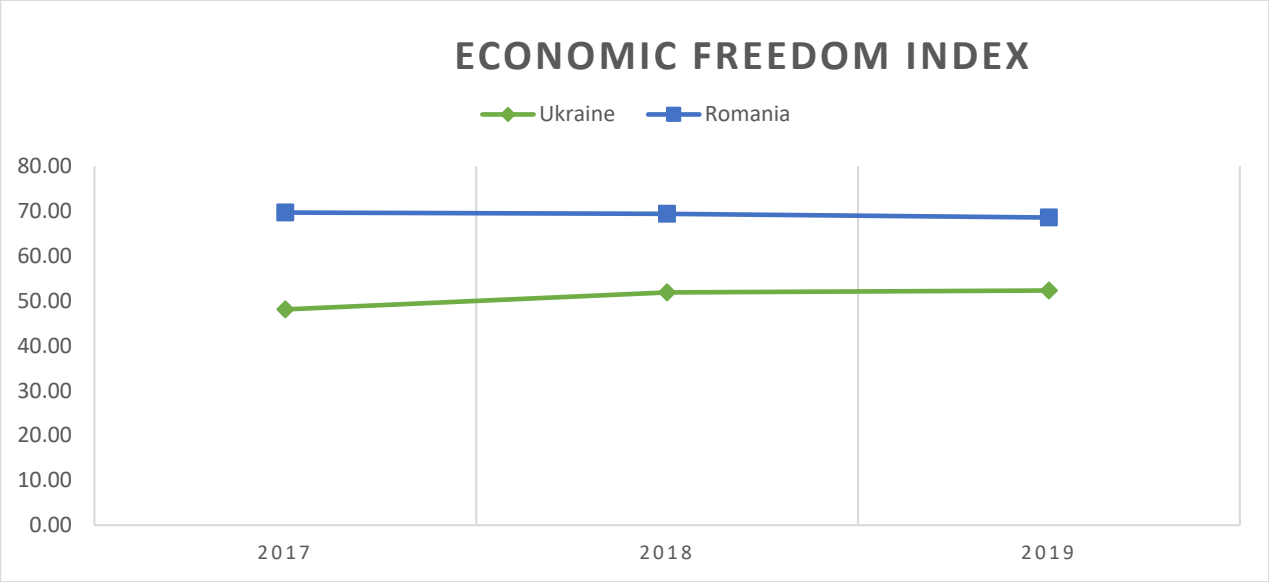


Figure no. 57: Economic freedom index

During the previous programming period the lead applicants were balanced between Romania and Ukraine, although the number of projects with lead beneficiaries from Ukraine is lower than the number of projects with Romanian lead beneficiaries, which may indicate stronger capabilities of the applicants in the member state, generated also by the higher number of projects from EU funds managed by the member state. These capabilities should be transferred also to applicants from Ukraine in order to strengthen their abilities to design and successfully implement projects. In terms of types of beneficiaries, there is a low representation of the NGO s as lead applicants/beneficiaries during the 2014-2020 programming period.

5.2 Digital public services

Digitalisation is becoming more and more important, irrespective of the field. In public service digitalisation is very important as it can mean many things, from services provided online by the government (such as fiscal registrations, invoices, tax information, etc) to participative initiatives.

The E-government development index (EGDI) "is used to measure the readiness and capacity of national institutions to use ICTs to deliver public services. This measure is useful for government officials, policy makers, researchers and representatives of civil society and the private sector to

[77] https://www.heritage.org/index/about

gain a deeper understanding of the relative position of a country in utilizing e-government for the delivery of public services."[78]

The E-Government Development Index presents the state of E-Government Development of the United Nations Member States. Along with an assessment of the website development patterns in a country, the E-Government Development index incorporates the access characteristics, such as the infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people. The EGDI is a composite measure of three important dimensions of e-government, namely: provision of online services, telecommunication connectivity and human capacity[79].

Country	Rank 2016[80]	EGDI 2016	Rank 2018[81]	EGDI 2018	Rank change 2016 to 2018
Romania	75	0.5611	67	0.6671	-8
Ukraine	62	0.6076	82	0.6165	+20

E-government development index

Considering the impact of the Covid 19 crisis and the pressure for digitalization that it has instilled in both public and private sectors it is expected that in the next years the digitalisation to increase considerably and for the governments to provide more services online.

The e-participation index

Promoting participation of citizens is the cornerstone of socially inclusive governance. The goal of e-participation initiatives should be to improve the citizen's access to information and public services and promote participation in public decision-making which impacts the well-being of society, in general, and the individual, in particular[82].

The e-participation index focuses on the use of online services to facilitate provision of information by governments to citizens ("e-information sharing"), interaction with stakeholders ("e-consultation"), and engagement in decision-making processes ("e-decision making").

Country	Rank 2016	EPART 2016	Rank 2018	EPART 2018	Rank change 2016 to 2018
Romania	60	0.6271	69	0.7079	+9
Ukraine	32	0.7458	75	0.6854	+43

The e-participation index

[78] https://publicadministration.un.org/egovkb/Portals/egovkb/Documents/un/2020-Survey/2020%20UN%20E-Government%20Survey%20(Full%20Report).pdf
[79] https://publicadministration.un.org/egovkb/en-us/About/Overview/-E-Government-Development-Index
[80] Out of 193 countries
[81] Out of 193 countries
[82] Source: https://publicadministration.un.org/egovkb/en-us/About/UNeGovDD-Framework

An increase in e governance and digitalisation can have a strong positive impact on the border communities and could also facilitate cross border cooperation.

5.3 Civil society organisations and sustainable democracy

Civil society is the backbone of a mature democracy as it acts like a catalyst for sustainable development and resilience. Together with institutional capacity, support for civil society is of outmost importance for a strong democracy. In young democracies building networks of NGOs can prove to be crucial for development, accessing foreign funding and directing investments where they are needed. Partnerships with public organizations for attracting funds is also common practice and useful in achieving the development of the area.

Data available regarding civil society in the eligible area is scarce, hence there is the need to rely on national data for a picture of the area.

Civil society organizations are defined in the USAID methodology for the CSO Sustainability Index "as any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more[83]."

The CSO Sustainability Index is a tool developed by USAID to assess the strength and overall viability of CSO sectors in countries around the world. By analyzing seven dimensions that are critical to sectoral sustainability, the Index highlights both strengths and constraints in CSO development[84]

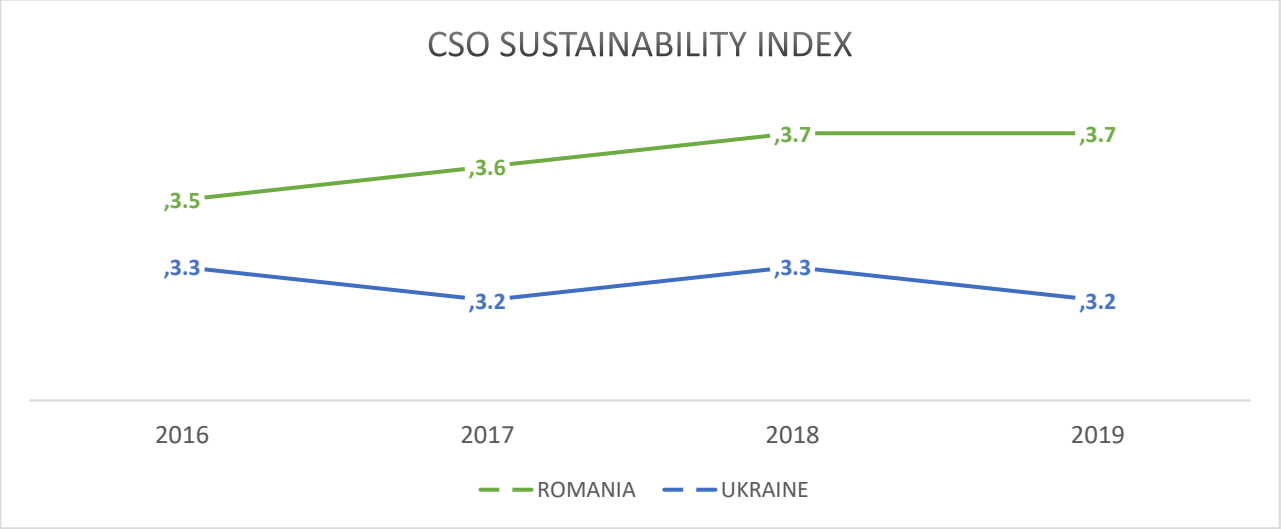


Figure no.58: CSO Sustainability Index

[83] https://storage.googleapis.com/cso-si-dashboard.appspot.com/Reports/CSOSI-Europe_and_Eurasia-2018.pdf
[84] https://storage.googleapis.com/cso-si-dashboard.appspot.com/Reports/CSOSI-Europe_and_Eurasia-2018.pdf

A strong civil society accounts for a strong democracy, hence it is important to enhance the sustainability of social society. The two partner countries in the Ro-Ua Programme can be considered enhanced according to the CSO Sustainability Index, but we can see a stagnating trend for both countries.

5.4. Preliminary consultations

During the interview phase of the preliminary consultations ISO 1 was ranked last as importance from the five policy objectives and consequently the specific objectives were not ranked. At the focus group phase ISO 1 ranked also last in order of importance.

During the specific work group held for ISO 1, the specific objectives were ranked as per the figure below:

Figure no.59: Specific Objectives ranking, focus groups

Cooperation between institutions and citizens (SO2) emerged as the clear preference among the respondents, followed, with a sharp drop in preferences, by the necessity of strengthening the link between national policies toward the implementation of macro regional strategies (SO4).

The point of view of citizens have been stressed during the exchange among participants. The perception of citizens on the institutions needs to be challenged and real changes are necessary also in the way institutions are organised, at the level of line ministries, in the law enforcement sector and at the level of local institutions and municipalities. Despite the rank proposed here above, the conversation evolved naturally putting under the spotlight SO3 as a sort of precondition: building mutual trust, by encouraging people to people actions.

5.5 Swot analysis and preliminary conclusions

Strengths	Weaknesses	Opportunities	Threats
Increasing trends in digitalisation	Different levels of descentralization and power granted to local authorities	EU funded programmes targeting environmental issues, such as the EU4Climate	Political instability and international conflicts or tensions in the region
Active NGO network in the area	Relatively low rates of digitalisation	International donor programmes	Low level of decentralization of the administrations in the area
	Language barriers stand in the way of effective cooperation between institutions	Capitalization of the strong partnerships created during the previous programming periods	Covid 19 pandemic
	Low capacity of the non for profit sector to act as lead beneficiaries in projects		

The Joint Paper identifies as main areas of cooperation:

- Measures having a cross-border dimension to better include minorities and building mutual trust and confidence at local and regional level (like the inclusion of Roma)
- Addressing the cluster area`s low level of institutional capacity, cooperation between Member States and Partner Countries could enable exchanges of best practice for the efficient delivery of public services.
- CBC projects can play a role in helping across frontiers and tackle border obstacles, thinking out of the box and exchanging opinions and experiences. Funding should be opened to a wide variety of project ideas and should not focus on public bodies only, but also on fostering the cross-border exchange between private initiatives (e.g. in the environmental or social sector).

Conclusion

Based on the analysis of the statistical data and on the results of the preliminary consultations, **Interreg Specific Objective 1 is not recommended for financing** under the future Romania-Ukraine Interreg Next Programme.

Although the eligible area has needs also in this area, the need for thematic concentration and the scarcity of resources indicate that other Policy Objectives are likely to bring more significant added value to the border communities.

Chapter 6 – A safer and more secure cooperation area (ISO2)

Safety and security are issues of importance to all countries and give rise to very specific issues and financing needs. Under the future Interreg Next Programmes there is a possibility to finance actions related to safety and security within a certain financial envelope out of the total programme allocation.

The specific objectives under ISO 2 are:

- Border crossing management
- Other actions for a safer and more secure Europe
- Migration management
- Protection and integration of migrants

Depending on the availability of data the main issues addressed for ISO 2 are related to border crossing management and mobility and migration.

6.1 Border crossing management and mobility

The total length of the border is of 649.4 km. The border is varied in terms of type and is formed out of: 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, accessible by car and train:

- Halmeu – Diakove – rail & auto
- Sighetu - Marmației - Solotvino – auto
- Vicșani – Vadul Siret – rail
- Siret – Porubne – auto
- Vicovu de Sus- established in 2014, not operational in 2021
- Dornesti-Climauti – auto, not operational, closed for modernization
- Siret-Ulma – auto, not operational, closed for modernization
- Racovat- auto, not operational, closed for modernization
- Tulcea-Isaccea - auto

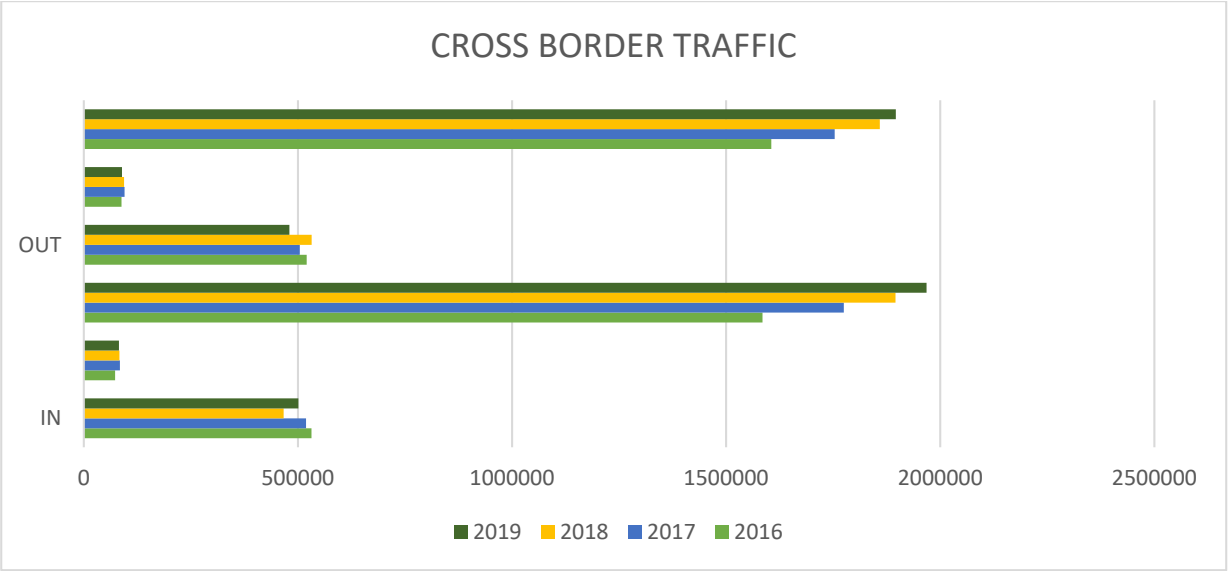


Figure no 60- Cross Border Traffic volume [85]

The available data for cross border traffic is limited. According to data received from the Romanian Customs Service there is an ascending trend for cross border traffic, especially for people. The values for autos and trucks are oscillating but overall they hint towards an increase in recent years.

In terms of border clearance efficiency, data is available only for the Romanian side of crossing points. The value of reference is for trucks, as the clearance process for these types of vehicles is more complicated in terms of procedures to follow. As shown by the graph below there is an improvement in terms of efficiency for the eligible area in the 2017-2019 timeframe, although for certain crossing points there is an opposite tendency for the same period.

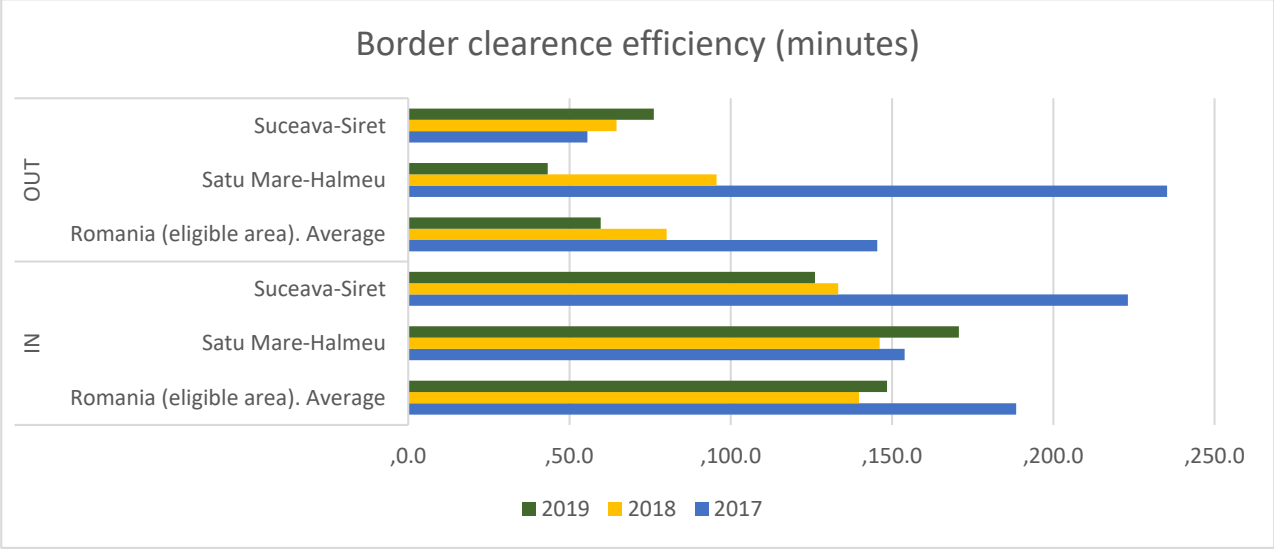


Figure no 61- Border clearance efficiency (minutes)

According to the data received from the relevant institutions in Romania, there are currently 4 crossing points not operational, either for modernization reasons or, in one case, because the

[85] According to data provided by the Romanian Customs Service

crossing point was just recently established. The opening of these crossing points, with modern equipments, could help improve border crossing efficiency.

Border management at the outermost borders of the EU implies that these borders are efficient, ensuring that migration is legal and that trade is legitimate and also secure, by preventing illegal migration and trade. Although these issues are mainly related to the centralized management of the borders, they can be also addressed, at a smaller scale, by local, cross border initiatives aimed at modernizing existing crossing points in terms of infrastructure or equipment or experience exchange between relevant structures.

6.2 Migration management

Europe has been confronting a refugee crisis over the past decade, generated by the conflicts in Syria and the Middle East. Compared to other European countries Romania and Ukrraine are not confronted with a significant increase in the number of refugees, as shown by the table below. In Romania there is an ascending trend compared to 2016, but it's stagnating, while in Ukraine there is a decrease in the number of refugees.

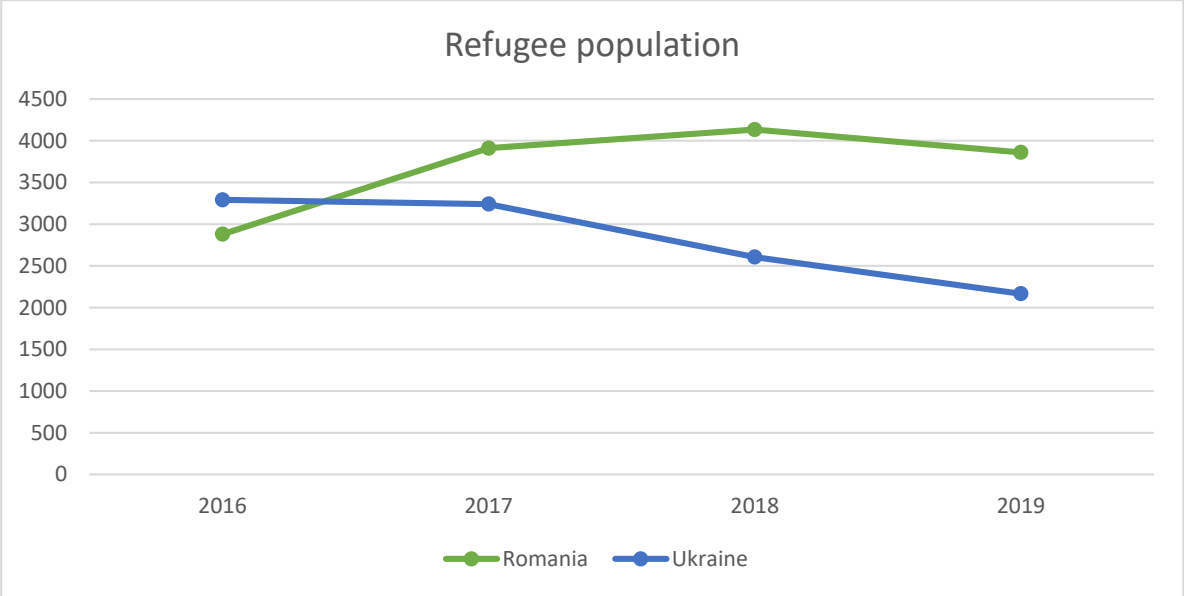


Figure no 62- -Number of refugee population [86]

The real problem in the eligible area is the migration towards other countries in the EU, a problem that started in 2007, after Romania's accession to the EU. After an initial spike in migration following the accession, the numbers started to fall but in 2018 it is estimated that around 230 000 people left the country. These number have a significant impact on the economy but also on all segments of life, as it impacts also on aspects such as the number of physicians or qualified personnel for the most diverse jobs.

Net migration rates, defined as the difference between the number of immigrants and the number of emigrants (people leaving an area) throughout the year , show negative migration rates for both countries[87].

[86] Source: https://data.worldbank.org/indicator/SM.POP.REFG?end=2019&locations=UA-RO&start=2016
[87] Source: https://migrationdataportal.org/?i=netmigrate&t=2020

Net migration rate	2016	2017	2018	2019
Romania	-3.20	-2.80	-2.80	-1.20
Ukraine	-4.10	-4.70	-5.50	-6.00

Net migration rate[88]

Considering the high migration rates, an important indicator for the local economies is "personal remittances as percentage of GDP". From the graph above we can see that the remittances are high in both countries, although comparing the two Ukraine's personal remittances are almost threefold Romania's. This indicates a strong economic dependency, especially for Ukraine, on remittances received from migrants.

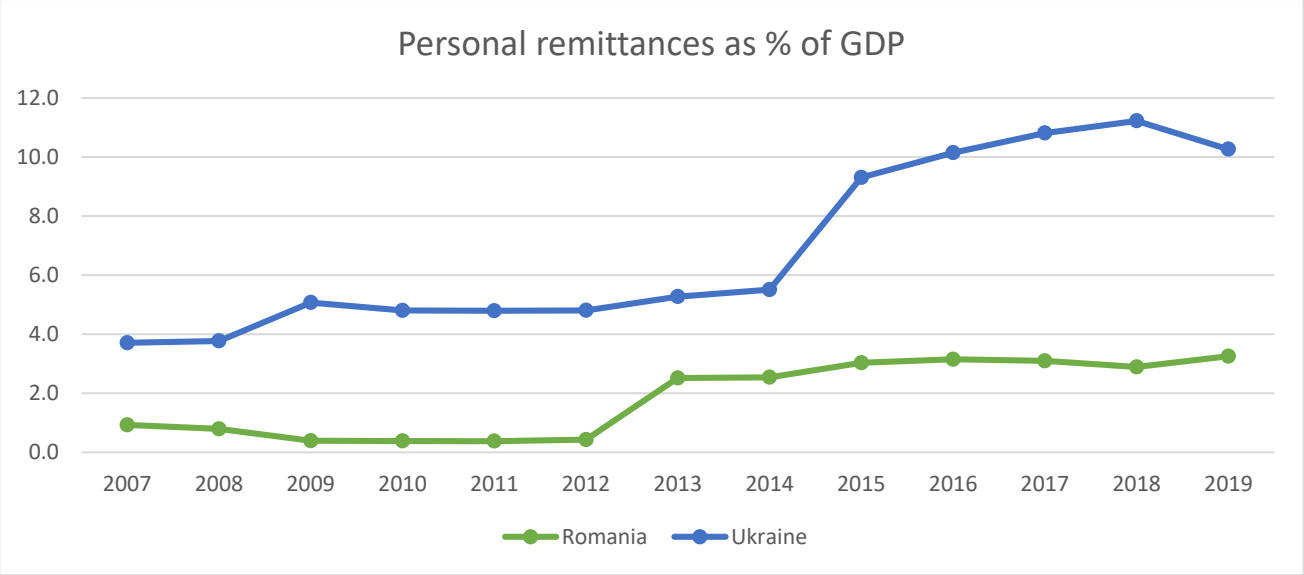


Figure no 63- Personal remittances as % of GDP

For 2020 it is expected that the data has suffered some adjustments in trends, due to the Covid 19 pandemic and measures imposed all over the world to contain the number of infections, leading to limitations in terms of mobility, and therefore migration.

6.3 Preliminary consultations

Both the results of interviews and focus groups indicate a strong interest in this objective. During the interviews it was ranked 4th most important and border crossing management was considered most relevant specific objective, both during interviews and focus groups.

[88] According to Eurostat, except for GE (Geostat)

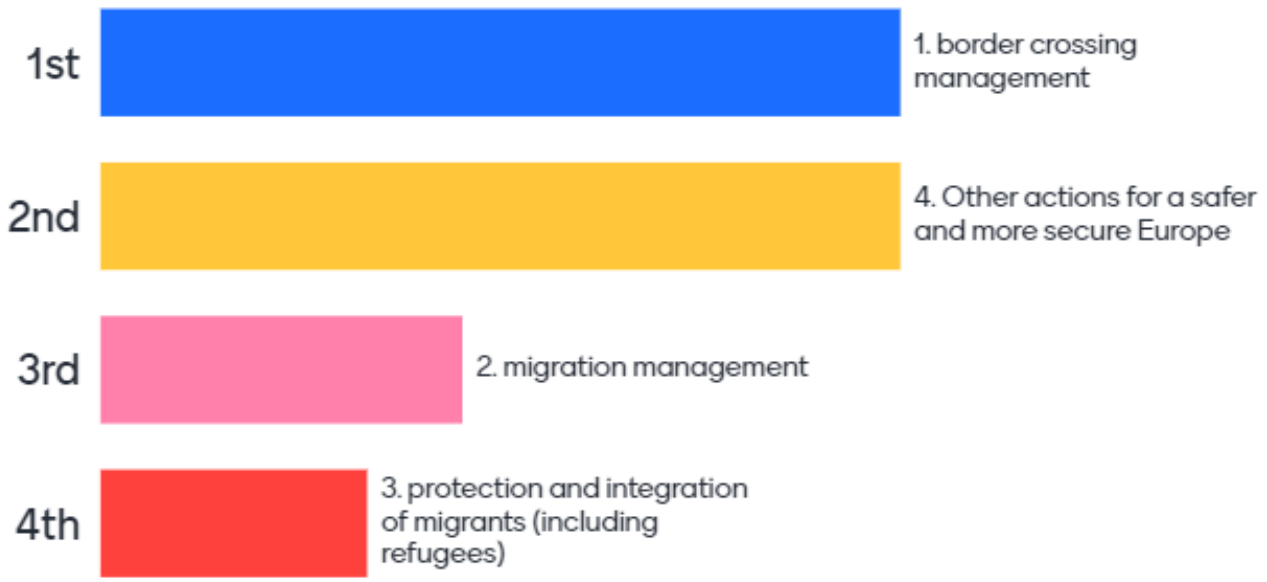


Figure no 64- Overview of rankings of SO s from the focus groups

The focus groups offered also more insight into the specific nature of this ISO.

Border cross management (SO1) and other actions for a safer and more secure territories (SO4) have been equally considered the most interesting goals by respondents.

The participants proposed a series of actions related with both the domains specifically dedicated to border cross management and other actions built into a more comprehensive perspective.

Border cross management, a) **joint analysis and research** on the efficiency of existing and operating border-crossing points (BCP), b) **feasibility studies for the opening of new BCP**, c) **harmonisation of procedures** (*modus operandi*) by both sides of BCP, d) acquisition of **drones for surveillance** (including thermo-drones for night vision) **and anti-drone systems** to fight new forms of smuggling, e) acquisition of **vehicles for mountain missions**, f) **joint action plans** and **joint patrolling** in those areas, d) acquisition of **mobile surveillance posts,** e) the **upgrade of buildings and vehicles** in BCP and f) **integrated action plans** for border guards, gendarmerie and police.

Other actions for a safer and more secure territories, with actions related to a) the conduction of joint risk analysis and **targeted joint missions**; b) the improvement of the **facilities for joint training** (e.g., shooting facilities) and organising **joint capacity building actions**, c) acquisition of **environmentally-friendly boats** for the Coast Guard with modern surveillance equipment, and d) **modern high-tech equipment** (photo-video cameras, drones, communication means, etc.), e) actions to **increase confidence** of the population of the border areas in the police, f) construction of **new warehouses for captured material** from smugglers and g) **capitalisation measures** on the current programmes in the prevention of border criminality, such as illegal migration or smuggling, h) training in **negotiation techniques**, i) provision of more security for the population and tourists in the border area (land strip 30 Km. from the border).

6.4 Lessons learnt

Similar issues as those that can be financed through ISO 2 were financed also during the 2014-2020 programming period, under Thematic Objective 8. The quality and the interest for these projects were high. The requested amount was considerably higher than the allocation, as shown in the figure below. A number of 10 soft projects and 6 hard projects were submitted. 4 soft projects were rejected after step 1, administrative and eligibility check, and the rest of 6 projects were contracted. Out of the 6 hard projects submitted, none were rejected after the first two phases of the evaluation, and 4 out of 6 submitted the additional documents requested under step 3. The overall quality of the submitted projects suggests a good expertise in writing and implementing projects.

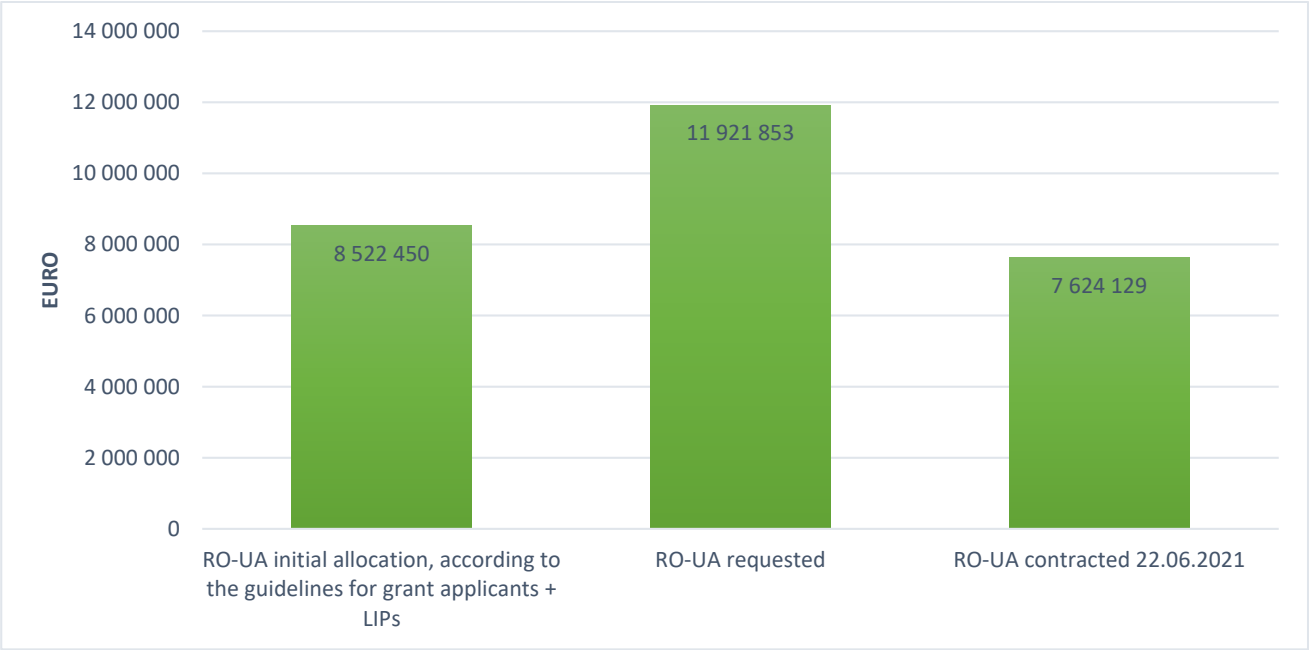


Figure no 65- Overview of the funds allocated, requested and contracted during 2014-2020 to activities relevant for ISO 2, euro

6.5 SWOT analysis and preliminary conclusions

Strengths	Weaknesses	Opportunities	Threats
Balanced number of border crossing points	High migration rates	Increase the bilateral cooperation through future EU funded projects for border control, including organized crime.	Regional conflicts causing instability in the area
Positive trend in border management efficiency	Strong economic dependency on personal remittances		Covid 19 pandemic

The Joint Paper on Interreg NEXT Strategic Programming 2021 – 2027 identifies border security issues, such as a combatting organized crime, as relevant for cooperation for the Romania-Ukraine Interreg Next Programme.

Possible actions to be financed:

a) joint analysis and research, integrated actions plans
b) harmonisation of procedures
c) joint capacity building actions and trainings
d) endowments with equipment

CONCLUSION

The statistical data , together with the results of the preliminary consultations and the lessons learnt from the previous programing period, indicate a strong interest and capability towards implementing projects in this area. Based on the analysis **ISO 2 is proposed for financing**, with focus on:

- Border crossing management
- Other actions for a safer and more secure Europe